



A transformation in transition

Conference paper by Prof. Dr. Dr. Ayad Al-Ani

Can we expect Arab governments to come up with new ideas, policies, and strategies to enable their younger populations – which make up almost 50% of the total population – to shape their path and transform economy and society? I think that most people would agree that the answer is a clear no. The best we can expect for the time being is a government that does not interfere in economic processes in return for abstinence in political participation. But even this vision seems illusive, as all governments of the region, driven by fear of potential destabilising effects, seem to ,regulate' economic activity and digital access in one way or another.

Yet, if one looks beyond the obvious political atrocities and turmoil, one can't help but notice that some younger people in the Arab world take things into their own hands and often from unexpected angles, turning disadvantages into opportunities. Garbage collection services not working? Start a business that collects precious waste material and sell it back on the world market. Low-quality public transportation? Build an Arab version of the Uber platform that even works in a war-torn place like Gaza. An underbanked Arab world? Build social media applications that transfer money easily. Arab schools are mediocre and universities teach stuff that is of no practical use? Launch platforms that offer first-class learning content and distribute it openly.

It seems that these young social and business entrepreneurs start acting: instead of protesting against the system or expecting anything from the establishment, they build their own solutions. French essayist Stéphane Hessel, observing similar developments in the West has used the powerful phrase "To create is to resist, and to resist is to create" to describe this kind of transformation.

Thus, the advent of digital economics and politics promises that solutions can be found by new social and economic entrepreneurs in a ,de-institutionalised' manner – that is without the cooperation or consent of traditional businesses and political actors. I truly believe that the current wave of startup culture in the Arab world is a promising sign and a development that deserves more attention and better support. I will be accused of being overly optimistic, but this might finally be the real Arab uprising – using bits and bytes rather than barricades and blockades as avenues for change.

These startups don't necessarily need to create really disruptive change. They can transform traditional business models in the areas of transportation, commerce, learning, banking, and social services into the digital sphere to overcome their currently inefficient and ineffective performance. Furthermore, the digital sphere drives us to invent – or rather re-invent – new economic organisations. Why can't we organise social services and business as co-ops? Co-operatives are organisations that are owned by a wide array of stakeholders, employees, producers, and clients. These organisations tend to be less agile than smaller startups built with venture capital, but they can be more effective and offer opportunities for new businesses where producers also own the assets in use, e.g. cars, IT, rooms, or financial resources. And they offer the perfect playground for practicing democratic processes and consensus building.

Experience shows that the digital transformation is by no means an individualistic experience. Bringing people together to exchange views and experiences and embark on ,lateral learning' seems to be even more important than pure academic learning content. This is because "(...) the skills of the cutting-edge high-tech industries, such as computers, are generally learned on the job or through personal experience rather than in the formal bureaucratic setting of schooling". Therefore spaces must be found that allow people to come together, exchange ideas, and ,hack' products, services, and culture.

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These places, whether they be fab labs or maker spaces, could be located in schools, libraries, and universities and should be the nucleus of a new style of entrepreneurial generation. Setting them up is by no means a costly or difficult endeavour. If states fail to implement them, companies from all over the world looking for innovations and market entries could be interested partners. In addition, to gain more experiences, Arab programmers, inventors, and creatives can always participate in international platforms that are looking for new ideas and solutions or to develop software. By doing this, they gain easier access to big international brands and generate attention for their own businesses.

I would advise that this new generation of social and business entrepreneurs gain further momentum by creating common platforms and having regular meetings and exchanges in person. A meeting place for this new movement to connect with each other and the rest of the world still needs to be found. And in the absence of an Arab Silicon Valley, maybe a place like Berlin could be an initial starting point for such a meeting place?

But what about the impacts of this transformation on the political system? Obviously, this transformation is at first glance not a political one and this should make things easier. But of course the ‚de-institutionalisation‘ of economic and social action is in itself a unique political point of view. New forms of social and economic collaboration also encourage new political points of view. But one can deal with this change, once this movement becomes strong enough to offer solutions to the problems of the Arab world in areas such as education, transportation, and finance and also provides organisational vehicles that deliver these solutions. This movement is therefore poised to realise what the 19th and 20th century social movements could not. The politics of this movement would flow from an already existing social and economic practice. That is a real key difference. The state in this concept could transform from a dominant and often repressive role to a partner, incorporating and supporting these new solutions and by doing so reaching a higher level of participation, legitimisation, and efficiency.

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