



# Economy & Job Prospects in Arab Countries

Victoria Ortega, Vivian Cheng

Arab Culture Through Dialogues, Film, and Literature

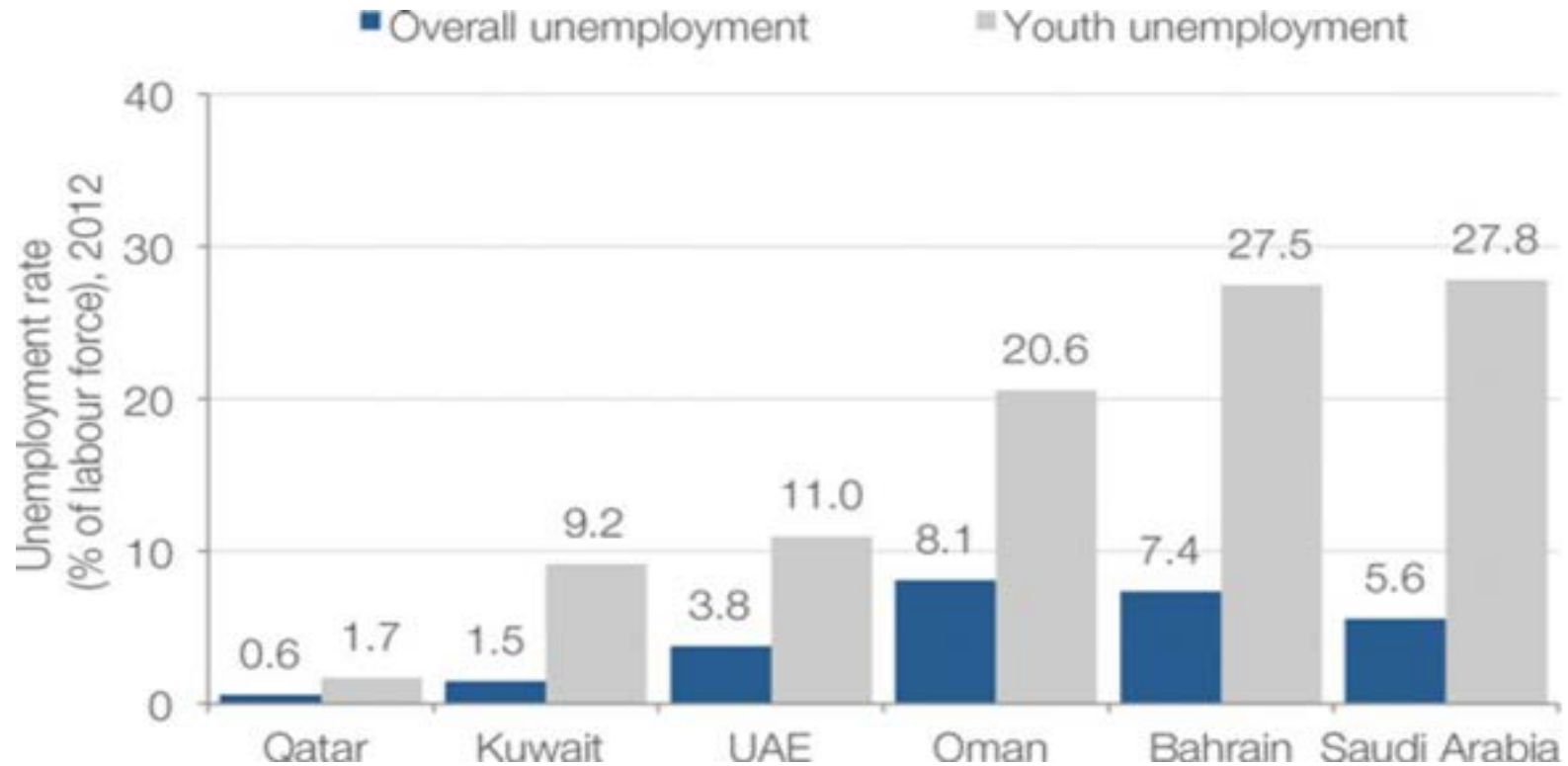


# Research Topic

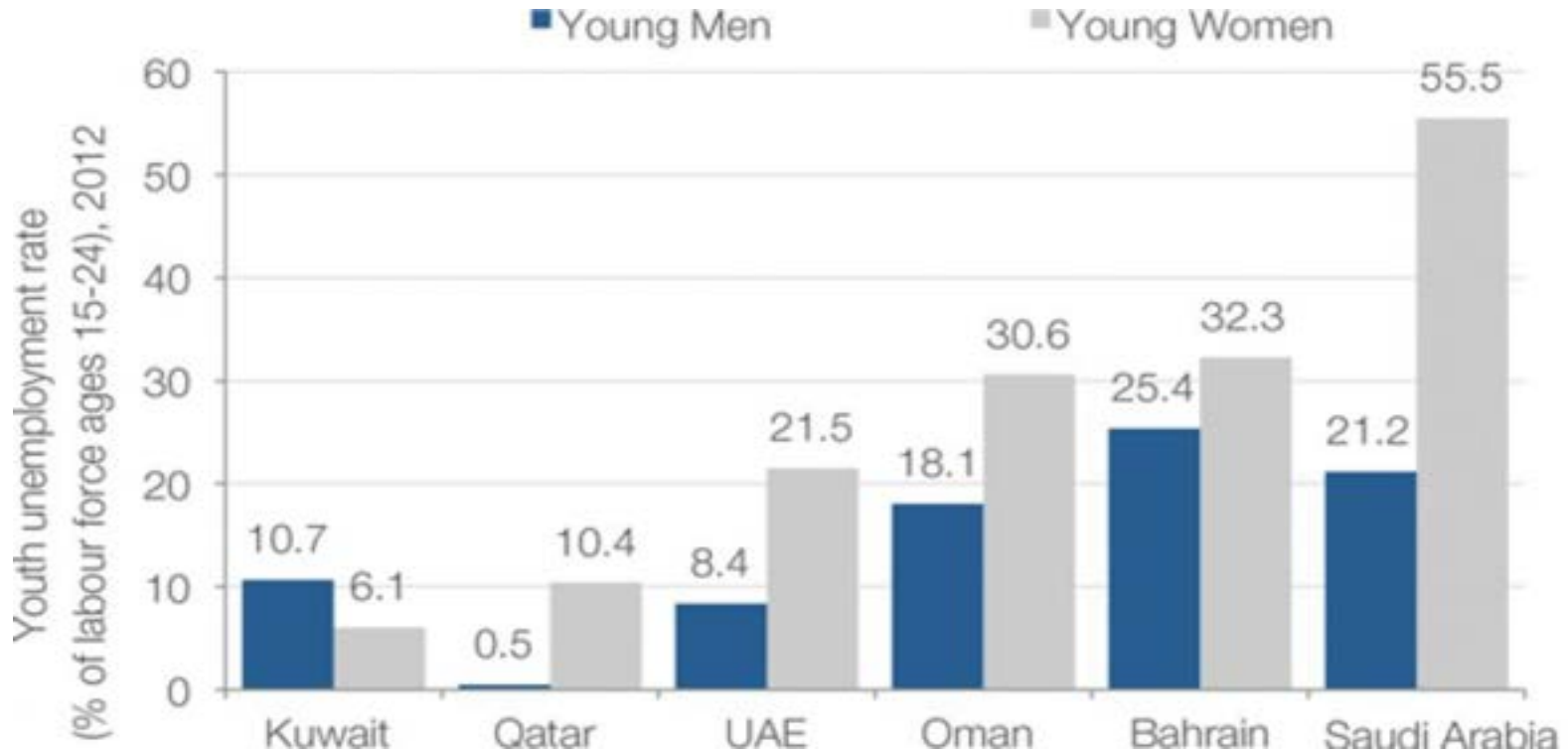
In this project we strive to:

- Analyze statistics regarding employment and workforce in Arab countries
- Investigate predominant issues in the educational system and its impact on economy/labor market
- Identify and develop ideas that can bolster job stability and economic diversity

# Overall vs Youth Unemployment



# Male vs Female Unemployment in Youth



## Email Response from AUC Egypt Student

***Question: How do you perceive the current education system in Egypt and the quality of education?  
Do you feel prepared for the workforce post-graduation?***

Thanks for reaching out.

I think that the education system in Egypt lacks government funding and suffers from poor education quality.  
I feel prepared somewhat, but that is because I work on myself and not solely dependent on the information I get from Unvierstiy.

Let me know if you need anything else,

\*\*\*

--

Undergraduate Economics, Senior  
The American University in Cairo

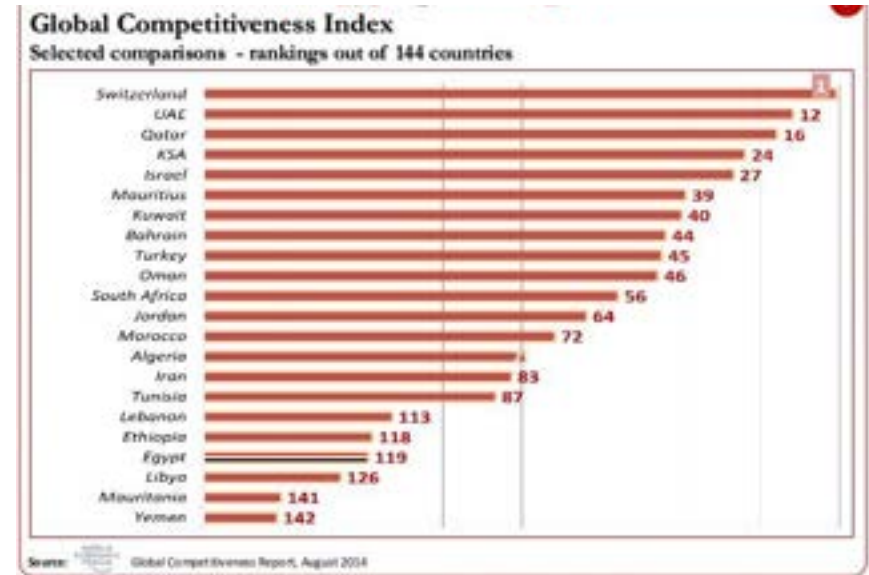
# 1. Education system does not effectively prepare graduates for real world jobs

## Current statistics

### TIMSS Standardized Exam for Math & Science

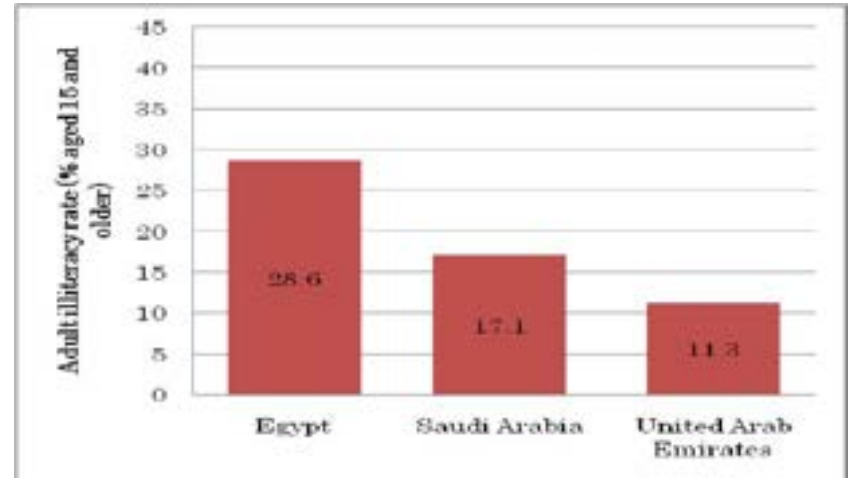
- Malaysia: 474M, 471S
- Bulgaria: 464M, 470S
- Tunisia: 420M, 445S
- **Egypt: 391M, 408S**

***Egypt's primary education ranks 119th/144 countries in Global Competitiveness Report (2014)***



# Case 1: Egypt's Educational System

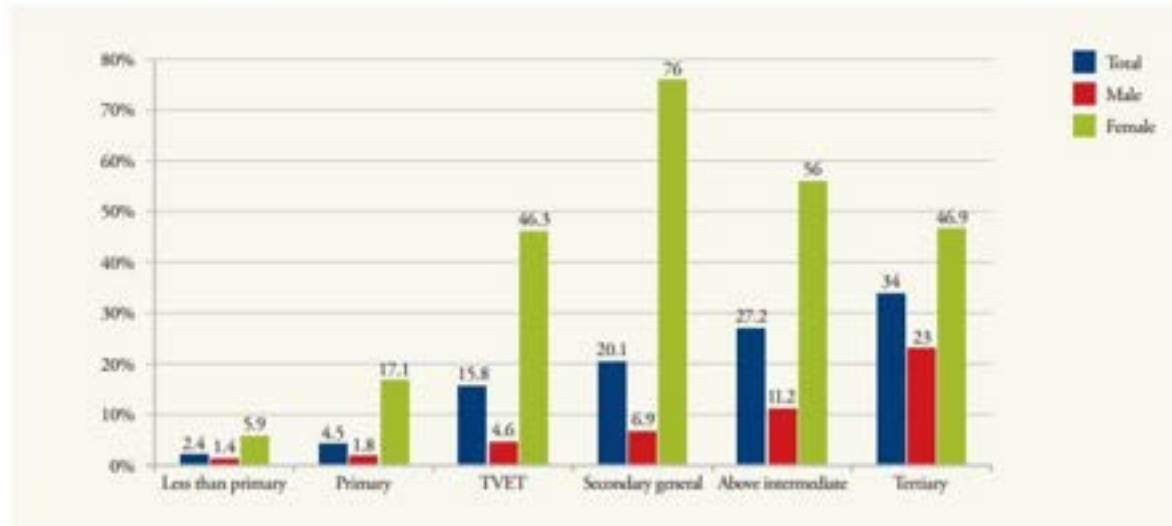
- Overpopulation
  - Population tripled since 1960
- Outdated curriculum
  - Reliance on rote teaching methods
  - Lack of practical skills necessary for transitioning into workforce
    - “Disguised literacy” ~ 30%



# The “Crisis of Overeducation”

- On average: 7 years for Egyptian university graduates to find a gainful job (2014)
- 2015 protest: burning diplomas

Figure 1: Youth Unemployment Rates by Level of Completed Education and Sex



Source: ILO 2014

“In a labor survey conducted by the ILO in Egypt, 30 percent of unemployed youth refused a job because they felt it “did not match their level of qualification.””

The current education system has not adjusted to work force demands.



# Impact of Egypt's Growing Inflation Rates

## SP 19/20 CMU to AUC Survey:

*"More children leaving school to pursue informal jobs in order to survive"*

*"People would rather deposit in banks rather than spend which may affect economic growth"*

*"Cost of living increased drastically.... must lower standard of living"*

## Result: Lack of investment in education

- Financial strain from 'Indirect costs' despite free schooling in Egypt since 1960
  - Transportation
  - Supplies
  - Private lessons

## 2. Lack in Diversity of the Economy

- Oil-dependent economies have a minimal non-oil/gas based industry
- Many with higher education for non-oil/gas industry have a hard time finding jobs

Figure 14: Employment distribution of MENA's tertiary-educated workforce by degree and industry, overall

Field of Study	All Industries	Aviation, Transport and Automotive	Architecture and Engineering	Financial Services and Insurance	Government, Education, Non-profit	Healthcare and Pharmaceutical	Manufacturing	Media and Entertainment	Oil and Energy	Professional Services	Retail and Consumer Products	Staffing	Technology, Hardware	Technology, Software	Telecommunications
Business, administration and law	31	33	15	72	35	16	29	26	19	44	46	46	15	15	25
Engineering, manufacturing and construction	29	34	66	4	12	10	30	9	56	11	13	8	27	15	44
Information and communication technologies	13	9	4	7	11	4	7	9	6	8	9	10	19	50	19
Natural sciences, mathematics and statistics	8	6	3	4	13	35	13	6	9	7	7	6	3	4	3
Social sciences, journalism and information	6	7	3	9	14	2	5	21	3	10	8	9	2	1	2
Arts and humanities	5	4	2	2	12	2	4	20	1	9	5	7	2	3	2
Health and welfare	0	1	0	1	4	37	1	2	1	3	2	6	0	0	0
Services	2	4	1	0	1	1	1	4	0	5	1	2	0	0	1
Education	1	1	0	0	7	1	0	2	0	1	1	1	0	1	0
Agriculture, forestry, fisheries and veterinary	0	0	0	0	1	1	0	0	0	1	3	0	0	0	0
Unspecified	1	1	1	1	1	1	1	1	1	1	1	2	1	0	1
All	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: LinkedIn.

## Case 2: Saudi Arabia's Oil Dependence

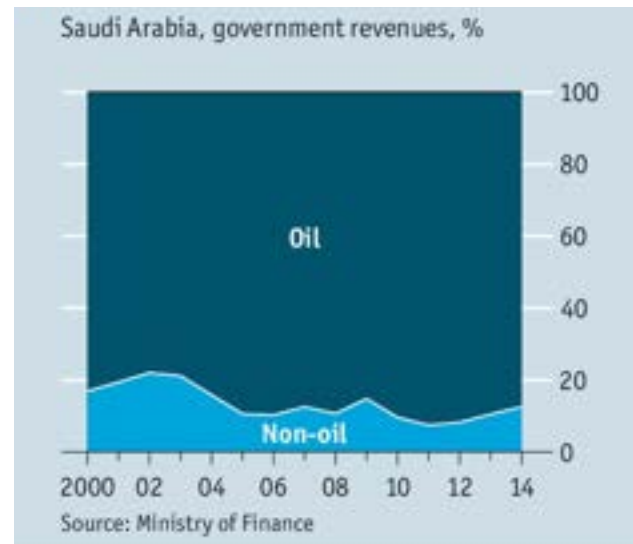
Oil accounts for 90% of fiscal revenue, 40% of country's GDP

Economic outlook worsens as global oil prices collapse

- Loss of \$233B in foreign reserves since 2015

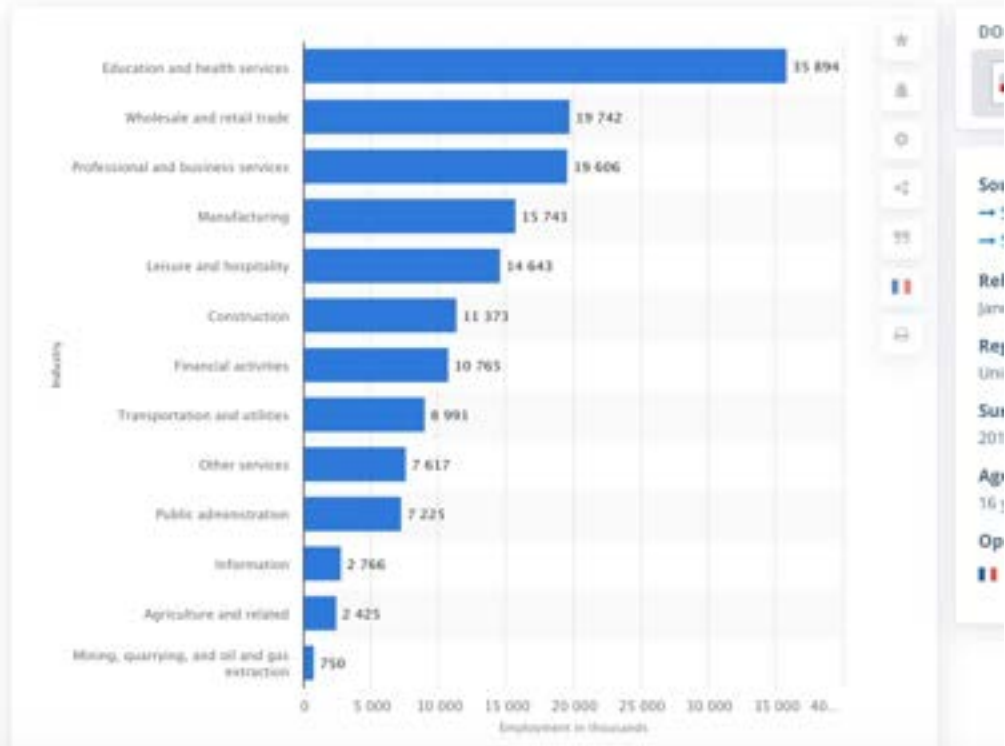
As a result:

- Minimal job opportunities outside of oil sector
- Enormous risk of economic collapse + unemployment rates if oil prices continue to fall



# Comparison: Employment by Industry in United States

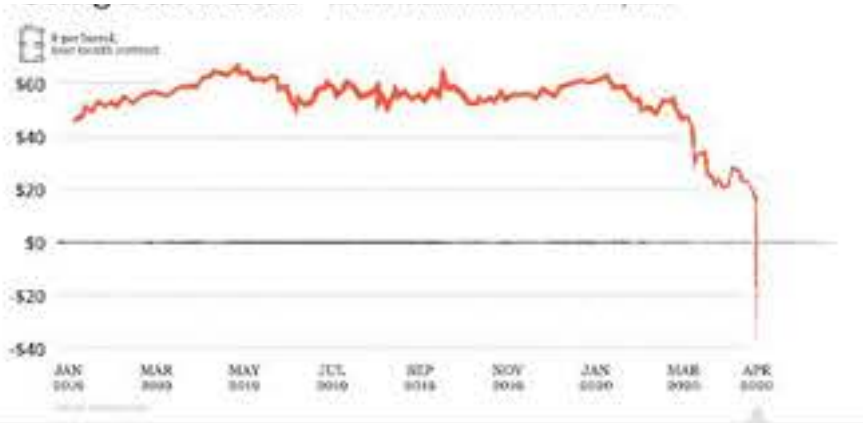
Total employed persons in the United States in 2019, by industry  
(in 1,000s)



# Economic Implications of COVID-19 in Saudi Arabia

*“The outlook for 2020 remains very weak in the wake of COVID-19 and oil supply shocks.” (World Bank Forum, on Saudi Arabia )*

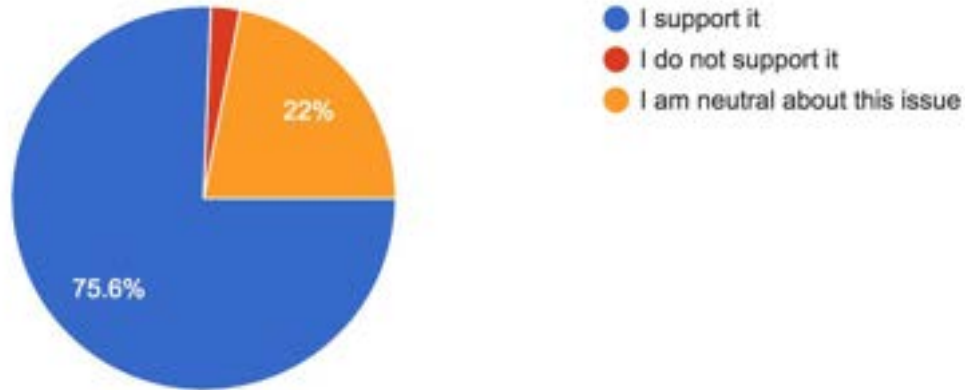
- Estimated net debt: 19% of GDP this year, 27% next year
- Borrowing: 50%



# Spring 2020 CMU Survey Questions to KFUPM

How do you feel about a diversifying economy that is less centered around oil?

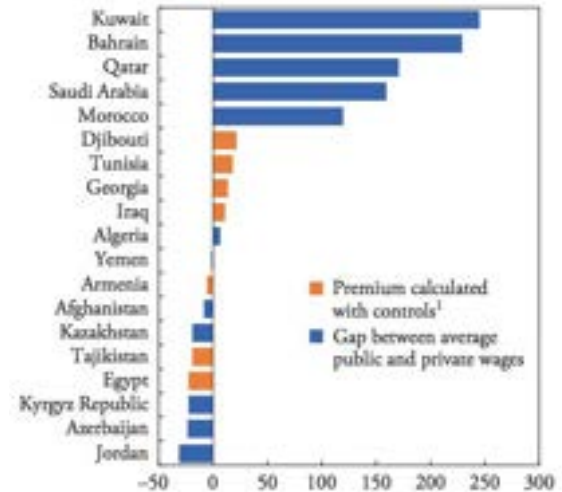
41 responses



### 3. There is cultural resistance against certain jobs

- Negative perception towards sales/vocational work
- Lack of support for startups/entrepreneurship
- ***“Appeal” of private sector versus public sector***
- *Discrimination against working women in society*

Figure 2.3. Public-Private-Sector Wage Gaps  
(Percent, latest available)



Source: Country authorities; national labor surveys, and International Labour Organization. Data for Morocco from World Bank 2011.

<sup>1</sup>Numbers represent wage premium estimates obtained after controlling for employee characteristics (IMF 2016a).

# Case 3: Jordan's Workplace Gender Gap

**Although 93% of working-age women are literate, only 17% are economically active (2017)**

Effect of traditional Jordanian gender roles

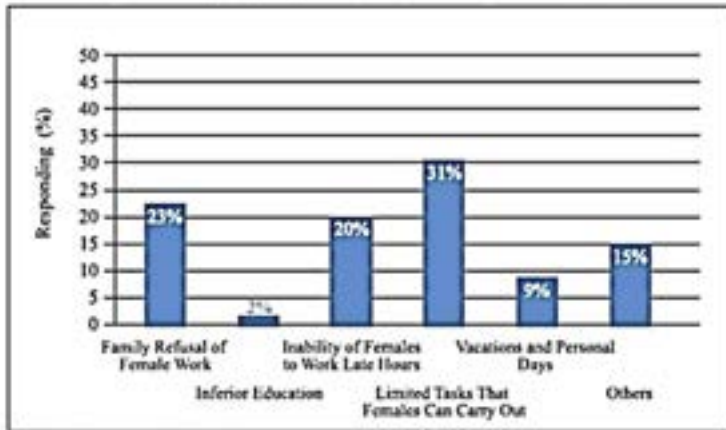
- Seen as at risk of 'being married at any time' and may quit due to family or pregnancy
- Patriarchal tribe rules



# Sexism Towards Working Women

- Some job interviews explicitly “male-only”
- Pay inequality up to 41%
- Hiring discrimination
  - “Technically illegal”

Figure 2: Employers' reasons for preferring male employees in Jordan



## Less Support for Gender Equality Among Men

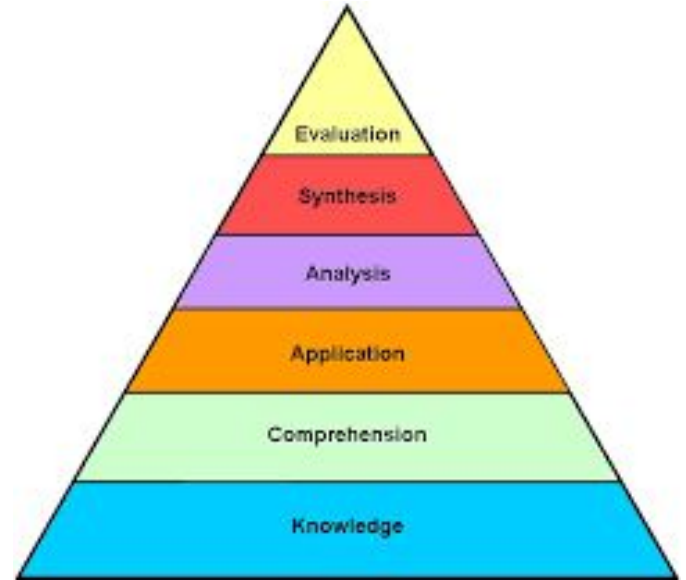
*% Saying women should have equal rights as men*

	Total %	Men %	Women %	Gap
Jordan	63	44	82	-38
Pakistan	76	65	87	-22
Tunisia	74	65	84	-19
Egypt	58	53	63	-10
Lebanon	93	88	98	-10
Turkey	84	83	85	-2

PEW RESEARCH CENTER Q85.

# Solutions: Designing an Effective Curriculum

- Transition from rote learning to conceptual learning
- Key is to **apply knowledge** to real world applications
  - Preparation for solving problems in career
  - Critical thinking, brainstorming, ...
  - Teamwork, communication
- Bloom's Taxonomy



Bloom's Taxonomy

# Making Changes in Higher Education

## Promote vocational training

- Establish certificate systems
- Erase the negative stigma around vocational work

## Provide centered career counseling

- Help students create post-graduation career plan

## Job shadowing

- Schools should partner with local companies to host interns
- Provide real-life insight into their field of interest



# Vision 2030: “Saudi Arabia Beyond Oil”

- Plan to decrease oil dependence → diversify economy
  - Partial Privatization of Aramco
  - Focus on public service sectors
    - Education
    - Healthcare
    - Tourism
  - Employment in private sector



# Supporting Women in the Workplace

## Advocacy: Female Inclusion in Politics + Policy Reform

- Oxfam's WEE Program
  - Training: negotiation, decision-making
  - Develop female confidence

## Gender-Sensitive Support Services

- USAID's partnership with Government of Jordan
  - Professional Development
  - Entrepreneurial Support



**OXFAM**



**USAID | JORDAN**  
FROM THE AMERICAN PEOPLE

# Reflections/What We Learned

## **The state of the education system needs modernization**

- Focus on modifying curricula/teaching styles

## **Diversified economy promotes more jobs**

- Allows room for students to pursue other interests

## **Cultural resistances about certain jobs need to be overcome**

- Empower females
- Erase negative stigma around vocational work

## Additional Resources

<https://www.migrationpolicy.org/article/middle-eastern-and-north-african-immigrants-united-states>

<https://sojo.net/articles/how-united-arab-emirates-country-90-percent-immigrants-handles-immigration>

<https://www.pewresearch.org/global/2016/10/18/economic-growth-attracts-migrants-to-persian-gulf/>

[https://publications.iom.int/system/files/pdf/arab\\_migration\\_globalized\\_world.pdf](https://publications.iom.int/system/files/pdf/arab_migration_globalized_world.pdf)

<https://english.alarabiya.net/en/views/business/economy/2020/03/20/Coronavirus-to-cause-loss-of-1-7-mln-jobs-in-Arab-world-Report>

<https://www.arabnews.com/node/1591481/business-economy>

<https://www.brookings.edu/research/entrepreneurship-an-engine-for-job-creation-and-inclusive-growth-in-the-arab-world/>