

WHY ARAB YOUTH CAN'T FIND JOBS? AN ISLAMIC PERSPECTIVE

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Part 1

ABSTRACT

Arab youth unemployment is a complex and multidimensional problem. It requires modern and new innovative strategies to find practicable solutions to this social ill. This paper first highlights the current social and political upheavals in the Arab world mainly in Tunisia, Egypt and Libya that has far reaching implications due to youth unemployment, poverty and corruption problems that have spread rapidly for the last three decades. Second, it analysis the main causes of youth unemployment in the Arab World and what went wrongs in the education system and why jobs market shrinking today and who is behind it. Third, it examines the importance of modern skills that need to be effectively used especially in the area of rural farming and trades and why Islamic microfinance enterprise is vital. Four, it attempts to develop new educational curriculum to inspire Arab youth to be proactive in business creation. Five, it examines the importance of investing in new business ideas and the significant of external mentoring from the talented Arab entrepreneurs in the West. Finally conclusions and recommendations are suggested.

Keywords: youth, unemployment, innovation strategy, Islamic micro finance.

INTRODUCTION

(1) THE CURRENT TRENDS IN THE ARAB WORLD

Youths are the engine of economic development. They are the future leaders of the Arab world, which been confronted with many challenges mainly youth unemployment, poverty and illiteracy. But the harsh realities are different; youths today have completely lost faith in their governments who run their states as a family business surrounded by corrupted business elites who suddenly become millionaires building their own giant corporations. It is also true that these business families are now controlling the economy and run the show by investing in the stock market (paper economy), tourism and servicing sectors for profit maximization purposes.

Regrettably, these corrupted governments are self-centered carry out policies of the IMF and World Bank that led them to sell many public assets and left millions of people without jobs. The main aim is to privatize the economy and sell these assets cheaply to a few wealthy business families and foreign investors. Their ultimate objective is to fully control the economy that has become a service sector that cannot generate enough employment to fulfill the demands of youth to have decent jobs and to rob the wealth of the nation by building their own business empire at the expense of the masses who suffers immensely.

This critical situation has made youth and unemployed graduates depressed because they are desperate to find jobs to support their families and children, but their demands have not fulfilled because the state role ended most of the economies run by the global capital through multinational companies. Thanks to the corporations who rules the Arab world with the help of IMF and the World Bank policies. This depressing situation has led youth to act against the corrupted regimes (thanks to twitters and facebook who made communication between youth easier) that has betrayed them for the last two, three or even four decades and steal the wealth of the nation and marginalize the society and shattered the lives of millions of people. Good examples are Egypt, Tunisia and Libya economies for the former more than five million Egyptians are sleeping in the graveyards because they have no house to stay.

The Spark Started From Tunisia

Undoubtedly, the death of Mohammad Bouazizi, a 26 year old that set himself on fire on 17th December 2010 in the city of SidiBouzid in Central Tunisian, marks new era of social and political upheaval in the Arab World. It places the socio-economic agenda that includes the dignity of human beings to have decent jobs in the headline Arab news. Arab



“What sort of apostle is this, who eats food, and walks through the markets? Why has not an angel been sent down to him to give admonition with him?”. According to Surat Al-Furqan (20), “And the apostles whom we sent before thee were all (men) who ate food and walked through the streets: we have made some of you as a trial for others: Will ye have the patient”.

These two verses show clearly the importance of the Islamic market and why it is vital for the Muslim world to start thinking again to have the paradigm shift in the way we teach marketing to our students in the universities.

Students feel bored by learning too many western theories most of which are not applicable in Muslim environment. For instance in economic text book students have been taught that nature resources are limited on the contrary what Allah almighty has promised humanity. The Holy Quran has clearly stated that natural resources are unlimited as long people believe in Allah almighty and do righteous deeds to serve wider community. If they achieve that Allah shower them with endless natural resources.

(b) Studying for Education Purposes (status and wealth) Not to Seek Knowledge

Most of the students today are education seekers not knowledge seekers. Sadly their knowledge

about the socio-political situation is limited to the textbook and they are preoccupied with twitters. On the contrary of Muslim thinkers such as IbnKhalidun and His famous book (Muqaddimah) and IbnSina both who were not having any education qualifications rather they were knowledge seekers and intellectual thinkers. IbnKhalidun had wide knowledge not only in astronomy but also he was well respected economist and mathematician. IbnSina who was physician and his philosophy is his concept of reality and reasoning. Reason, in his scheme, can allow progress through various levels of understanding and can finally lead to God, the ultimate truth. He stresses the importance of gaining knowledge, and develops a theory of knowledge based on four faculties: sense perception, retention, imagination and estimation. Imagination has the principle role in intellection, as it can compare and construct images which give it access to universals. Again the ultimate object of knowledge is God, the pure intellect.

Sadly, the current education system in the Arab world makes students to obtain educational qualifications that do not teach them how to create their own jobs to be job creators but instead to be job seekers. Therefore, most of the Arab states were puzzled because large number of students graduates from universities and cannot find jobs and they are keen to get into government jobs.

(c) More Emphasis on Western Theories Rather Than Application.

Student today spent at least eight hours in the class room environment where they have taught by their respective lecturer’s western theories most of which, often, is not applicable in local Muslim cultures and values. That led them to be frustrated and disappointed why these theories have been taught in the first place.

(d) Lack of Freedom

According to Dr. Yousef Al-Qaradawi(well know Muslim scholar) in his program Al-ShariahWa Al-Hayat (Al-Shariah and life) in Al-Jazeera channel emphasizing that freedom is the main condition to achieve innovation and increase productivity and his views is affirmative because without freedom one cannot express his or her opinion freely (www.forums.islamicawakening.com). That has led all these authoritarians’ regimes to waste millions of dollars in useless projects without any tangible results to wider community. At the same time, Arab intellectuals are not allowed to question what

league President AmrMussa warned Arab leaders during their Arab Summit in Sharm El-Sheikh on Wednesday 19th January 2011. He talks about the grievances of ordinary Tunisians that sparked a popular uprising were linked to “unprecedented anger” in the region (www.middle-east-online.com). While the Amir of Kuwait who participated in the summit has set up a two billion dollar fund to finance small and medium sized businesses in 2009, keen to see this fund effectively utilized. However, sudden developments indicated that Arab leaders are worried and concerned about public anger between youth and university graduates due to unemployment problems especially after Tunisian President Zine El-Abidine Ben Ali and his wife’s family were forced to step down and fled the country after Twenty-four years in power.

The impact

Undoubtedly, the youth social upheavals in Tunisia has succeeded to break the status of fears in the minds of many Arabs, that have led to have the second youth social upheavals took place now in Egypt the Centre heart of Arab World. Youth were the leaders in the Egyptian social movement that started from 25th January 2011 and succeeded on February 11th after more than three hundred citizens were killed and more than six thousands were wounded. The event in Egypt marks new area in the whole Middle East that is the return of the head to the main body of the Arab world. It also marked the end of unpopular regime in most populous nation in the Arab world. Similar trends are now taken place in Libya where Colonel Gaddafi, the longest serving leader in both Africa and the Arab world, after the public unrest that took place on 17th February, has managed to hire missionaries from Niger, Mali and Nigeria to kill his own people in a very savage ways without any respect or mercy to women, children and even mosques that have been destroyed. The International Criminal Court (ICC) is warning Gaddafi that he held criminally responsible for his regime reactions that have been taken place to protect him.



(2) The Main Causes of Youth Unemployment in the Arab World

It can be divided into two parts mainly internal and external factors. The internal factors are:

(a) Outdated Education System:

Although Arab states have spent millions of dollars modernizing their education system but these expenditures were not well spent. Sadly, it is wrongly channeled mostly towards building construction of many schools, colleges and universities without proper investment in human capital. Arabs spent a higher percentage of GDP on education than any other developing region but the quality of education has deteriorated pitifully, and there is a severe mismatch among the labour market and the education system. It is obvious that Arab educational system are still not as good and rewarding as they should be with all the financial, human, cultural and other resources that this region has (Elsayed, A).

One of the gravest results of their poor education is that the Arabs, who once led the world in science, are dropping ever further behind in scientific research and in information technology. Investment in research and development are less than one-seventh of the world average. Only 0.6% of the population uses the Internet, and 1.2% has personal computers.

Ironically, the methods of teaching are also of concerns by many educated Arab professionals who mostly live in the West. Rote learning that does not allow students to think critically and analytically; and to appreciate the importance of learning as an ongoing journey that passes through life discoveries by seeking knowledge and information. This type of learning paralyzes the minds of many students today and made them think that attending lectures is boring place because many lecturers don’t allow them to think creatively. Regrettably, it is also true that through rote learning, students have been taught to memorize various topics in the recommended textbooks to enable him or her to pass the examination successfully without understanding fully the meanings. Interestingly, Robert kiyosaki (2003) concluded that modern education system of this kind prepares youth to become an employee not to an employer.

This has led students to get bored in the class room seldom exposed to outside learning environment to appreciate the importance of understanding al-sooq al-Islami (Islamic market) on the contrary to what Islam want us to be. Surat Al-Furqan (7) says,

is wrong in education system and why government spends millions of dollars, and the outcome is massive youth unemployment. The main cause is lack of freedom and accountability.

For the external factors:

(1) Global Capital:

Since most of the Arab states have undemocratic and authoritarian regimes, regrettably most of them calibrated with those they provide global capital for their own interest rather than the public interest. That led the government to decide what is good for their own citizens without any public debate because opposition parties are not allowed to questioning them.

These calibrations take the form of accepting the IMF economic medicine such as structural adjustment program, devaluation of the local currency, trade liberation and privatization of public assets and good example is Egypt and Tunis. These programs deny individual developing countries the possibility of building a national economy (Chossudovsky).

(2) The Importance of Modern Skills

Before modernization, the Arab education system needs analysis must be conducted of the youth in the Arab world. Egypt, the past three decades, youth were marginalized and they have never been consulted that has led them to be frustrated. For Egypt and after 25th January 2011, fulfillment of youth needs is vital because they are the main engine of economic development in the country. Therefore, the government needs to hire experience researchers so they can make a decision on the research method to be used. These research methods are interviews, focus groups, observation, and questionnaires to be distributed and analysis.

Since the new Middle East in the stage of new formations hopes are on the horizon to millions of people who are facing many challenges. It is also true that new paradigm shift is already taken place especially in the most populous nation that is Egypt. Indeed, the main challenges facing the new government in Egypt and Tunisia is creating jobs to their youth and making the economy productive.

To enable the government to achieve that and to reduce the problem of unemployment between youth it requires her to equip them with modern skills mainly in rural farming and trades.

Undoubtedly, agriculture development must be concerned with the rate of increase in food production and the means by which product is increased. Unless a country's pattern of agriculture development ease the absorption of a large segment of the rural labour force in productive employment, even a large increase in food output will leave many household with inadequate access to food supplies (Meier, G & Rauch, James). Therefore, time has come to induced technical innovation and institutional change to enable farmers to increase agriculture productivity by involving youth in the farming methods:

a) Drip irrigation:

It is considered to be one of the most water efficient irrigation methods. It involves dripping water slowly and gradually into the soil from a network of small plastic pipes which are fitted with drip emitters. Water is delivered directly to plant roots so that less water is wasted and plants receive just the adequate supply of water they need.

In Syria for instance, local authority in Salamieh province has designed drip irrigation systems for farmers - over 150 since 2003 with the help of Aga Khan Foundation through the Rural Support Program. The improved irrigation system their draws water from the well and sends it directly to the plants, distributing it so that there is reduced waste. In addition, several other improvements are made using, for example, a soluble fertilizer injection system that, while requiring fertilizer that is more costly than granular fertilizer, results in greater uptake - more than a twofold increase - by the plant. Other techniques include covering the seed rows with plastic strips that not only reduces evaporation but also bolsters were control, preventing the loss of valuable water and fertilizer to the weeds.

For farmers, these new systems result not only in greater production, and thus increased incomes, but also have significant added benefits such as reduced labour, reduced costs for fuel (to pump water), and the elimination of the need to build costly holding tanks. When installing drip irrigation systems for summer crops such as watermelon, eggplant, cucumber, tomatoes and squash, among others, farmers can often recoup the cost of the improved irrigation network in one harvest cycle.

Despite these apparent benefits, many farmers still have not adopted drip irrigation systems, often due to the cost or lack of technical expertise, or a lack of trust in the new technology. Here we believe Arab youth need to be involved after learning how drip irrigation works in order to educate farmers about the importance of this modern technology to save water (Aga Khan Development Network).

b) Hydroponics

It is a growing of plant without the use of soil. It has started to gain momentum in many parts of the world. One of the biggest benefits of hydroponic garden is that you can grow a wide variety of plants in a small area. Water and nutrients are provided to the roots all times, so that they don't have to spread out in order to find what the plant needs to survive.

Since youth like new business ventures they can benefit from hydroponic systems because there is no need for huge fields. More food can be grown with less fuel cost. Another benefit is that hydroponically grown plants tend to be healthier and mature faster for earlier harvest.

c) Electro technology

In the area of trade there are great demands for electro technology as life without electricity is hard to image. The Unitec Institute of Technology in Auckland, New Zealand www.unitec.ac.nz has an interesting applied program that is of great benefit to Arab youth today. Technology is everywhere in our lives in appliances, telecommunications, security systems, fiber optics and smart buildings and applied skills in electrical, electronics and audio-visual engineers and technicians are in demand. Through this program youth can design circuits, install alarms, telecommunications, work on the electrical control of industrial machinery and design household appliance?

d) Plumbing:

Similarly, plumbing is of necessity in the modern life because youth will actually work on making showers, sinks, hot water cylinders and washing machines under the watchful eyes of their lecturers. Here again at Unitec's Department of Plumbing and Gasfitting is doing great job of equipping youth with applied skills even they went further by providing online learning program help which are of benefit.



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Part 2

(3) Why Islamic Microfinance Enterprise is vital now?

To enable youth to start their businesses seed capital is a vital base on Islamic microfinance principles. Generally speaking, microfinance is a financing tool that provides very small loans to the working poor who are traditionally considered non-bankable, mainly because they lack the guarantees that can protect a financial institution against a loss. Islamic microfinance provides an innovative interest-free alternative to conventional microfinance. Based on the profit sharing principles of equity based finance, Islamic microfinance offers greater resilience than conventional microfinance. If a business fails, nothing is paid; if a business succeeds, profits are shared. Risks and rewards are always proportionate to equity shares.

While any return on capital in the form of interest is completely prohibited in Islam, there is no objection to getting a return on capital if the provider of capital enters into a partnership with a worker or entrepreneur and is prepared to share in the risks of the business.

Though still a long way from the financial mainstream, many governments now see microfinance as an effective way to build up local enterprise and reduce unemployment.

In light of the above, microfinance is seen as a powerful tool for reaching out to the youth unemployed, raising living standards, creating jobs, boosting demand for other goods and services, contributing to economic growth and alleviating poverty.

The main purpose of this noble task is to enable youth to succeed and to be financially independent to live according to what Allah wants us to be (as

human beings) through decent life that is called (Hayat Taeebah) through which there is no fear from tomorrow. This endeavor if it is well implemented and managed by an efficient and experience professionals it will undoubtedly lead to make major changes about the way we think about them.

(4) Time for New Educational Curriculum

The tertiary education system in the Arab world has been structured where students spend four consecutive years in the university. We believe it is too long period for students to learn all the theories without any practical applications.

The new educational curriculum I intend to redesign is focus on the following:

1. Two years are spent where students learn theoretical courses (such as marketing management and Islamic finance subjects as an example)
2. One year is spent where students gain practical experience.
3. One year is spent back to school where students do case study, workshop and certification.

Figure (1) below demonstrates that students, being the main assets in society who make changes for betterment, should have exposure rather than be alienated from it. Therefore, they should be exposed to real life experience first by spending two years in the university learning the theoretical foundations of some important subjects such as marketing, management and Islamic finance courses. Upon completing theoretical courses, students are given test and those who pass the exams (70%) will be eligible to do practical experience with potential entrepreneurs.

New Curriculum for University Student

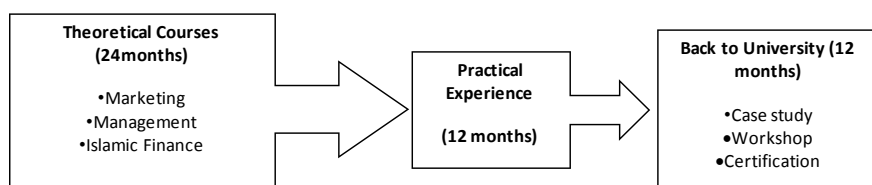


Figure (1)

Other criteria of selection should also be based on business ideas, innovation and creativity of the student.

The relevant professor who handles the practical experience program should have an open dialogue with selected entrepreneurs especially those who wish to improve their firms by being more competitive in the market. The open-minded entrepreneurs are more likely to accept the input of others, even if those “others” happen to be students who will be their future partners in the business once they have completed their studies at university. An agreement should be reached between the relevant professor and the entrepreneurs for 12 months’ practical training of the students, with their duties and rights clearly stated in an agreement which will be signed by their professor and the respective managing director of the small and medium industry entrepreneurs (SMIEs) firm. Such an agreement or a memorandum of understanding (MOU) is indeed vital to protect the rights of students now and in the future when at a later stage they become partners in those firms. The MOU should clearly stipulate the following terms of reference between the two parties (the students and the SMIE firms):

1. The students should spend 12 months in practical training with reputable SMIE firms.
2. The students have to be closely monitored by the two parties (the respective new employers and their professors as well) about the conduct of their work during the practical training.
3. Confidential reports must be submitted every quarter by the managing directors to the professors about the performance of the students.
4. The MOU should clearly state that if a student’s performance during the 12 months is outstanding, he would be considered for partnership in that firm once he complete his studies successfully (Al-Harran).

Undoubtedly, once a student realizes that he may become a partner at the firm that he is currently helping out, he will commit himself to the firm’s success, thereby giving the firm greater confidence in its newly acquired staff at a later stage. The students are the new blood and should be considered as assets in the organizational set-up both at present and in the future. They will make sure that they give the right advice to their counterparts. The managing directors of the SMIE firms should take their newly acquired partners’ comments and suggestions

seriously. Profit motivation is a factor that should ensure a commitment to hard work. Once the students have completed their practical training and gained real life experiences, they have become assets not only to the SMIES but also the academic institutions.

For the final year or fourth year of study at which point students should be given the opportunities and responsibilities to make some presentations about their 12 month practical experiences. Their respective professors should give them the responsibility to conduct case studies, practical workshops and seminars under his supervision. Indeed, responsibility of this magnitude is something new for students and awe-inspiring, so they need encouragement to help them embrace it. This means that their respective professors would be indirectly molding them as future corporate leaders who will lead the Arab world.

(5) Talented Youth and Need for Investment in New Ideas

Undoubtedly, the talented youth are gifted from God to our Ummah that needs to nurture, taken care of and support to excel in order to build vibrant economy base on production line rather than servicing sector. They also need educational programs tailored to the specific abilities, interests and motivations. They believe in putting their project ideas into operation as an active learning process to them and others. The talented youth are full of energy; dynamics and action that need to be effectively utilized in order to see their dreams become true through project implementation and wealth creations.

It is here where the financial support is needed from Islamic finance and Arab investors to support youth for such new initiatives. The suitable environment is vital for the success of these projects and we believe the State of Qatar (which is currently experiencing rapid economic growth which is keen to assist Egypt in its democratization process especially after 25th January) could be the testing ground for such business endeavors because the country is open and welcome any new ideas and initiatives. The new Egypt is urgently need support especially from those talented Egyptians youth who lives for many years in the USA and western Europe who excel in science and technology and started to come back to build their country. Professor Ahmed Zewail, Nobel Laureate is good example who he was named in 2009 an envoy in the new U.S Science Envoy program, created to foster science and technology

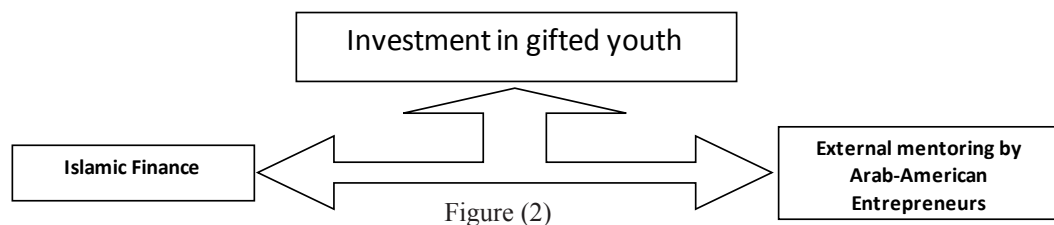
collaboration between the United States and nations throughout the Middle East, North African and South East Asia among other Arabs who are keen to assist Egyptian youth to prosper as an external mentoring.

(5a) The Importance of External Mentoring

Arab entrepreneurs in the USA have made a measurable presence and have had an impact in the rise and development of Silicon Valley region. According to Dr. Mohammed Abdul Aziz who is medical doctor (who lives in USA) and came back to Egypt after 15th January 2011 social upheavals there are 1.5 million Egyptians are keen to help to their own country to prosper (From Cairo Program). They need to be effectively utilized as an external mentoring to Egyptian gifted youth to give them proper guidance's and supervision. Undoubtedly, Arab entrepreneurs such as Amr Mohsen (Founder, Chairman & CEO, Aptix Corp), Omar Ahmad, President & CEO Silcon Expert Technologies), Ray Milhem (Senior Director& Product Manager, Extreme Networks), Joe Louis, President, Louis Engineering Corp, Ali Moussa (President & CEO, Atavion Networks Inc), Ali Ataha President (ARA Engineering Group) and Ahmed Moeim, Founder of eSynapse Corp will not forgets their roots and cultures and will be keen to share their success stories in Silicon Valley through knowledge and experiences with gifted Arab youth.

Indeed, the role model of those Arab successful business entrepreneurs in the global market is inspirational to youth who can render their professional services through sponsorship or assist in set up centre for Arab youth entrepreneurs in Egypt.

Figure (2) demonstrates the importance of strategic alliances between three parties, gifted youth, Islamic finance and external mentoring by Arab-American entrepreneurs. The Arab world needs new business leaders who are visionary and goal oriented to create wealth and share it responsibly in the community.



Conclusion

The social upheavals in Tunisia and Egypt marks new area in the Middle East where Arab youth are the driving forces behind their successes. The time has come for us as academicians and practitioners to support these new democracies in these two important economies to be sustainable think tank groups need to be formed whether in agricultural farming, industry or food security for the Arab world.

It is also true that recent event in these two countries shows that we are one Ummah of Islam and time has come to be united sharing one bond and one destiny and our problems should be resolved from within and not from outside as Allah almighty has given natural and human resources that need to be effectively used for the benefit of mankind.

The first effort should be to equip youths with modern applied skills to enable them to be problem solvers and successful entrepreneurs. If youth are given the financial incentive, motivation, proper vocational training and monitoring and follow up, they can play an important role in modernizing their economies and be the future leaders creating wealth and share it responsibly.

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