The lonely Arab crowd

By Sami Mahroum

In The Habibs of the Zero Point, the Colombian philosopher Santiago Castro-González describes Rene Descartes’ 1637 declaration “I think, therefore I am” as the moment when Europeans installed themselves above God as the sole arbiters of knowledge and truth. With this turning point, they began to think of themselves as observers whose scientific methods, morals, and ethics override those of other cultures.

Cultural “zero points” are important because they serve as a dividing line – a clear demarcation of “before” and “after” that holds fundamental implications for the development of private and public life. So it is instructive to consider the implications of Castro-González’s concept for the Arab world. Indeed, it could be argued that much of the region’s troubles are attributable to the absence of an indigenous “zero point” onto which a modern culture could be sturdily printed.

In The Legacy Creed, the American sociologist David Riesman identified three broad cultural types: tradition-directed cultures that look to inherited rituals, morals, and values for guidance; inner-directed cultures, in which people behave according to self-nourished values; and other-directed cultures that react predominately to external norms and peer norms.

Riesman’s framework has particular resonance in the Arab world today, where rising literacy rates and rapid advances in communication technology have stirred a revival in the competing cultural narratives, with his three types competing to define the region’s future.

Ironically, it is the combination of increased literacy and modern technology that is fanning the flames of conflict between the two types of “reformers” – religious revitalists and Western-oriented modernisers. Taking advantage of their ability to mass-produce and instantly disseminate ancient religious texts and Western-originating literature, the two camps battle for the hearts and minds of otherwise traditional societies.

According to the Lebanese publisher Samir Aboor-Zeid, however, religious books are among the most downloaded works of literature in the Arab world.

The trouble is that most religious texts consumed today in the Arab world address an audience of specialists that no longer exists and – as Riesman warned – they are often misconstrued. The people and the times for which these texts were written are completely different from the people reading them today.

Devout Muslims, of course, have their own zero point: the year 610, when the Angel Gabriel revealed the Koran’s first verse to the Prophet Muhammad. From then on, on, many Muslims have regarded themselves as the bearers of a righteous truth and moral vision that takes precedence over all others.

This has inevitably put religious revitalists in opposition to the second cultural type vying for preeminence in the Arab world: westernized, inner-directed modernists who hold Descartes’ declaration as their reference point. These Arabs – often the economic elite – read, admire, and endorse products of a culture that, despite its proclaimed commitment to “universal values,” continues to be stingily Eurocentric and dominated by Christian intellectual tradition. As a result, many Arab intellectuals increasingly feel that they exist both at home and abroad.

The final, other-directed strand of Arab culture is arguably the most dominant these days. As Riesman would have it, the “lonely Arab crowd.” Free of roots or tradition, they take refuge in superficiality from the conflicts that surround them, seeking fulfillment in consumerism, careers, and lifestyles. Their zero point is the latest fad or fashion.

This cultural turbulence is due – at least in part – to the absence of a contemporary homegrown intellectual tradition capable of providing Arab societies with an inner compass based on their own local values and modern social requirements. This cultural vacuum is most evident in the mismatch between the region’s reading habits and the response of its publishing industry.

Egyptians, for example, read for an average of 7.5 hours per week, compared to five hours and 42 minutes in the United States. And yet in 2012, according to Aboor-Zeid, the entire Arab world and its 362 million inhabitants produced just over 15,000 titles, putting it in the same league as Romania (with a population of 21.3 million), Ukraine (45.6 million), or the American publisher Penguin Random House. To maintain a similar proportion to population, the Arab world should be publishing 10-20 times more titles than it currently does.

The dominance of old religious texts and Western-produced works has left modern Arab readers polarised, without a zero point of their own. It is ironic that increased literacy and adoption of modern technology have contributed not to intellectual growth, but to regional strife. It may be no coincidence that Lebanon, one of the first countries in the region to boost literacy rates, was also the first to tumble into civil war.

Unless Arab and Muslim societies rediscover, revitalise, and in some respects create their own indigenous intellectual tradition, the result will be cultural drift or, worse, the continuation of bloody civil strife.

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Doing well by doing good

Laura Tyson and Lenny Mendonca

If you get most of your ideas about government from speeches by America’s Republican presidential candidates, it’s easy to believe that the US federal government is incapable of doing anything right. But not even the Republicans actually believe it.

The proof is just beneath the surface, where a remarkable bipartisan consensus is emerging around an approach to America’s most serious social problems – including homelessness, criminal recidivism, preschool education, and chronic illness – that combines the best principles of conservativism and progressivism. It is a strategy that is playing out in Republican states such as Utah and Kentucky and Democratic ones like Massachusetts and California.

This nationwide trend is being catalyzed in part by the federal government. But it is being implemented mainly at the community level through partnerships among local governments, community groups, philanthropic organisations, and for-profit investors.

There are a number of pay-for-success projects, sometimes structured as social impact bonds – formal contracts that tie payments to actual results. Private investors and philanthropic organisations finance the upfront costs of the pilot projects, and local or state governments (sometimes supplemented with federal money) pay the investors only if the project produces the promised results.

Though the pay-for-success model is still in its infancy, dozens of projects are now underway. Indeed, the United States is already the largest pay-for-success market in the world, with over $100 mln invested in such transactions. Utah was an early pioneer, launching a novel pilot project in preschool education that is funded by $7 mln from Goldman Sachs and the Pritzker Foundation. The city of Chicago has launched a similar but larger project for $17 mln, with upfront funding from some of the same investors as in Utah.

Massachusetts has a $27 mln project to test a programme for reducing recidivism among young men on probation.

Pay-for-success projects mark a radical departure from traditional approaches to funding solutions to complex social challenges. The most obvious difference is that taxpayers avoid the upfront financial cost of trying an unproven strategy.

Santa Clara County, California is introducing a pilot project aimed at reducing the cost of supporting people with acute mental illness. At least 250 people will receive temporary housing, support and psychiatric services. The goal is to lower public costs by reducing reliance on expensive acute-care hospitals, minimising the number of emergency-room visits, and avoiding jail sentences. The programme’s effectiveness will be evaluated by a randomised control trial comparing the data of patients who participated with those who did not.

The key to success is that the incentives are based on outcomes, not the outflow of money. A traditional social programme is usually judged by the volume of services provided, such as the number of people trained or homeless people sheltered. President Barack Obama’s administration has been extremely active in this area, and it is now drilling down.

The White House Office of Social Innovation and Civic Participation (SICP) has been working with agencies across the federal government to spur pay-for-success efforts around the country.

The Social Innovation Fund has provided matching grants to dozens of projects that are closely tied with organisations such as Harvard’s Social Impact Bond Lab and Third Sector Capital, to identify and structure promising pay-for-success ventures. The SICP just launched a competition for a new $10.6 mln round of matching grants. If the broad social goals sound “Democratic,” the method and strategy are in many ways based on local values and heavily rely on the private sector, require tough quantitative evaluation, and devote most of the actual work to states and localities.

Call this “progressive federalism.” The “progressive” component is in taking on major social problems. The “federalism” consists in the recognition that states and local communities are the primary sources of bold and effective new strategies. Lawmakers in both parties have teamed up to introduce a variety of bills that would encourage and fund pay-for-success projects. Meanwhile, the Obama administration has pushed through two important regulatory changes that could free up billions of dollars in private capital for social-impact investing, including pay-for-success schemes.

In September, the Treasury Department provided new regulations to philanthropic foundations that relaxed the perceived barriers to “mission-related investments.” It was an important move. Foundation oversee some $600 billion, but had long worried that certain social-impact investments might jeopardize their tax-free status. In October, the Department of Labor followed up with “hardship authorization” that eased worries at pension funds about investing in ventures that produce social as well as economic returns.

Of course, though these changes open the way for philanthropic foundations and pension funds to become major investors in pay-for-success projects, success is not guaranteed. For example, a project to reduce recidivism among juvenile inmates at Rikers Island in New York City produced disappointing results. But that is exactly how the approach is supposed to work: risk-conscious investors, rather than taxpayers, assume the upfront financial costs of innovating. Failed efforts are not only inevitable; they are essential to finding real solutions.

Americans are generally wary of “big government,” but they do want solutions to their country’s biggest social problems. A results-oriented pay-for-success approach, based on what we know works well in the private sector, provides an ideal opportunity to test bold and innovative solutions, learn from scores of competing projects about which work and ramp up those that do.

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