

## Research-for-development (R4D) in the Arab World: IDRC Regional Consultation towards 2020

To inform its future strategy, IDRC convened a series of four regional consultations across the developing world in early 2014. This report summarizes insights gathered during two days of discussions in Cairo (27-28 January) among leading thinkers and practitioners from across the Middle East and North Africa.

### Incentives for Research

*Researchers are pulled between teaching, consultancy, and collaboration with industry & international partners*

University reform has progressed in recent years, with meritocracy gaining ground over simple seniority and with more faculty seeking outside grants for their research. University research is appreciated as a form of ‘hands-on’ training for students, yet obstacles remain. The rules around hiring and firing faculty limit the ability to encourage or reward performance. There is still limited access to research literature, and bureaucratic hurdles limit access to funding channelled through the university administration, with a portion lost due to overhead charges or taxes. Research is increasingly—and narrowly—defined as an economic driver, fostering a culture that values ‘results’ in terms of publication and patents, and that privileges natural science and engineering over the social sciences. Researchers are challenged to identify who is the customer for their work, how someone can get rich from it, and provide intellectual property for private investors to buy. Academic freedom is squeezed as funding programs direct money towards particular themes or problems.

Funders tend to contract with individual consultants, rather than institutions, thus missing the potential to accumulate knowledge and create spillovers to youth. Researchers are pulled between consultancy and other opportunities, allocating their time to what pays more. They may hold a public university job in the morning, while spending their afternoon teaching in a private university, advising government, or consulting for donors. In this landscape, small amounts of money are highly valued to enable researchers to ‘plug in’ by attending international events, meet colleagues, and prepare for future collaboration. The region has achieved high female enrollment in education, but this has not translated into the workplace. Faculty and senior research positions still tend to be held by men.

There is little demand for research. Public institutions are largely not accountable and do not seek to learn. Research has practically no impact on policymakers, who tend to be distracted by crises, and have little incentive to make difficult decisions. Overall, there is a ‘missing market’ for research: people are hungry for information and data, yet government has no motivation to make information public. Research has a role in ensuring that citizens understand the choices their societies face. This is a role for mediating institutions, such as political parties, public opinion research, policy think tanks, and journalists. Researchers need to go beyond mere knowledge production, to distill such into public learning. There is an appetite to emulate success stories and best practices where government have used applied research, such as ICTs in Rwanda, economic policy in Singapore, etc.

## Informing Policy and Public Debate

*As policymakers and practitioners are distracted, researchers need to be creative in reaching their intended audience*

Before one can discuss the nexus between policy and decision making, it is important to address the underlying issues of data availability and quality, as well as the concepts and ideas used to describe policy issues. In short, these “pre-analytics” matter. The first principles of how one thinks about a policy or problem determines the range of potential recommendations and solutions. Policymakers exploit differences between researchers, inviting advisors that match their own way of seeing the world. For example, on educational reform, some see the problem as ‘demand’ (generate jobs for new graduates), while others see the problem as ‘supply’ (universities failing to provide needed skills). It is tempting to jump straight to development priorities, yet greater attention is needed to understand the real-life constraints, such as the availability of public finance, fresh water, or arable land. MENA needs to rethink a range of stylized facts, including the metrics of poverty, definitions of the middle class, and state capacity to harness and direct markets.

MENA has three different contexts for linking research and policy: visionary states involved in long-term planning for their future, rentier states largely uninterested in evidence-based policy, and firefighting state distracted by crises. Ministers are not accountable for what they don’t do. Policies tend to rely on individual officeholders, and are seldom sustained when there is a change in government. With the Arab Spring the questions of development became more distant and politicized. The response to research can be outright hostile: if research reveals a shocking reality at odds with the policy narrative, policymakers prefer to dismiss or ignore it. Accepting research into policy is akin to the five stages of loss, often starting with denial. Researchers need to know how and when to introduce change, and appreciate that communicating research requires freedom of inquiry and expression.

Facts by themselves do not have political impact. No matter how much data is produced, the political narrative is stronger. This ‘power of the narrative’ shapes the opportunities for communicating research and suggests starting with the policy question. Accept that media is superficial, and cultivate an ability to ‘code switch’ or tailor clear messages for different audiences. Researchers need to provide solutions and prescription, not merely data and description. Talk shows and social media are the ‘night shift’ of government, leading debates and shaping opinions. There is an acute need to ground such debate in facts and evidence, yet research for public use must be easy to digest: one-page infographics, three-minute animations, and 140-character statements. Public debate requires informed citizens, based on a culture of literacy and numeracy. A first step is efforts to disseminate a ‘number of the day’ about public opinion or government statistics that can be understood in ten seconds.

## **Research by and for Arab Youth**

*Existing institutions are failing to provide young people with a meaningful role in shaping their future*

Oil, foreign aid, and credit at concessional rates allow regimes to spend without relying on a social contract with citizens. Little has changed three years after the 'Arab Spring'. Oil money now crosses borders to give power holders continued freedom to act unilaterally, without legitimacy from below. Rentier states no longer serve youth, but treat them as a burden, to be absorbed into the military or public administration, or left to migrate abroad to earn remittances. Youth are not seen as a resource since the economy cannot absorb them, and the state doesn't rely on taxing productive activity. Youth hold higher expectations than the market is providing: not everyone can become a doctor or lawyer, and two-thirds of workforce is unskilled labour. Access to jobs continues to be blocked through *wasta*, personal connections based on who-you-know.

In general, youth have three potential roles to play: economic, civic, and political. The first is the most visible as a large share of jobseekers and entrepreneurs are youth, and relies on the nexus of industrial-trade-employment policy. As the cost of energy rises, there is an emerging need for non-university educated youth to work as technicians to make cities and urban infrastructure more efficient. The second role is curtailed as age or community-based identity tends to be secondary to tribal and confessional groupings. The third role is much more than elections or constitutional reform. Real democracy involves public dialogue, acceptance of the other, and critical thinking. Young people have moved from "politically ignorant" to "politically confused", yet continue to live in an environment of rumour and accusation.

Youth are part of a research agenda on how to move towards a developmental state. This could include such questions as: how to build a culture of dialogue in educational system, how to monitor the use of public resources, how to facilitate better access to information, and how to analysis social justice. Youth do exercise their voice, whether through the ballot box or street protests. Yet without a meaningful role in society, their voice is one of frustration. Programs do exist to offer opportunities to youth. For example, a fund in Jordan supports youth clubs to teach negotiation skills, arts to discuss taboo subjects, and covers half the cost for youth internships to gain work experience. What is lacking is monitoring and evaluation to assess the impact of such programs.

## **After the Arab Spring**

*Development needs to respond to calls for social justice, inclusive growth, jobs and dignity*

Amartya Sen argued that the spread of the nation state provided the biggest contribution to the spread of social justice in the 20th century. The past three years witnessed a series of governance upheavals causing some political systems to collapse, while others reformed or retrenched themselves. All this occurred without any real change in the underlying economic system. Instead political upheaval had a huge negative impact on poverty, social justice, development, and trade. The region saw a rise of money poverty alongside economic growth, leading to a growing gap between household surveys and national accounts as measures of wealth. The public retains an economic literacy from the 1950s, expecting that the state to provide government jobs, subsidies, and handouts. Transitions are clearly underway, yet the path is uncertain and may lead towards shallow democracy, chaos, or authoritarianism.

The key question is how to create pluralism in the Arab world? The revolutions were based on demands of the underprivileged, including youth, women, and rural people. While they remain largely absent from politics, research can respond to their demand for dignity, providing ideas on:

- improving education (providing marketable skills for youth and digital literacy for adults),
- fostering entrepreneurship (how effective are the growing number of incubators and accelerators),
- ensuring social protection (a new social contract to replace subsidies),
- involving youth in state building (as leaders rather than mere catalysts of political change), and
- using social media (to run campaign for education, literacy, and health).

Research can allow people to understand how national wealth is used, the fiscal constraints binding the country, and the trade-offs between competing priorities (eg spending for health, education, science, etc.) Such information allows citizens to be informed and hold their leaders to account. This mirrors a global shift in democracy, from representation to participation. Individuals no longer blindly adhere to one political party, but hold their own views and support different actors on different issues. The region can learn from the experience of Latin America, Europe, and Asia on such matters as how to build local government, create more efficient business regimes, or reform the military, police, judiciary, and media. These experience are not directly transferrable, but other developing countries can offer technical expertise and inspire fresh thinking.

### **Agriculture, Health, and Economy**

*The region's future requires integrated thinking and action across different themes and sectors*

Water scarcity defines the region. Viewed from space, the land is a series of thin green strips huddled next to coasts, rivers, and aquifers. The World Economic Forum rates water scarcity as the 3<sup>rd</sup> most important risk in terms of impact and the 5<sup>th</sup> in terms of likelihood. Energy production and agriculture are water-intensive activities, with tremendous implications for the economy, health, and food security. Research can provide insights into how to share these waters, make safe use of treated wastewater, and identify new ways of doing agriculture on marginal lands. Worldwide 60% of protein comes from maize, wheat and rice, whereas there are 7000 species that could be used. There is tremendous potential to identify their nutritional value and create new markets, similar to the success of Morocco's argan oil.

Health problems mirror economic status. Low income is associated with communicable diseases, such as diarrhea and respiratory infection, while high income comes with diseases of affluence, such as diabetes and heart disease. Many countries are experiencing both, with complex burdens of malnutrition, obesity, child mortality, and adult depression. MENA is also witnessing the emergence of new zoonotic diseases, shifting diseases patterns due to climate change, and conflict disrupting health care and social engagement. Physical, mental, and social wellbeing requires prevention, protection, and health care. Research can assess the risk, vulnerability and assets of different communities, and opportunities to improve access to and quality of health care (e.g. health insurance, ehealth & mobile health solutions).

Incentives are needed for integrated problem-solving and horizontal policy. The ministries of water, agriculture, and energy work in silos without coordination. Programs could simultaneous seek multiple goals, such as improving children's health and education. The key research questions are how to create sustainable livelihoods, how to prevent future food insecurity, and how to scale-up experiments that work. There are lots of things that seem to work at the micro-level, but they don't aggregate upwards.

## Private Sector and Entrepreneurs

*Innovation is led by the private sector and entrepreneurs who are not waiting for stability or reform*

While marginal to the global economy, MENA has a huge number of underserved customers alongside tremendous inefficiencies in energy, logistics, and agriculture. Innovation and entrepreneurship can create a more vibrant economy with more diverse players who enrich each other. A prospering innovation scene at home can enable firms to be global competitive. Entrepreneurs do provide employment, but more among those firms that survive and grow, rather than inside start-up businesses. Entrepreneurs also combat corruption. There is no *wasta* on the internet, no middleman who try to charge an informal tax, extract bribes, erect barriers, or seek unfair participation. Small enterprises can initially escape attention and, with luck, quickly grow beyond those who would control them.

Creating a vibrant economy requires investors, investees, and ecosystem-builders. Venture capital firms invest \$500,000 or more, while start-ups often require ten-or-hundreds of thousands of dollars. Angel investors fill this gap. Often individuals with day jobs, they invest their own money, acquire shares, and then sit on the board of directors in the companies they invest in. Hack-a-thons and entrepreneurial competitions attract numerous business ideas each year. Most fail, but the few that succeed are raising the bar for others. Ecosystem-builders include universities, NGOs, and incubators. Academia and mentors provide coaching in business planning, accounting, and marketing. Standalone accelerators (e.g. flat6labs) provide seed funding and training to help young people turn their ideas into a viable business and get into the market.

The key research question is whether all these efforts are delivering on their promise. A lot of money and support is flowing into the entrepreneurship space, but is it a fad or a major driver of economic growth? Answering this question requires some basic data on: How well are companies competing? What drives the appetite of the investors? And what are the paths for success (beyond being bought out by a larger company)? Many start-ups focus on exports or online sales, collecting payment upfront from advertisers and customers, and often targeting outside markets. Roughly half are based on ICTs while the remainder focus on energy, retail, agriculture, tourism and entertainment. Access to finance is not an issue. Small business don't go to banks to borrow, they convert cash investments into equity. New efforts seek to treat convertible debt as a form of credit, loaning an established firm's balance sheet to a start-up instead of cash. This delays the need to value the investment until the start-up is more mature. Such tools promise to attract more angel investment and provide a "missing middle" between commercial banks and microfinance. Ireland, London, and Lebanon are serving as role models and advisors.

## **Summary**

### ***Critical Problems***

- A 'missing market' for research – Policymakers prefer to dismiss or ignore research and have little incentive to make difficult decisions. Meanwhile researchers allocate their time to consultancies, grantseeking, and employment opportunities.
- The public is misinformed – People are hungry for information and data, yet government has no motivation to make information public. Citizens don't understand the choices their societies face, including the fiscal constraints and trade-offs between different policy options.
- Youth lack a meaningful role in society – They were catalysts of political change, yet pushed aside in the transition. There is unrealized potential for youth to play an economic, civic, and political role in state building.

### ***Capacity Needs***

- Researchers need to be media savvy – Start with a policy question and offer solutions. Communicate in formats that are easy to digest: one-page infographics, three-minute animations, and 140-character statements.
- Encourage and reward performance – Universities and think tanks need to provide incentives for research, foster critical thinking, and build a culture of literacy and numeracy.
- Policymakers – Demand integrated problem-solving and horizontal policy, coordinating across ministries, and require government programs to serve multiple goals.

### ***Types of partners***

- Engage the private sector to provide data points that address the knowledge needs of angel investors and assess the impact of support to entrepreneurs.
- Universities and the research arm of NGOs and social mission organizations to facilitate better access to information, address issues of data availability and quality, and rethink the concepts and ideas used to describe policy issues.
- Journalist and media (print, TV, online) to better inform citizens, ground public debate in fact and evidence, and disseminate research using the channels people rely on to understand their world.

### ***Potential priorities***

- Move towards a developmental state – design a new social contract, enhance social protection, monitor the use of public resources, and analyze social justice.
- Create pluralism in the Arab world – provide ideas on improving the quality of education, promoting a culture of dialogue, and involving youth in state building.
- The nexus energy-water-food – identify opportunities to create sustainable livelihoods, prevent future food insecurity, and scale-up experiments that work.
- Create a vibrant economy – assess how effective are incubators and accelerators are in fostering entrepreneurs, how well their companies are competing, what drives the appetite of the investors, and identify pathways for growth.