

**Social Innovation for
Human Development.
An Arab
Region Perspective**

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The Content of Human Development

The concept of “human development” gained currency since 1990 when the United Nations Development Program (UNDP) adopted the term with a specific connotation, advanced a simplified index (HDI) to measure it- in spite of many refinements, the HDI is closer to an index of human development in the limited sense corresponding to conventional human capital- and started publishing an annual report on the subject.

The human development concept is based on the intellectual heritage of the role of people in development as it evolved over the years, culminating in the first Human Development Report (UNDP, 1990).

The concept maintains that “people are the true wealth of nations”¹ and that human development is a “process of expanding people’s choices”. “Choices” is an expression of the more sophisticated concept of “entitlements” introduced by Amartya Sen², as an expression of the people’s basic *right* to these “choices”. It stipulates that human being, simply for being human, have an inalienable right to decent living, *body and soul*.

People’s entitlements are, in principle, unlimited and grow rapidly with human progress. Yet at any level of development, the three main entitlements in the opinion of the Human Development Report are “to live a *long and healthy life*, to *acquire knowledge* and to *possess resources necessary for a decent life*”. However, human development does not stop at that minimum but goes beyond to include other entitlements such as “political, economic and social freedoms, opportunities for production and creativity, enjoyment of liberty, self-fulfillment, and respect for human rights”.

¹ The phrase was first used in Frederic Harbison’s famous book, *Human Resources as the Wealth of Nations*. New York and London: Oxford University Press (1973).

² 1998 Nobel Prize winner in economics in recognition of his work on poverty and famines.

Thus human development is not merely development of human resources but rather a *genuinely humane approach to comprehensive and integrated development of human beings and societal institutions*.

In particular, it is *inadmissible* within the philosophy of human development to raise the possibility of contradiction between democracy and human development as is sometimes stipulated with respect to “economic” development. *Respect for human rights and effective participation of the people in social and political activities are fundamental ingredients of the institutional context of human development*.

That *freedom is the ultimate measure of development* is incessantly gaining ground. It will also be argued later on that the link between knowledge acquisition and human development is unbreakable.

According to UNDP, the concept of human development encompasses three dimensions:

- First, *building human capabilities* such as improving health and developing knowledge and skills;
- Second, *utilization of human capabilities* for production of goods and services or effective participation in cultural, social and political activities, and enjoyment; and
- Third, the *level human welfare* attained, defined in conformity with the rich concept outlined above.

Successive issues of the Human Development Report have enriched the concept through detailed examination of issues related to those three dimensions.

As the *institutional framework* of human development is the essential foundation for progress in third world countries, the 1993 Human Development Report dealt with the issues of *participation, governance*, and as principal axes of the institutional context of human development.

Development is Freedom

The fundamental constituents of well being are the various *freedoms* that people enjoy in pursuing styles of lives that they value or have reason to value. In the real world these freedoms relate to civil and political freedoms

In the context of development, the freedom conception of well being has recently been forcefully articulated by Sen (*Development as Freedom*. London: Anchor Books, 1999:3) in a major proposition that development “can be seen as a process of expanding the real freedoms that people enjoy. Development requires the removal of major sources of ‘unfreedom’: poverty as well as tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance or

overactivity of repressive states”. The theoretical underpinning of this broad approach to development is to be found in Sen’s pioneering contributions to the debate on the fundamental constituents of well being. According to these contributions well-being should be judged with respect to the “capability” of a person to achieve various life styles: being adequately nourished and being free from avoidable diseases, taking part in the life of community, and having self-respect. Thus, “capability” is a form of substantive freedom.

In the context of this broader approach to well being, and for empirical purposes, five distinct types of *instrumental* freedoms have been identified as particularly worthy of note for policy purposes. The reasons behind identifying these types is that they contribute directly to the general “*capability*” of a person to live more freely and that they complement one another. The instrumental freedoms in question include political freedoms, economic facilities, social opportunities, transparency guarantees and protective security. “Political freedoms refer to the opportunities that people have to determine who should govern and on what principles, and also include the possibility to scrutinize and criticize authorities, to have freedom of political expression and uncensored press”. “Economic facilities” can be understood as relating to income and its distribution, while “social opportunities” refer to the arrangements that society makes for education and health care which influence the individual’s substantive freedom to live better. “Transparency guarantees” safeguard that social interactions between individuals are undertaken on the basis of “some presumption of what they are being offered and what they expect to get”, and “protective security” deals with the provision of the relevant social safety nets for vulnerable groups in society (for details see Sen (1999: 38-53)). Except for the “political freedoms” category and “economic facilities”, all the remaining three instrumental freedoms can be looked at as requirements on the various institutions that society provides for individuals to pursue the lives that they have reason to value.

The Challenge of Human Development in the Arab Region

Arab countries have made significant strides in more than one area of human development in the last three decades. Nevertheless, the predominant characteristic of current Arab reality seems to be the existence of deeply rooted shortcomings in the Arab societal structure. These shortcomings are an obstacle to building human development. I summarize these in the three deficits of freedom, empowerment of women, and knowledge. Taking these shortcomings into consideration, as in the composition of an alternative human development index, leads to the retreat of the positions of Arab countries on the traditional HDI. It is thus clear that the challenge of building genuine human development remains a very serious one for the vast majority of Arabs. From a positive perspective, the realization of human development in the Arab world requires

transcending current shortcomings, and even transforming these into their opposites, i.e. advantages enjoyed by all Arabs, assets that Arabs can be proud of before the rest of the world.

In order to build human development, Arab countries need to embark on rebuilding their societies on the basis of:

1. *Full respect for human rights and freedoms* as the cornerstone of *good governance* leading to human development.
2. *Facilitating the rising of Arab women* by availing all opportunities, and especially those enabling the building of human capabilities, to girls and women on the basis of equality with their male “brothers”.
3. The *consolidation of knowledge acquisition and its effective utilization* in building human capabilities. Knowledge has also to be efficiently used in all aspects of societal activities, striving towards the maximization of human welfare in the region.

This is *the essence of the necessary transcendence* needed to overcome the crisis of human development in the Arab region. It is by no means, however, our 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. Full reform of the Arab institutional context, in the service of human development, requires, in addition *to reforming the governance regime at the national and pan-Arab levels on a solid foundation of freedoms, the strengthening of Arab co-operation, maximizing benefits from globalisation and avoiding its perils.*

Tension Between Modern and Traditional Form of Social Organization

Modes of social organization prevalent in modern western societies that can be characterized as capitalist-liberal often run in conflict with deeply-ingrained forms of social organization that prevail in less developed countries mostly of tribal origins. This tension needs to be resolved in a creative way that is conducive to the highest possible level of human welfare in less developed countries.

Even worse, indiscriminating superposition of western style modes of social organization on traditional ones in less developed countries has often led to sometimes justified resistance and, to say the least, mixed results. The experience of introducing liberal democracy in some countries has for example resulted in corruption of the ‘ideal types’ in ways unforeseen- exhibiting indeed considerable innovation stemming from traditional modes of social organization (examples include rigged elections using

modern ICT technology and parliaments that are owned by governments rather than being an effective components of the separation of powers and accountability of the executive branch of government).

In the field of education, expansion of education on the western model has often been criticized as counterproductive in terms of inhibiting indigenous creativity, encouraging the brain drain and, under less developed country conditions, unfeasible financially even if considered desirable.

Social Innovation as a Means to Resolve the Tension Between the Modern and Traditional

This article raises the problematique, proposes an approach but does not provide complete solutions. Implicit in this is that a successful process of social innovation must, by definition, be context-specific and, more importantly, 'invent' its own unique solutions to the problems it tackles. This, in Dixon-Homer's words, presents a 'most compact set of instructions' for social innovation.

The proposed approach hinges around collective social action in a context of expanding freedom, and good governance, in them essential ingredients of 'human development'. Bad governance is the main constraint to social innovation because it stifles freedom, the essential requirement of social innovation. Hence, building good governance is the first prerequisite for social innovation.

Two especially important, perhaps derived, arenas for social innovation in this approach are the 'rising of women' and girls' education.

Three Critical Fields for Social Innovation

I. Good Governance

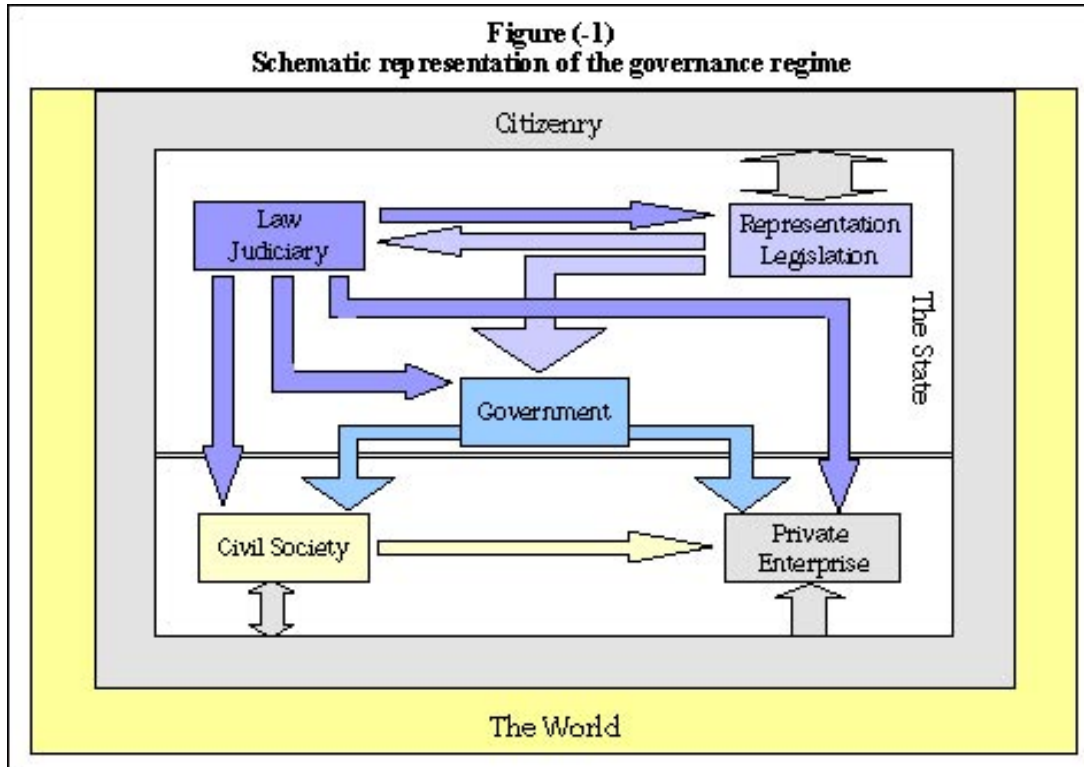
Good governance is here defined as:

“a set of societal institutions that fully represent the people, interlinked by a solid network of institutional regulation and accountability, with ultimate accountability to the people, and which system seeks to achieve the welfare of all members of society.”

The institution of “representation – legislation”, or the legislative power, is the basic link between the governance regime and people. In parliamentary (liberal) regimes it takes the form of elected representative councils, *freely, honestly and regularly elected*. This

institution, on behalf of the people, undertakes the establishment of the *legal rules* that

Figure 1 shows a schematic representation of the basic elements of that system:



govern the different societal actors, and in particular regulates control of “government” or “the executive power” that is usually headed by the political current which obtained the confidence of the majority in the elections.

The presence of opposition to the political current in charge of government is considered to be a guarantee of good governance, one that becomes more effective as the opposition gets stronger (both within parliament and outside it), to a limit of course.

Ultimately, the institution of “representation – legislation” must be accountable to the people systematically, through a solid electoral system. That is the mechanism of peaceful “rotation of power” in the parliamentary systems.

Wherever the institution of “representation – legislation” does reflect the people’s interests with transparency, it is assumed that the criteria for establishing the rules of law is to achieve the interests of the people, including the protection of fundamental rights and freedoms, their human dignity and, in particular, in respecting the International Bill of Human Rights, and especially those elements embodied in binding covenants and conventions.

Perhaps the most important rights and freedoms are those of expression and association because of their vital role in strengthening relations of representation and accountability between the people and the governance institutions. We may here, in passing, mention two other institutions of tremendous importance in contemporary societies: mass media

(*freedom of mass media cannot be assured in the case of monopoly, public or private*) and civic organizations, be they political (parties) vying for the people's trust, or associations active in public work (an important suggestion linking these two spheres concerns the need for non governmental, but non-profit seeking, mass media institutions). These two institutions cannot play an effective role unless freedoms of expression and association are fully guaranteed.

The role of the institution of "law-judiciary" centers around regulating all other societal institutions of governance, including the institution of "representation – legislation" and its relationship with the people; as well as the institution of government, *all in accordance with the rules of the law and the interpretation thereof by the "judiciary power" if need be.*

From an important point of view, this institution is considered the most critical of societal institutions. So much so that its autonomy is one of the basic conditions for good governance. In addition to the government's *proposing* draft laws and to the legislative role of the "representation-legislation" institution, the intervention of both the legislative and executive powers in the affairs of the "law-judiciary" institution is, usually, limited to *participation* in selecting those who will occupy the main posts in the judiciary.

The formation of "the state" is then made complete with the institution of "government" which is the *executive* mechanism in charge of the functions of administration or management of the affairs of society, including the *implementation* of the rulings handed down by the judiciary. Essentially, the government is composed of a permanent mechanism of professionals and administrators; its leadership, however, is often of a political nature, representing the people, resulting from regular elections, a fact which makes the political leadership of the government directly accountable to the people on such occasions. Between general elections, the government should be accountable to the deputies of the people in the institution of "representation-legislation", especially to those opposing the political current in government.

It is possible to differentiate between two main types of *leadership* in (democratic) good governance in the modern age: constitutional monarchy and the republic. In the first, the post of "the king" is inherited, however, this post is basically, honorary and celebratory, whereas the leadership is in fact assumed by an elected prime minister.

In addition to the state, there are also the profit-seeking "private sector" enterprises, as well as the organizations of "civil action", often referred to as "civil society" involved in societal service, without seeking profit. Both types of institutions are subject to regulation by the government, within the limits established by the law and the judiciary but not subject to the executive's domination.

Good civil action institutions are also supposed to be accountable to their membership. They are, moreover, expected to participate with both the government and the judiciary in regulating profit-seeking activities, as is done by the consumers' protection associations.

Good governance is completed by the presence of societal institutions and the existence of good relations between them at the *local level*, particularly in vast and extended countries. The smaller the geographic and population size of society, the greater the people's capacity to participate effectively in the system of good governance, the lesser the possibility of neglecting the peripheries" because of the "center's" domination of society as a whole – which is one of the great defects of governance in developing countries. In democratic systems of governance, local government becomes a setting for the crystallization of capabilities of effective participation in the various areas of governance, as well as for the appearance of elements capable of participating in central governance.

It goes without saying that the institutions of the system of good governance, and their interrelations, in the external sphere; regional or global, are influenced by the latter according to the conditions of each society. The regional context, in particular, may have a strong impact (that is obviously the case in the Arab region). Escalating globalization increases the impact of the global environment on the system of governance in all the countries of the world, particularly the developing ones.

The Essence of Governance Crisis in Arab Countries

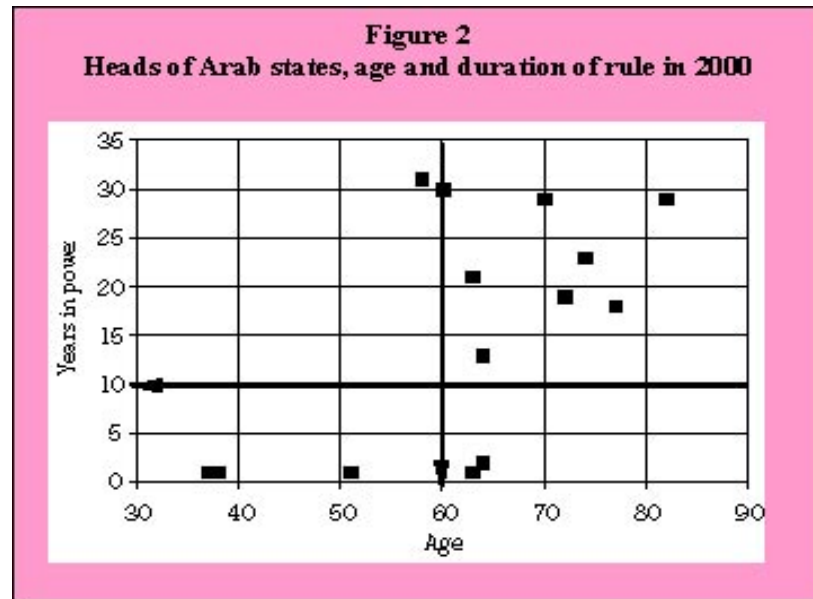
The Individual-Institutions Dichotomy

Governance in Arab countries deviates considerably from the model outlined above.

The most telling of explanations as to why the reality of governance in Arab countries is so far removed from the earlier described model of good governance may well be the *decisive role of the individual-head of state within a context of weak good-governance institutions and the very weak regulatory role meant to be undertaken by them; the prominence of institutions of organized repression and the near absence of effective accountability, especially to the people directly.*

Despite the different official forms of governance in Arab countries, republics, monarchies and a "Jamahiriyya", the system of governance in most of them revolves around a typically 'old' individual who has almost all the powers in his hands and who has been heading the state for a relatively long period of time.

Regardless of how the ruler came to power, his presence at the head of the power structure in many of those states depends only on his staying alive, notwithstanding the way in which his term of office is "renewed" when it comes to an end, even though some of the states in question are democratic in theory(!). The means of power, including control over education and the media, are used to create a general belief on the one hand, that the ruler is indispensable, and to guarantee that no public figure will emerge that could compete with him on the other (this may, for example, include the



weakening of the mechanisms of effective popular participation, and the concentration of official media on the head of state, leaving no room for any other in the public imagination...).

As a result, the question of “succession”, and we do not say the question of rotation of power (perish the thought!), in many Arab countries has become a very thorny and complex one. Even in the monarchies, succession may take on a dramatic form. The situation is even more curious in the Arab “republics”.

The Arab region seems to have offered the world a new genre of system of governance, let us call it the “hereditary republic”, or a “repubchy”?

Usually the heirs apparent are trained in the fields of business, public work, sports and youth affairs or politics (the ruling party) or even secret service, depending on the nature of the system. In systems such as the ones prevailing in Arab countries, the “apparatuses of power” do not lack the means to arrange for a “popular” demand for the heir apparent to be given official responsibilities and to be raised higher in the hierarchy of power.

Parallel to the excessive concentration on the person of the head of state and his chosen heir apparent, there exists a great shortage of societal institutions of good governance, or a persistent weakening thereof if they do exist, particularly of relations of regulation and accountability, if any.

Many Arab countries suffer from a case of cancerous growth of both army and police, along with a sharp deviation of both bodies from their assumed functions within a system of good governance: the safety and security of the citizen. In many of those states, the person of the head of state and his chances of remaining in power depend on the army, to which he belongs, even if he has doffed the uniform, or which approves of him.

The phenomenon of lavish expenditure on the army and police is worth mentioning here, since they are the cornerstones of repressive governance in most Arab countries. They are showered with privileges to win over their loyalty; at the same time they are systematically weeded of potentially opposing elements through early retirement, along with very rewarding end-of-service benefits and lucrative business opportunities, a fact that also impacts on the business sector, linking it to public authority.

It can be said that the problem of the institutional structure of governance in the Arab countries does not, mainly, reside in the absence of societal governance institutions, even though they are indeed absent in some of them, but rather in their extreme weakness, particularly where regulation and accountability are concerned, as well as the spread of corruption in some cases which turns those institutions away from their original function within a system of good governance and even raises the question as to whether their existence, in their present form, may not be an obstacle to good governance.

The scope of this section does not allow for a detailed treatment of all the dimensions of this duality: the individual versus institutions which may have different aspects and manifestations in the countries under study. We shall confine ourselves to some aspects of the vital societal institutions in the system of governance, concentrating on the state and on the most important governance institution from the perspective of its relationship with people, i.e. representation – legislation.

In some Arab countries there are several political parties, there are also elected parliaments, yet the environment within which the parties are formed, the process of election of parliaments and their performance, particularly of their regulatory role, all suffer many defects which diminish their value as an organic component of a system of good governance. It is a well-known fact that elections are, to a great extent, run by the dominating powers in underdeveloped societies. The executive power interferes, starting with the candidatures, and influences the entire election process through different forms of corruption such as using the influence of power and money as well as violating rights – in particular, the role of “political money” and control of the mass media has risen to critical proportions in Arab elections recently. There are even indications that the results are “tampered with” at both local and central levels³. Sometimes the judiciary declares the elections to be null and void in some constituencies, but its judgements remain unimplemented⁴.

What then of the performance of the parliaments elected in such circumstances? Mostly they are transformed into departments (of poor efficiency) of the executive

³ It is an unfortunate fact that technical progress, in the form of availability of computers in Arab ministries of the interior, has helped perfect such means of tampering, especially at the central level. In one Arab country, the supervision of the judiciary over only one stage of the elections, initial voting, nearly resulted in the defeat of the ruling party that used to sweep off every election.

⁴ There are privileges attached to being elected in such countries, enormous material and social privileges greatly valued and jealously guarded by “the people’s representatives”, who endeavour to retain those privileges by seeking the approval of the ruling power, mainly the executive.

power, seeking its approval and obeying its orders. Such parliaments are not expected to seriously undertake their authentic role of regulating the executive power.

As far as the *Law-Judiciary* institution is concerned, it is to be noted that constitutions often include noble principles, frequently derived from foreign sources, but many can remain unimplemented. Often, ordinary laws are also suspended and a state of emergency is declared that may last for years on end. Moreover, some laws are promulgated that consecrate the violation of human rights and fundamental freedoms, so that “the rule of law” becomes a springboard for tyranny. Freedom-protecting laws may not be implemented, even when judgement based on them are handed down by the judiciary. In most countries, for example, the law stipulates that habitual torturers shall be pursued and punished, but it rarely happens. Administrative procedures also become, sometimes, a very dangerous weapon, so that arrest and incarceration can take place without a court order, or court sentences are not implemented in cases of acquittal.

Moreover, the judiciary in the region suffers from many a problem that diminishes its dignity and, ultimately, its autonomy. Foremost among them is the government’s prevarication in implementing court decisions. In some countries of the region, the autonomy of the judiciary is violated by having the head of state head supreme judiciary bodies, or appointing judges to high-ranking government posts that carry privileges ordinarily unavailable to the judiciary; such posts are naturally not given to those who do not co-operate. The volume of work for the judiciary is enormous, the working conditions difficult and the remuneration often insufficient for a decent standard of living. Moreover, the judiciary does not escape certain forms of repression and terrorization that some corrupt governance mechanisms resort to. It is, therefore, not surprising to see corruption seep into the judiciary and judges.

Some important societal functions remain the government’s responsibility even in mature capitalist systems, such as ensuring competitiveness and distributive justice and regulation of societal activities to serve public interest. The level of efficiency of the government determines the efficiency of societal activities in general and the activity of the private sector and civil society in particular. Yet governments in underdeveloped countries, among which the Arab countries, are notorious for their inefficiency and corruption. Tunisia seems to be an exception in this respect.

Finally, *local governance* in most Arab countries is but an extension of central governance, aimed at tightening the central authority’s control over people as a whole.

The type of “structural adjustment” implemented in many an Arab country has contributed to the establishment of a distorted pattern of private economic activity. Privatization, mostly divestiture, did not necessarily lead to a clear improvement of efficiency, but rather to higher prices and, in many cases, to a private monopoly replacing that of government. The socio-political context of structural adjustment in those countries threatens to lead to the worst consequences of free markets along with many market distortions (barriers to the acquisition of information, to market access and to full competitiveness; such barriers may take the form of complicated procedures, biases,

corruption, risk avoidance ..) what is worse is that the type of structural adjustment implemented helps strengthen such market distortions, since institutional reform does not represent a priority on the agenda of structural adjustment. In particular, such an institutional reform goes against the interests of the ruling cliques and the new capitalists whose fortunes are often amassed from the purchase of public enterprises. The inevitable increasing gap in the distribution of income and wealth, hence power, stunt economic growth and tighten the noose of poverty. As a result, a pernicious alliance of money and power has ascended in the Arab power structure of, along with the increasing influence of businessmen in Arab societies without concomitant social responsibility, be it only commitment to payment of taxes, not to mention positive contribution to promoting social renaissance.

The ruling systems in the countries of the region have endeavoured to weaken civil associations. Yet those civil associations had brought about important achievements of social development in the countries of the region, well before the recent emergence of the concept of civil society or non-governmental organizations.

Repressive states did, however, particularly in the fifties and sixties, tamper with the exemplary legal basis for civil action that existed in some Arab countries, since it was a vital link in a chain of effective popular participation in societal affairs; the associations were subjected to the domination of the executive body. Unfortunately, some of the countries in the region that justifiably boasted of a truly active civil society, soon followed suit in the nineties (witness the case of Tunisia for example).

The result today is that Arab civil associations have become weak and poor, hence liable to be influenced by donors under the mode of project financing, and recently foreign donors have been very forthcoming in supporting non-governmental organizations. Such type of generous finance – which can only be extended to a limited number of lucky civil organizations any way– creates a sort of dependence on donors, weakens traditions of voluntary work and destroys the bases of sustainability.

What can be said of non-governmental organizations in this respect becomes even more true of *trade unions and labor federations* because of their great political importance, so much so that trade unions have been abducted by governments through “managed” elections and other means; sometimes their leaderships, instead of being spokesmen for the workers, speak for the governments and, in the age of structural adjustment, they even come to express what businessmen want or accept. In certain cases and in some countries of the region success in “managing” a labour federation for the benefit of the government becomes the basic qualification for the post of minister of labor.

There is, moreover, a justifiable wide-spread complaint of the fact that some intellectuals in the Arab countries tend to benefit from the existing systems of governance by supporting and praising, or even by contributing to some forms of corruption⁵.

⁵ Some of the laws in the Arab countries hamper fundamental rights and freedoms, and it is a fact that some ‘jurists’ helped draft such laws and even prompted promulgating them.

In emulation of the model of good governance we have just presented briefly, we present below a number of *broad proposals for the reform of governance in Arab countries that need to be made more Specific and appropriate to the conditions in each Arab context* in such a way as to approach this good model in a fashion sure to enable building human development in the region.

The most effective manner to formulate these Specific proposals is active debate in different Arab settings.

The overwhelming need is for reforming the essence of government, that is to say the state institution, in the Arab countries. The effectiveness of this major reform, however, requires the endeavor to bring about far reaching changes both in the areas of profit-seeking activity and civil action.

Reform of the Essence of Governance –The State

Representation – Legislation: There can be no possible true reform of governance except through free, honest and efficient elections of representatives. In particular, for the people's voice to be heard and for their interests to be protected, governance must become truly representative and fully accountable.

Law-Judiciary: The laws and administrative procedures must be streamlined, indeed purified, so as to guarantee all citizenship rights and to guarantee their compatibility with fundamental human rights, particularly the rights to freedom of expression and freedom of association for all citizens without exception. It is indispensable to consecrate the rule of law under the aegis of a rigorously independent judiciary.

The Government: The reform of civil service is a basic component of institutional reform. At the outset, there is a need for reforming the system of remuneration for civil servants by establishing a transparent salary structure, satisfactory wages, and by putting an end to divergences among the wages of different sectors of civil service. Moreover, allocations for providing the necessary equipment, its running and maintenance, for the efficient functioning of governmental performance must be ensured. It is also necessary to establish the basis for a proper public administration conducive to higher productivity, and to establish efficiency as a basis for appointment, promotion and termination of civil service. When reducing the number of civil servants, matter which appears to be a must, it will be necessary to adopt satisfactory compensatory measures such as compensation for end of service, re-employment and training schemes, as well as programs for soft credit and public works to help ensure employment. In order to reduce the budget deficit, there is a need for reforming the taxation system so as to ensure equity on the one hand, and to improve the efficiency of tax collection on the other, particularly from the wealthy who, unlike the poor, succeed in tax evasion. Moreover, government expenditure must be rationalized in such a way as to prevent ostentatious

behavior at the expense of taxpayers.

Local governance: True local governance, *not* the mere decentralization of the central government control mechanisms, what is referred to in some Arab countries as local administration, is an essential element of good governance in general; it is also a guarantee for more effective participation by the people, particularly, the poor, in combating poverty especially through the provision of efficient basic services such as education and health care.

Revitalizing the Private Sector – Guaranteeing Market Competition and Distributive Justice

Many countries of the region are advanced in the liberalization of their economies, with privatization and other reforms offering the private sector more economic space than ever before. The market is generally efficient in allocating resources for profits and growth, but not in distributing them for socially responsible ends or human development. The regulatory and surveillance functions of government become even more important as it withdraws from economic activities to make way for the private sector. Smaller government does not mean neglectful government.

Governments should focus first on creating an environment conducive to private savings, the consolidation of public finances, efficient and equitable mechanisms for the allocation of public expenditure, and adequate room for private initiative – in short, sound macroeconomic policies. To support such an environment, more attention needs to be given to strengthening central banks and finance ministries and to monitoring the social effects of fiscal policy and resource allocation.

Governments should also move to promote well functioning sectors by establishing transparent, efficient and supportive overall legal frameworks and administrations.

Yet, there is an obvious need for promoting market competition, a need which requires broader action by the government to regulate the markets so as to combat monopoly and ensure competitiveness by ensuring free access to information and to markets. This is a basic guarantee for market efficiency and for reducing the nefarious social impact of “savage capitalism”.

Another major function of government in mature capitalist societies is to ensure distributive justice to avert the harmful societal consequences of ‘savage capitalism’ that is bound to result from unfettered markets. Unfettered markets unavoidably favor the powerful and penalize the poor. This means deepening inequality in the distribution of income, welfare and power. This combination of effects impedes economic growth, let alone development in any meaningful sense.

Reinvigorating Civil Action

It has, undoubtedly, become necessary to put an end to all legal and administrative obstacles hampering the formation, and effective functioning, of the institutions of civil society. Yet, the civil associations community needs to be transformed into a broadly-based popular movement, undertaking, collective and self-sustainable civil action. In particular, the contribution of youth and women to civil action needs to be encouraged.

Regional Governance

Governance at the Pan-Arab Level

Rarely does a group of states in the world have as many conditions conducive to co-operation, integration and even unity as the Arab countries. Whereas all the countries of the world now seek to belong to larger entities, particularly in this age of globalization and fierce competition, the Arab countries continue to face the outside world, and challenges of the region, individually. As a result, the Arabs are not reaping the fruits of close co-operation in the areas of human development and the Arab Israeli conflict. Indeed, Arab disunity is the greatest obstacle to an Arab renaissance.

With regard to the question of governance, the corruption of the systems of governance at the national level goes hand in hand with the weakness of Arab (trans-national) governance institutions, and the prevalence of country interests over the pan-Arab interests which does not, ultimately, necessarily serve the interests of the Arabs as a whole. The Arab system of governance revolves around serving the interests of a handful of influential people in each of the Arab countries, a situation that may not coincide with public pan-Arab interest.

Governance Reform on the Pan-Arab Level

Fostering Arab Co-operation

In order to maximize the contribution of Arab co-operation to human development, it needs to be broadened to encompass the creation of trade, by building human, technological, and productive capacities throughout the Arab countries. This can be described as setting up an *Arab citizenship area*, ensuring the free flow of factors of production, including human beings, not only capital, and not restricted to the flow of goods and services, thus guaranteeing the highest possible societal productivity to all factors of production. Attaining this goal necessitates the creation of an enabling

institutional structure that ensures effective popular participation in maximizing human development returns for all Arabs.

To attain this, it is necessary to strengthen trans- and supra-national governance institutions in the Arab homeland, while also strengthening the institutions of civil action and the people at large. It is also necessary to ensure the accountability of trans-national governance institutions to the people in all the Arab countries. The most important means of reform of pan-Arab governance is to broaden the scope of effective popular participation in decision making at the pan-Arab level.

There are three major ways. The first consists of striving to establish the 'Arab People's Assembly' The second way is to set up an 'Arab Court of Justice' to which an Arab citizen can take his own government. The third way is to support and activate Arab civil associations and to integrate them in pan-Arab decision making. Some day these developments might lead to the establishment of some form of supra-national executive power in the Arab world, along the lines of the European Union.

The ideas of an Arab parliament and court of Justice might seem visionary of unrealistic. However, versions of the two institutions are already in existence in the Arab region, though they suffer the main disadvantage of Arab regional governance, being strictly government or state institutions.

In addition, that present Arab institutions are weak and ineffective should not deter us from building better ones based on effective popular participation in decision-making, an essential ingredient of human development.

Moreover, new ideas that could lead to progress need time to take root and working for their realization is also a long- term process. Thus, it is never too early for a good idea.

Finally, preserving (bad) reality and shunning new ideas have never been roads to progress. Indeed these are recipes for perpetuating a status quo that is generally agreed to be unacceptable.

Global Governance

This is an essential requirement of good governance in the Arab region that requires a process of social innovation that goes beyond the borders of the region

A Region Suffering From Bad Global Governance

Arab countries are embroiled in a fierce regional struggle that has international dimensions, triggered by two factors. First, the insistences of dominant powers in the present world order to retain tight control over the immense deposits of fossil fuel in the Arab Gulf region. The second is the insertion of the state of Israel in the midst of the region, a perpetual source of conflict that has led to a drain of resources and innumerable

human tragedies.

Israel, the only 'racist' entity left in the world, could not have survived but for enormous material and non-material aid from the west, especially the USA, to an extent that it now presents itself for the leadership of the region, in defiance of its people, in particular the Palestinians, and in brazen disregard of international legitimacy.

These two challenges, coupled with bad national and regional governance in Arab countries, brought about the Palestinian catastrophe on one hand and the return of foreign military presence in the region, decades after gaining independence, and to Arabs suffering some of the worst forms of persecution inflicted by some dominant world forces in the present uni-polar world order.

In this world order, a few countries have taken the UN hostage, practiced a deplorable double-standard policy in the area of human rights they claim to champion, and taken the law in their hands to the point of military action when they deemed it in the service of their interests. All this threatens to *undermine the credibility of the UN, the value of its charter and conventions, even the very concept of international law.*

The Arab is perhaps the region of the world that has suffered the worst of this unjust and lop-side world order. Countries of the region have suffered sanctions and embargoes more than any other region in the world (recently, sanctions on Libya were extended for five more years).

The most flagrant example of sanctions has been that imposed on Iraq that cost its people, especially children, untold suffering and casualties as well as the imposition of no-fly zones on the north and south of the country without any basis in international law.

This suffering has intensified after the election of the present American administration. Iraq was heavily bombarded at the same time Israel heightened its aggression on the Palestinian people and tightened its blockade on Palestinian territories, just before the first visit of the then-new American secretary of state to the region, and the USA announced plans to move its embassy to Jerusalem, only a few days before an Arab summit was to be held. These events naturally inflamed Arab sentiment against the US and its ally in imposing sanctions on Iraq, the UK, and their partner in the region, Israel, heralding a rift between the Arab masses and regimes, in the region, particularly the so-called 'moderate' ones.

The antagonism of the pole of the present world order, led by the USA, to Arab rights, has been most viciously reflected in vetoing international resolutions condemning Israeli violations of international law, even to prevent the UN from taking measures to protect Palestinian civilians from Israel's recent excessive use of force, often with high-profile American weapons.

Late in 2001, the president of the USA threatened to boycott the international conference on racism in an attempt to prevent the participants from *even tabling* a resolution equating Zionism with racism (and where has the commitment to defend freedoms gone?). The White House spokesman declared that this step was taken in

support of Israel. It is to be remembered that the UN General Assembly had made, a few years ago, a similar resolution that enjoyed a large majority but later rescinded it under western pressure.

The conference, of which the official US and Israeli delegations withdrew, managed to reach a near consensus on the Zionism-racism issue establishing a clear rift between official Washington and the world NGO community.

The events of 11 September, 2001 intensified this regional-international predicament. From 'moment zero,' and without any hard evidence, the, patently biased, American media blamed Arab and Moslem fundamentalism for the events. The American government swiftly followed suit⁶ and took the 'international' law in its hand and built an international coalition on the now-famous basis: 'if not with us you are against the USA'. In particular, the American-Israeli position blurred terrorism with the legitimate resistance to occupation, a pressing concern in the region, especially in the Palestinian and Lebanese occupied territories. Add to this the long-lasting confrontation with the Iraqi regime, and a number of countries in the region are declared candidates for 'Afghanisation'⁷ by the American 'world police'. The threat of such a possibility itself detracts of the quality of life. In case the threat materializes, the devastation wrought about on human welfare will be monumental.

The repercussions of these regional-international conflicts collude with the deep-rooted crisis in human development in Arab countries to exert a downward pressure on human welfare in the region.

As mentioned earlier, bad governance on the national level in the Arab region is made worse by bad governance on the regional and global levels. Recently a number of Arab governments have taken threats of American intervention in countries considered to support terrorism by George W. Bush as a pretext to crack down on local opposition forces boasting, at the same time, that it is being done to avert direct American intervention. Subjects should be happy that they are oppressed by their own, perhaps elected, regime.

Reforming Global Governance

The UN system, including specialized agencies, is in need of a radical overhaul. The objectives should be a more just world order conducive to speedy and effective eradication of poverty through building human development and, in particular, building just governance throughout the world. In order to attain this objective, the

⁶ A joke circulating on the 'net' parodies this position as follows: It was ascertained that Arab Moslem fundamentalists sank the 'Titanic', FBI agents found a small boat near the spot where the ship sank. In the boat were found a copy of the Quor'an and a manual, in Arabic, on 'how to drive an iceberg'.

⁷ The overthrow of a ruling regime through an American invasion supported by local insurgent forces, if that can be arranged.

decision-making structure of the UN needs to be modified to ensure wider participation of countries, especially third world countries, in the organs of the system, particularly the Security Council.

In the longer run, and commensurate with Charter ('we the peoples!'), representation in the UN system should be widened to reflect voices of the peoples of the world and not only governments. In a transitional stage, this might be accomplished by a stronger presence of NGOs, a process which has been gradually taking place but perhaps not fast enough. Ultimately, a formula for direct election of representatives to the organs of the UN, especially the general assembly might need to be devised.

2. Rising of Women

Rising of women is here preferred to the standard term 'women empowerment'. In both Arabic and English 'empowerment' carries the connotation of help from without while 'rising' has the advantage of signifying *self*-empowerment. In underdeveloped societal formations resilient societal mechanisms operate to generate and reproduce the weakness of women. Hence a vicious cycle of weakening women-underdevelopment is engendered.

Stringent social constraints underpin the weakness of women in the Arab countries. Women are not generally considered independent social agents.

A major problem revolves around the derivability of the social position of a woman, particularly a married one, from that of her household, generally dominated by the male head, in an "oriental" social formation with generally collectivized social structures.

These constraints are made all the more powerful because of the weakness of the individual, and especially the collective, consciousness of women, natural in such social formations.

To start with, women are ill prepared for effective and rewarding participation in public life. This is clearly evidenced by a higher level of deprivation from education, particularly the types of education leading to high social returns. The travesty of this deprivation is all the more apparent in light of the fact that girls turn out to be the better students in almost all stages and types of education in Arab countries.

Participation of women in economic activity is inadequately recognized and poorly rewarded. For the vast majority of women in the present social set-up, work is neither liberating nor fulfilling. It is not necessarily even empowering.

Income earning work, or even assuming the headship of the household does not release women from social and cultural constraints enforced by men.

As a result, the female gender is almost synonymous with social weakness. This weakening process points out the enormity of the challenge of empowering women in Arab countries.

In stark contrast to the reality of 'weakening of women-underdevelopment' stands a vision for human development in which the rising of women plays a paramount role.

It is evident that no genuine human development can be built when half of humanity is deliberately weakened and deprived of full human development. Moreover, as research accumulates on the superior mental, emotional intelligence and even physical capabilities of women that would give them an edge in many socio-economic arenas, some would add the *better* half of humanity. Clearly, societies that weaken women suffer a grave loss in human development potential.

A genuine process of human development in Arab countries would naturally entail the rising of women since the eradication of discrimination among all human beings in building and utilizing human capabilities is an essential element of human development. However, as powerful societal mechanisms militate to weaken women in Arab societies,

a concerted program aimed at facilitating the rising of women, in the context of building human development, is called for. As indicated above such a program is bound to face serious obstacles, not least of which is the internalization of weakness by women and even reproducing it through the process of socialization. In addition, there is the formidable legacy of formal and informal institutional arrangements that underpin the weakening of women.

The underlying assumption here is that the primary objective of a societal movement for the rise of women would be the (creative) destruction of this awesome legacy through *militant collective action*. Such a movement is expected to invent its means of struggle against weakening women and hone their effectiveness through the attendant collective action. This is an area that is too crucial for human development that it should attract the contribution of men and women alike.

Two Essential Requirements for the Rising of Women

Sanctity of Body and Soul

Violence against girls and women, physical and otherwise, is widespread in Arab countries, which is utterly unacceptable in any humane conception of the world, let alone a vision of human development. All forms of violence against girls and women must be dealt away with absolutely.

Personal Affairs' Codes Respectful of the Rights of Women

Personal affairs' codes in many Arab countries still leave a great deal to be desired in order to safeguard the human dignity of women in matters relating to marriage and divorce. Sadly, this is an area in which the attitudes of women tend to sustain women-weakening practices, some studies document that women are not less conservative than men in this regard.

Nevertheless, building human development that entails the rising of women must involve major reforms consecrating the rights of women in initiating the marriage contract as well as conditions for its continuation and termination in a manner that guarantees human dignity for the woman and children.

Making Women Full Partners in Building Human Development

Consistent with the philosophy of human development, this means building the human capabilities of women, especially those that are associated with high social and economic returns, and ensuring effective utilization of the human capabilities of

women.

Building the Human Capabilities of Women

Ensuring that women possess high quality human capital is perhaps the most important requirement of the rising of women on the dimension of building human capabilities. Girls' education, the entry point to building the human capital of women, is discussed in some detail below.

Girls' Education

In addition, to its contribution to educational reform, Girls' education promises to be one of the most effective means to the rising of women. Indeed, girls' education lies at the heart of the human development requirements of the rising of women as well as active knowledge acquisition.

The most promising approach to overcoming girls' deprivation from quality education seems to lie in setting up girl-friendly, community-owned, schools built around child-centered participatory learning with meticulous attention paid to the training of learning facilitators and ensuring significant inputs from civil society. The community schools project, jointly sponsored by the Egyptian MOE and UNICEF represents a strong start in this direction. The project is an ongoing exercise in social innovation that exemplifies the approach proposed here.

Perhaps the best strategy to ensure high quality universal basic education for all girls at least in Egypt, is for the community schools project to grow into a national movement parallel to, and competitive with, the government system, under strict controls for quality. This development would spur the government educational system to higher levels of quality and girl-friendliness through collaboration and cross-fertilization between the two systems.

For the foreseeable future, however, government schools are likely to continue to enroll the vast majority of basic education pupils. Hence, significant improvement in the quality of education in government schools is urgently called for. A number of reforms are needed to help raise the quality of basic education and at the same time raise girl-friendliness in government schools.

Strategic Directions

- Ensure the existence of good, girl-friendly schools within a safe travel distance to young girls for all population settlements throughout the country.
- Secure basic education absolutely cost-free for poor communities and households.
- Dismantle financial barriers to establishing schools in local communities, and to

girls enrolment and continuation in schools.

- Combat traditions and social values unfavorable to girls' education, especially lack of prompt registration of female births and early marriage
- Reinforce social returns to education through instituting benefits to the educated, particularly females in government services.
- Eradicate any bias against females in curricula, books, teaching methods and school administration in *all* schools.
- Eradicate any form of ill-treatment, physical or verbal, of all pupils, particularly harassment of girls.
- Mobilize civil society, having proven competence in the field of education, in collaboration with the state, the private sector and citizens (households) to provide quality girl-friendly basic education.
- Augment economic return to education (include skills valued by the labor market and valuable life skills in education programs)
- Institute incentives and recognition to individual and households who represent success stories in girls' education at all societal levels (from the central to the local).
- Respect specific conditions of local communities in planning to combat girls' deprivation of basic education.

Amelioration of the Societal Context of Girls Education

Societal reforms that go beyond the confines of girls' education, even education at large, can have a significant impact on combating deprivation of girls from basic education. These include:

- Enforcing strict compliance to birth registration, especially of girls.
- Raising the age at marriage for girls to 21 years.
- Combating unemployment of the educated and discrimination against them in hiring and firing.
- Improving the living conditions of the educated (for example, through raising real earnings).
- Eradication of poverty, especially through income earning projects, and particularly for households with children in the basic education age bracket (the presence of such children, especially girls, out of education could be the basis for preferential treatment in granting loans for MSEs provided continued enrolment of children in basic education).

Ensuring Effective Utilization of the Human Capabilities of Women

Participation in economic and social activity is one area in which the utilization of human capabilities leads to the production of human welfare elements.

Employment

Standard statistical operations underestimate the extent of the participation of women in economic activity. For one, these operations are biased to recording waged economic activity in the formal economy. More importantly, standard statistical operations reflect the system of national accounts which excludes many home-based activities of women that are vital for the economy and society such as housekeeping and child rearing. As a result, official data reflect a much lower level of participation of women in economic activity than reality in Arab countries.

Women in addition, have been suffering higher rates of unemployment than men. In the environment of economic stagnation and increasing unemployment that accompanied structural adjustment programs in many Arab countries, unemployment rates of women have been rising at a faster pace than for men. Women appear to have paid a higher price for economic restructuring. Social constraints on women's productivity and some employment rights of women codified by labor laws are cited by employers as justification for their reluctance to hire women. Recently some job advertising in Arab countries has explicitly excluded women from applying. Thus, women are the first to go when firing and the last to be hired. When employed, women in Arab countries are not necessarily guaranteed equal employment rewards even those ensured by labor laws.

A Movement of Collective Societal Action is the Mainstay of the Rising of Women

Effective participation of women in society and polity is an integral component of a human development process. Nevertheless as marginalized social groups cannot readily ascend in the power structure, a societal movement of aimed at the rising of women is called for to counteract the entrenched legacy of weakening women in Arab countries.

What is needed is a process of struggle of historic proportions whose arena is the power structure aiming at the equitable redistribution of power among all, especially across genders. This process is part and parcel of the redistribution of power embedded in building good governance. Good governance involves returning power from its present usurpers to its rightful owners of ordinary Arabs, especially women.

A strong, and steadily growing, societal movement owned by Arab women is called for. The primary objective of this movement should be the 'eradication of all forms of discrimination against women'. The use of the title of the International convention is not used unwittingly, it points out that the objective declared is indeed a global objective

as codified by the convention which most Arab countries have ratified making it an integral element of their national legal structures.

In view of the legacy of weakening women, *initial* stages of this battle for the rising of women might call for *calculated* doses of positive discrimination *in favor of* women. Doses of 'affirmative action' calculated to help rise through competition rather than protect to the extent of weakening. This is not a mean task but one that I think is necessary.

The most appropriate organizational form for this movement seems to be truly independent and thoroughly grassroots and democratic civil associations. For this ideal to materialize, major reform of the laws and regulations pertaining to the formation and functioning of civil associations in Arab countries, along the lines indicated above, is required.

3. Building the Knowledge Society

Acquisition of knowledge is one of three fundamental human entitlements to which people have an inalienable right by virtue of being human. Hence, the link between knowledge acquisition and human development is by definition a *cardinal* one. There can be no human development without acquisition of knowledge, which is an infinite and moving objective.

Knowledge acquisition is *also the path to human development* in all its dimensions. Human development is in essence a constant drive to upgrade the human condition, of individuals and communities, elevating them from situations deemed unacceptable to loftier states.

In the present phase of human evolution the only way to effect such change is by acquiring knowledge and using it effectively. In other words, knowledge acquisition and its effective utilisation through education/learning and R&D as well as forms of literary and artistic expression in both the formal and popular cultures are the essential tools of human development at the beginning of the third millennium.

The knowledge acquisition system is naturally influenced by the general context of the society in which it exists as well as by the surrounding part of the world and the situation of mankind at large within the wider framework of human evolution.

The nature of utilisation of science in any society is influenced by that society's characteristics. The regional context plays a role as well. Here it must be kept in mind that the regional environment of the Arab countries is quite complex and volatile. Finally, developing countries, Arab countries included, are subject to constraints of the global environment to a degree greater than others, and do not have the opportunity to benefit from the opportunities offered by globalisation on a par with advanced countries.

One important aspect of the societal context for acquiring knowledge is the *decisive importance of the role of the state* (not just government) in supporting the knowledge acquisition system.

In the technical economic jargon, 'the knowledge market' is traditionally famous for its failure, especially in developing countries. Knowledge, in the language of economics, is a 'public good'⁸ the producer of which cannot always appropriate *all* returns on it,

⁸ Recent developments in the arena of knowledge production world-wide, however, are fast transforming knowledge into a 'private good' whose producers, overwhelmingly located in the developed countries, attempt to appropriate all possible returns through protecting intellectual property rights. These developments risk deepening the deprivation of the poor of the world (countries or groups within countries) from the fruits of knowledge production. The notable example is the paucity of drugs available to treat diseases sweeping the poor at suitable cost (AIDS and tropical diseases are prominent examples). Between 1975 and 1996 1223 drugs were marketed world-wide, only 12 were aimed at tropical diseases. In 1998, expenditure on R&D in health reached \$70 billion, of which a mere 300 million were devoted to AIDS and only 100 million to treating Malaria (UNDP, HDR, 2001, 109-110). These developments should spur developing countries to action, individually and in groups, and to negotiate vigorously in

and the societal return to its production well exceeds what its producer can appropriate. Hence, a weak profit incentive in the field of knowledge acquisition prompts profit-seeking enterprises to refrain from investing in the production of knowledge. The failure of the knowledge market on the state level is also carried to the regional and world levels. Weaker social groups in developing countries, as well as poorer countries, suffer greater deprivation of knowledge.

Among the most important influences of the global context on the possible development of the knowledge acquisition system in Arab countries are the consequences of increased exposure to international economic flows through international trade and foreign direct investment and the capacity to benefit from both in order to acquire knowledge and consolidate productive capability in the weaker developing countries in the international arena⁹.

Fear of grave dangers posed by the global economic system for developing countries, which lag behind in the race for knowledge, is well founded. In his foreword to the World Development Report; 'Knowledge for Development,' the World Bank President states that 'globalisation of trade, finance and information flow promotes competition which raises the danger of an even slower pace than before of poorer countries and communities.'

the international arena, in order to vitalise knowledge acquisition systems aimed at solving less developed countries' problems. Clearly, this is an area superbly suited to strong collaboration on both the Arab and developing countries levels.

⁹ No doubt, the impact of globalisation on China, for example, is qualitatively different from that on any Arab country.