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## Tackling Youth Unemployment in GCC Region: Reaching Beyond National Barriers\*

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### Abstract

This study delves into the multifaceted issue of youth unemployment in the countries of the Gulf Cooperation Council (GCC), where it is nearly twice as high as the average unemployment rate in the region. Given that, a significant proportion of the population in these countries comprises of youth; this problem poses a significant obstacle to the development of a knowledge-based economy. Furthermore, the lack of youth participation in the labor market has become a pressing issue, thwarting national and United Nations' sustainable development goals (SDG) related to decent work which strives to ensure workers are getting fair treatment and pay. The study reveals that youth in the GCC are underutilized, with they being five times more likely to be unemployed compared to adults. The problem is particularly acute among females. This paper outlines the limitations of nationalization policies aimed at increasing youth labor participation and provides policy recommendations that take into account the diverse perspectives of different stakeholders and the varying situations in different countries.

**Keywords:** Youth unemployment; GCC; Policy making; Knowledge-based economy

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## معالجة بطالة الشباب في دول مجلس التعاون الخليجي: تجاوز الحواجز الوطنية\*

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### ملخص

تتناول هذه الدراسة قضية بطالة الشباب في دول مجلس التعاون الخليجي، التي تعد ذات أوجه متعددة، حيث تبلغ نسبتها ضعف متوسط معدل البطالة في المنطقة. وبالنظر إلى أن نسبة كبيرة من السكان في هذه البلدان تتألف من الشباب، فإن هذه المشكلة تشكل عقبة كبيرة أمام تطوير اقتصاد قائم على المعرفة. علاوة على ذلك، أصبح نقص مشاركة الشباب في سوق العمل قضية ملحة، مما أثر سلباً على أهداف التنمية المستدامة المتعلقة بالعمل اللائق لكل من دول الخليج والأمم المتحدة. وتكشف الدراسة أن الشباب في دول مجلس التعاون الخليجي لم يتم استثمارهم بشكل ملائم بعد، بالإضافة إلى زيادة احتمال البطالة بين الشباب بنسبة خمسة أضعاف البالغين. وتزداد حدة المشكلة بشكل خاص بين الإناث. وتحدد الورقة التحديات التي تواجه تطبيق برامج التوطين الهادفة إلى زيادة مشاركة الشباب في سوق العمل، وتقديم عدة توصيات لصانعي السياسات ليأخذوا بالحسبان وجهات نظر أصحاب المصلحة المختلفين.

الكلمات المفتاحية: بطالة الشباب، مجلس التعاون الخليجي، صنع السياسات، الاقتصاد القائم على المعرفة

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© 2022، تهنيات فاطمة، وسعيد البنا. سلسلة الأوراق البحثية للشبكة الأكاديمية للحوار التنموي، دار نشر جامعة قطر. نُشرت هذه المقالة وفقاً لشروط العمل إلى صاحبه، مع بيان أي تعديلات عليه. كما تتيح حرية نسخ، وتوزيع، ونقل العمل بأي شكل من الأشكال، أو بأية وسيلة، ومزجه وتحويله والبناء عليه، طالما يُنسب العمل الأصلي إلى المؤلف. <https://creativecommons.org/licenses/by-nc/4.0>

\* اكتفى الباحثان هنا بإيراد موجز البحث؛ حيث رغبا في نشر أصل البحث في منافذ أخرى.

## Summary

The lack of youth participation in the labor market in GCC has raised major concerns. However, most countries lack accurate data on youth unemployment and are yet to develop policies to tackle this national issue (Kabbani, 2019). The lack of available data caused difficulties in the development of effective policies (Elbanna, 2022). While governments recognize the impact of youth unemployment on the economic growth and stability (Mina, 2021), and are taking steps to raise employment, the outcomes so far have been disproportionate. For instance, because of the local youth being predominantly employed in the public sector, the sector has become oversaturated, and employment opportunities have become scarce. Meanwhile, the youth seems to show less motivation to engage in the private sector. Additionally, with the government's reliance on income from the natural oil and gas reserves, the youth are at the brink of growing unemployment. As such, the labor participation has been impacted by the gap in education, skills, and the labor market requirements. To address this issue, the key is to ensure the effective transition from education to employment involving different sectors (Kabbani, 2019). For instance, the female educational attainment has been higher than males in many countries in the region; however, it did not translate into employment. In addition, the lack of labor force productivity reduces the relevance of local youth to the private sector.

The paper proposes several policy solutions to tackle the issue of youth unemployment and to improve unemployment ratios. The first two policy recommendations are calling for the GCC governments to create a data economy and encourage collaborations among stakeholders in policy development and implementation. First, it suggests facilitating the development of a creative and innovative mindset to meet the demands of the private sector. Second, bridging the gap between education, skills and labor requirements can ensure effective youth transformation policies. Third, establishing a performance-based pay culture to increase participation in the private sector (Elbanna & Fatima, 2022). Fourth, there is a need to increase the levels of female youth labor participation, particularly in the private sector given that there are similarities and differences concerning the discouraging and encouraging factors among male and female national job seekers (Elsharnouby et al., 2023). This is important because there are both similarities and differences in the factors that discourage or motivate male and female GCC job seekers (Elsharnouby et al., 2023). Finally, it is recommended that the GCC governments develop a standardized process of data management by developing a data economy.

After examining the extent of progress made on existing policies and questioning the relevance of these policies in light of more effective data utilization, this study suggests several directions for future research.

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