

Saudi Youth Concerns Post-Covid-19

Mark C Thompson

Saudi Arabia: Responding and Adapting to New Realities

In the past years many things have changed in the Gulf region. Economic growth has slowed down, new leaders have taken power and security in the region has deteriorated.

Against this background, the aim of the Saudi Arabia series of papers is to provide a comprehensive, interdisciplinary understanding of how the kingdom is responding and adapting to the new reality. The papers cover different aspects of Saudi Arabia, such as its economic transformation, the energy market, relations with the United States, Europe and East Asia, external security threats and the role of the youth, women and religion in society.

Saudi Youth Concerns Post-Covid-19

Mark C Thompson*

Employment is today the top concern among the young in Saudi Arabia's predominantly youthful population, a concern exacerbated by the economic impact of falling oil prices coupled with the ramifications of the Covid-19 pandemic. This article highlights the sociocultural and other factors that complicate employment opportunities for young Saudis. It also discusses youth attitudes to entrepreneurship, a critical topic, given that the Saudi government's Vision 2030 has been encouraging entrepreneurship among young Saudis as a means of creating jobs and reducing unemployment.

Saudi Arabia is a predominantly youthful country, with approximately 43 per cent of the population of 34 million under 24 years of age.¹ Men make up about 57 per cent of the population; women 42 per cent. The kingdom is also highly urbanised, with approximately 83 per cent of the population residing in the expanding cities, principally the capital, Riyadh, Jeddah in the west and the Dammam–Khobar–Dhahran conurbation in the oil-producing Eastern Province.²

¹ For Saudi demographics, see, for example, General Authority for Statistics, Kingdom of Saudi Arabia, <https://www.stats.gov.sa/en>; and Global Media Insights Blog, “Saudi Arabia’s Population Statistics of 2021”, 12 April 2021, www.globalmediainsight.com/blog/saudi-arabia-population-statistics/

² See footnote 1.

Furthermore, this youthful, urbanised populace is increasingly well educated. There are 29 public universities and 11 private universities in the kingdom, along with hundreds of community colleges and women's colleges, and a rapidly growing number of technical and vocational training schools.³ Overall tertiary enrollments increased from 1.36 million in 2013 to 1.62 million in 2018, with the percentage of female graduates around 56 percent in 2019, slightly higher than the share of male graduates.⁴ It is anticipated that capacities in the higher education system will need expanding further in the years ahead to accommodate Saudi Arabia's rapidly growing college-age population. Yet, as more young Saudis enter some sort of tertiary education, it means that greater numbers will eventually graduate and flood an already saturated labour market. The overall situation has been exacerbated by an explosion in the number of young Saudi women now competing for the same jobs as young men. In fact, many young men complain that employers have a marked preference for hiring women, resulting in the men "losing out" and causing considerable resentment, and even anger.⁵

An Online Generation

In addition to being better educated, young Saudis of both genders have become more aspirational and forward looking, an attitude facilitated by young nationals being online seemingly 24/7 and thus globally connected as well. In fact, it is no exaggeration to categorise 20-something Saudis as

³ Sidiqa Allahmorad and Sahel Zreik, "Education in Saudi Arabia", 9 April 2020, <https://wenr.wes.org/2020/04/education-in-saudi-arabia>

⁴ See, for example, Statista, "Share of female graduates in Saudi Arabia from 2010 to 2019", 16 March 2021, www.statista.com/statistics/1118988/saudi-arabia-share-of-female-graduates/.

⁵ Focus group discussion conducted by author, March 2021.

an “online generation”. Saudi Arabia has one of the largest social media presences in the world, helped by the super-fast internet connections that those in the urbanised areas enjoy. Social media is a technological tool that perfectly complements the highly interconnected social networks that had already existed in Saudi Arabia pre-internet. Another reason for the high number of active social media users is the high rate of smartphone ownership.⁶ As a result, the way that young Saudis conduct their daily transactions and the means by which they organise their lives have changed beyond recognition. Indeed, it is not uncommon for young Saudis to have several smartphones as a way of compartmentalising their increasingly complex lives, for instance, one phone for family and/or education/work and another for friends. Yet, what is important is that these young people’s social media usage is characterised by being autonomous, global, open, and participatory. In consequence, this has allowed young Saudis to access alternative social networks beyond their traditional family and/or work/educational constituencies.⁷

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Prior to Saudi Arabia’s social reform programme, discussions on social media by young Saudis, particularly those in the principal cities, highlighted the traditional social restrictions that to them looked

⁶ Global Media Insights Blog, “Saudi Arabia Social Media Statistics 2020”, 8 September 2020, www.globalmediainsight.com/blog/saudi-arabia-social-media-statistics/

⁷ Mark C. Thompson, “Societal Transformation, Public Opinion and Saudi Youth: Views from an Academic Elite”, *Middle Eastern Studies* 53, No. 5, April 2017.

increasingly unsustainable as they were out of step with socioeconomic and cultural realities. In fact, when Crown Prince Mohammed bin Salman's Saudi Vision 2030 was launched in April 2016, it reflected a great deal of these youth concerns.⁸ Hence, the idea of a young leader willing to break the mould of consensus politics and the status quo enjoyed the support of young nationals tired of what they perceived to be anachronistic social norms.⁹ Young Saudis are indeed a natural constituency for the kingdom's transformation initiative, and, not surprisingly, as Diwan notes, there have been concerted efforts by the government to reach out to them.¹⁰

Employment Prospects

In my qualitative research across Saudi Arabia over several years, young nationals nearly always listed employment as their top concern.¹¹ This concern is reflected in Saudi Vision 2030, which prioritises job creation (and associated "Saudisation") to reduce unemployment among the kingdom's predominantly youthful population.¹² Nonetheless, creating viable and long-lasting employment opportunities for young Saudis remains one of the government's most significant problems.

⁸ Kingdom of Saudi Arabia, "Saudi Vision 2030", https://www.vision2030.gov.sa/sites/default/files/report/Saudi_Vision2030_EN_2017.pdf.

⁹ Thompson, "Societal Transformation".

¹⁰ Kristin Smith Diwan, "Youth Appeal of Saudi Vision 2030", Arab Gulf States Institute in Washington, 6 May 2016, www.agsiw.org/youth-appeal-of-saudi-vision-2030/

¹¹ See, for example, Mark C Thompson, *Being Young Male and Saudi: Identity and Politics in a Globalized Kingdom* (Cambridge University Press), 2019, pp. 63–86.

¹² "Saudi Vision 2030".

From 2012 to 2019, just before the outbreak of the Covid-19 pandemic, the unemployment rate among nationals remained stubbornly around 12 per cent. However, owing to a combination of the economic impact of the pandemic and a decrease in oil prices, unemployment among nationals increased to 15.4 per cent in the second quarter of 2020 — some 3 percentage points higher than in the same period the previous year.¹³ Unemployment levels returned to pre-pandemic levels in the fourth quarter of 2020 as the government relaxed Covid-19 restrictions and gradually allowed the resumption of economic activity, and as many as 129,000 expatriates left Saudi Arabia on final exit visas in 2020. However, an additional 74,000 Saudi men and women joined the workforce in 2020.¹⁴

“Owing to a combination of the economic impact of the pandemic and a decrease in oil prices, unemployment among nationals increased by some 3 percentage points compared with the same period the previous year.”

Recent government decisions such as the Saudisation of all employment and related activities in shopping malls represent the latest

¹³ See General Authority for Statistics, Kingdom of Saudi Arabia, “Saudi unemployment increases to 15.4% in Q2/2020,” 2020, https://www.stats.gov.sa/sites/default/files/LM_2Q2020%20%28Press%20release_EN%20%29.pdf.

¹⁴ Abdul Rahman al-Mesbahi, “129,000 expats exit; 74,000 Saudis join job market in 2020”, Okaz/Saudi Gazette, 4 April 2021, <https://saudigazette.com.sa/article/605176>

push by the government to create jobs for young Saudis in the private sector, one that has been traditionally dominated by cheap foreign labour.¹⁵ The decision is part of a long-standing Saudisation policy to gradually replace expatriate workers with locals. However, as a political scientist in Riyadh observes, this effort has been under way for years with no significant change in the unemployment statistics, including the latest ones.¹⁶ Additionally, the economic fallout from the pandemic has forced some small- and medium-sized businesses (SMEs), including family ones, to either cease trading or lay off staff. An increase in “closed” or “for rent” signs on empty premises in Riyadh points to this situation, as do conversations about lost jobs with Saudi Uber or Careem drivers. Therefore, the concern is that the pandemic has caused the growth of hidden unemployment and that, in fact, employment prospects, especially for less well-educated Saudis, have become worse.

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For many young Saudis, especially those about to graduate and enter the labour market, the impact of the 2020 pandemic is reminiscent of the 2014 oil price collapse, which triggered a fall in government revenues, which in turn caused an economic downturn that had an immediate

¹⁵ See Arab News, “Only Saudis can work in malls as local hiring drive accelerates”, Arab News, 6 April 2021, www.arabnews.com/node/1839156/business-economy.

¹⁶ Interview with author, April 2021.

adverse effect on the Saudi labour market.¹⁷ In the years following the 2014 oil price decrease, employment prospects gradually improved although not to pre-2014 standards. However, the gains that were made have been jeopardised by the impact of the pandemic on available jobs. This has led many young Saudis, especially those looking for a first job, to become fearful that the labour market has contracted in much the same way as in 2014. Many expressed fears of a recession, with adverse effects on the job market lasting for several years.^{18 19} In 2021 and beyond, the danger is that the Saudi government might try to mitigate this problem by employing young nationals in public sector positions, many of them phantom ones,²⁰ but this would only be a temporary solution to the issue: a case of replacing unemployment with deadening underemployment.

Sociocultural Factors

Existing research on young Saudis' attitude to work points to disengagement and low motivation, with many observers commenting on the "manager mentality" linked to a sense of entitlement among some young Saudis. For instance, Yamada documents how large numbers of Saudi job seekers, especially those in the urban centres, would be

¹⁷ Tarek Tawfik Yousef Alkhateeb et al., "Oil Price and Employment Nexus in Saudi Arabia", *International Journal of Energy Economics and Policy* 7, No. 3 (n.d.): 277–81.

¹⁸ Survey by author, May 2020.

¹⁹ Mark C. Thompson, "The Impact of the Coronavirus Pandemic on the Socioeconomic Future of Young Saudis", *Asian Journal of Middle Eastern and Islamic Studies*, August 2020, <https://www.tandfonline.com/doi/full/10.1080/25765949.2020.1808375>.

²⁰ See Steffen Hertog, "Back to the 70s? Saudi Youth and the Kingdom's Political Economy after the Arab Uprisings", in *Oil States in the New Middle East: Uprisings and Stability*, eds. Kjetil Selvik and Bjørn Olav Utvik (Abingdon, UK: Routledge Studies in Middle Eastern Democratization and Government, 2015), pp. 70–92.

reluctant to take jobs that pay less than 4,000 Saudi riyals monthly (while the average monthly wage for expatriate workers in the private sector is only slightly above 2,000 Saudi riyals).²¹

“Other, more structural challenges identified in recent research include inadequate access to career guidance, shortcomings of the education system in teaching employability skills and limited knowledge of navigating private-sector employment.”

Other research has linked employment challenges to sociocultural issues such as the perception among some young Saudis that certain occupations are beneath them. This can afflict young nationals in both the main urban centres and less urbanised regions, a problem underscored by their parents frequently expressing the same views. Other, more structural challenges identified in recent research include inadequate access to career guidance, shortcomings of the education system in teaching employability skills and limited knowledge of

²¹ See, for example, Makio Yamada, “Skills Certifications: A Tool for Training and Job Matching in a Knowledge-Based Economy — and for Alleviating the Skills Mismatch Problem in Saudi Arabia by 2025”, King Faisal Center for Research and Islamic Studies, 2020, www.kfcris.com/en/view/post/307; Mohamad Ramady, “Gulf Unemployment and Government Policies: Prospects for the Saudi Labour Quota or Nitaqat System”, *International Journal of Economics and Business Research* 5, No. 4 (2013): 476–98, https://econpapers.repec.org/article/idsijecbr/v_3a5_3ay_3a2013_3ai_3a4_3ap_3a476-498.htm.

navigating private-sector employment.²² This is closely related to a socioeconomic issue, what we can term the “visibility of talent” — that is, it is only a small pool of Saudis who are most frequently at the forefront or in circulation. These “visible” Saudis are usually from wealthy families and have *wasta* (personal or family connections), which eases their educational and employment progression. This situation needs to be rectified as talent exists in abundance outside elite circles, but too often such young talents are excluded simply because they do not have *wasta*, do not know where to look, or whom to ask, for educational or employment advice and direction.

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In my political science classes at King Fahd University of Petroleum and Minerals (KFUPM) the topic of “unsuitable” jobs for Saudis was sometimes discussed. Students commented that they would never do certain types of work, especially work that involved manual labour.

²² See Hanaa Almoaibed, “Education and Job Opportunities: How Do Schooling Practices Affect Young Saudis’ Transition to University and Employment?”, King Faisal Center for Research and Islamic Studies, 2020, <https://kfcris.com/en/view/post/253>; Harvard Kennedy School Evidence for Policy Design, “The Labor Market in Saudi Arabia: Background, Areas of Progress, and Insights for the Future”, 2019, https://epod.cid.harvard.edu/sites/default/files/2019-08/EPD_Report_Digital.pdf.

However, when asked what work their grandparents had been prepared to do, the reply typically would be, “they had to do everything”. Thus, the “some jobs are beneath us” mentality is a relatively new one, a post 1970s oil-boom phenomenon, but one that education must work towards changing if the Saudi government wishes to increase the employment of nationals across all sectors and regions. Furthermore, if blue collar work becomes more widely accepted among young Saudis, then this could lessen unemployment as large numbers of unemployed youth could potentially replace blue collar migrant workers. Significantly, increased blue collar employment will probably become more important in the future, given that the traditional safety net of guaranteed public sector “jobs for life” is diminishing owing to decreasing oil revenues.

“In addition to being less averse to taking on manual work, young Saudis today are willing to take up part-time or contract work that does not guarantee the permanency that public sector jobs offer.”

That said, attitudes are changing, and fast. In addition to being less averse to taking on manual work, young Saudis today are willing to take up part-time or contract work that does not guarantee the permanency that public sector jobs offer. Also, young Saudis are more willing to take up unpaid work either in pursuit of a passion or possibly as a stepping stone to future employment. In the summer of 2019, I met a group of former KFUPM students, all of whom had graduated in 2013. I asked them if they remembered how many of their peers among approximately

120 students held part-time or voluntary jobs in 2013. They replied probably none, which was correct. Next, I asked them to guess, based on knowledge through their social networks, the number of students in my 2019 cohort who may be holding either a part-time or voluntary job, and they guessed approximately 75 per cent, which, again, according to my research, was an accurate figure. This exemplifies the huge change in attitudes towards work among young Saudis. Indeed, nowadays, young Saudis work across all sectors in jobs such as taxi drivers, shop assistants, waiters, and mechanics. Volunteering is also extremely popular, with opportunities circulated on social media applications such as WhatsApp and Snapchat.

Attitudes to Entrepreneurship

Responding to the unsustainability of the rentier economic model as oil prices fall, the Saudi government has been encouraging entrepreneurship among young Saudis as one of the initiatives of Saudi Vision 2030.²³ Indeed, young people recognise that entrepreneurship and start-ups can provide a further avenue for employment. The desire for a better quality of life among young Saudis is behind many entrepreneurial endeavours. In fact, some Saudi start-ups are breaking into markets previously dominated by foreign companies. An excellent example is Maestro Pizza, which has become more successful than Domino's Pizza and Pizza Hut in Saudi Arabia.

Although it has now become popular to talk about entrepreneurship as part of a vehicle for self-expression in the kingdom, in reality, creative expression preceded the entrepreneurship trend, emerging around 2012–2013 in the form of informal online groups, including art and

²³ "Saudi Vision 2030".

photography groups or book and film clubs. This burst of creativity evolved into the current “start-ups” entrepreneurship trend as young nationals realised they could monetise their interests, indeed that they needed to do so since they could not rely on the government to provide opportunities. In many cases, the opportunity to monetise hobbies has been facilitated by social media applications, for instance, Snapchat for selling cakes or WhatsApp for selling wedding photography services.

“Many young Saudis have become energised by the possibilities that entrepreneurship offers, linked as they are to the socioeconomic reforms that allow more personal freedom and greater self-expression.”

In the recent past, if a Saudi individual was not employed in the oil and gas industries, he or she was not considered to be “doing business”, maintains Yasir Al Kadi.²⁴ However, since the launch of Vision 2030, the entrepreneurial environment has transformed considerably. More SMEs have begun appearing and creating jobs as well, particularly since the latter part of 2017.²⁵ This is a crucial trend because ultimately it is young Saudis who can make significant contributions to Vision 2030 through entrepreneurship and start-ups. Many young Saudis have become energised by the possibilities that entrepreneurship offers, linked as they are to the socioeconomic reforms that allow more personal freedom and greater self-expression. However, the bottom line is that if the

²⁴ Discussion at KFUPM 5th Entrepreneurship Forum “Collaborative Entrepreneurship: An Imperative for Saudi Vision 2030”, Dhahran, February 2018.

²⁵ Discussion at KFUPM 5th Entrepreneurship Forum.

government fails to respond to this energy through effective support for the entrepreneurial aspirations of young Saudis, especially amid the economic downturn arising from the pandemic, then this enthusiasm could mutate into cynicism and apathy. ◆

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