

# [Good unemployment in saudi arabia research paper example](https://assignbuster.com/good-unemployment-in-saudi-arabia-research-paper-example/)

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Saudi Arabia is the largest Arab economy that produces thousands of young people intending to join the workforce. As a result, it has to create new jobs to beat the employment expectations of young employees who want to have their contribution towards the economic growth and prosperity. The country is currently facing challenges in terms of providing jobs as the need for jobs outweigh the availability (Mellahi, pp. 135). The monarchy of Saudi Arabia is quite powerful but great dissent and challenges of creating more jobs bring Saudi Arabia under great threat. Saudi Arabia has been putting many efforts at probably wrong things and as a result has been unable to combat and overcome its increasing unemployment rate. The kingdom of the country has been rich since it is the largest exporter of oil and its foreign reserves amount to billions of dollars, but it does not suggest the well-being of its increasing population and society.
One of the major causes of unemployment may become the lack of youth education. It is essential for any youth of country to be responsible, and enjoy the educational environment that teaches them to avail the opportunities and chances that come their way by the government (Gause, 2011). As education, system is not effective it fails to equip young hires with suitable skills and right jobs. Young Saudis are not given the opportunities to go into the depth and study the subjects that affect their societies and thus should be a part of their education. Once they know such subjects, they can have better knowledge to deal with the issues of their society and introduce the solutions to cope up with them. Therefore, mostly young population do not seem to have proper, quality, good education that can help them in employment and thus they remain useless.
Saudi population is getting nearly to thousands of billions, which include Saudis, people who over stay, and people from various parts of the world including staying under illegal terms. Saudi Arabia is a huge country and strongest economy that seems to have no problem in accepting billions of people who can enjoy good life and all the facilities of housing and work. The basic problem is that Saudi Arabia consists of vey young population. Real estate prices are highest in Saudi Arabia as compare to the rest of the world’s prices. It is not easy to own the house and as a result, government is putting efforts to ease the problem and bring prices down by Ministry of Housing. Saudi Arabia has a higher birth rate and thus the need for houses increasing too (Alkhazim, pp. 479-486). Bigger houses mean more electricity bills and thus more expenses related to maintenance. This means the root cause of increasing population can be controlled through family planning for an improved future. It is a time consuming and requiring more money to raise and educate children and give them a better life. Moreover, once you are unemployed such needs seem impossible to be fulfilled.
In addition to that, the labor system adopted by Saudi Arabia is too old to be effective. It does not match with the modern and contemporary developments that require labor system to be modified and adaptable. As a result, it shows various gaps that are easy to be exploited, providing no benefits to the economy at all. The economy is in a dire need of providing millions of jobs in the upcoming future to keep the way of living sustained (Alkhazim, pp. 479-486). Lack of transportation facilities, no special arrangement of particular areas in companies for women, inflexibility in working hours, absence of nurseries and day care centers are some of the major obstacles that has the contribution in increasing unemployment rate in Saudi Arabia. Saudi Arabia has a lack of unemployment benefits due to which unemployed are not able to make their both ends meet.
Moreover, Saudi Arabia does not support private sector to take a lead and through its effective recruitment programs to motivate employees and get the recent jobs for Saudis. As a result, private sector companies rely hugely upon the foreigners and non-Saudis to secure good positions that are no more left for Saudis. Oil prices have been booming within economy at considerable amounts and this has affected the production levels and average growth of the entire economy but with no effect upon employment. The reason behind such move is that foreigners get such employment opportunities with Saudis leaving with no option but remain employed. Private sector companies also feel reluctant to employ Saudis as they ask for higher salaries, good packages, and small number of hours and thus prefer to work public for organizations (Parsons, pp. 14-17). Consequently, main attraction for the private sector becomes the foreigners as non-Saudis on the other hand, are ready to work longer hours, on less salaries, and unattractive benefits, matching the skills required as vocational and technical specialists. The result of such preferences is that Saudis are left with no work and Saudi nationals are not much part of private sector.
Unemployment becomes more risk for Saudi Arabia who has also put various restrictions upon women’s ability to work according to their choice and will in spite of the fact that more and more women are joining job market each year after being graduated. As a result, they have less and limited job opportunities and policies by the government.

## Solution

Unemployment occurs when people are not able to get the jobs that affect their way of living and thus the entire economy resultantly and collectively. The problem in Saudi Arabia is not new to the economy but has been persistent since 1975 with male, female, citizens, and foreigners and with thousands of young population to join the job market (Barsoum, pp. 39-53). Thus, it is essential for the government to take tough measures and steps that ensure the negative impacts of unemployment to eradicate forever.
Government should put many efforts in introducing mega projects through which young employees can get information opportunities. It is important for the employees to be given the chances of best work ethics and more companies to get the licenses and visas to join the job market of Saudi Arabia, providing jobs. The duty does not confine to the government, but to the people getting jobs too as they have to prove themselves valuable, trust worthy, skilled, ethical, talented and best choice. In order to combat the rate of ever-increasing unemployment, it is essential for the youth to take steps themselves and progress through their own efforts too, but with the provision of support of government (Eldakak, 2010). As a good measure, government needs to encourage the private sector to join the job market and increase the opportunities for people. Private sector’s interference in the market was once controlled by the government but it needs to understand its importance and its positive role in affecting the employment rate, bringing investments and providing people with work, chances, options, a good life style not only for the foreigners but for Saudis as well. In this way, provision of facilities for vocational training will also make it easy for Saudis to know the skills required by private sector that mainly comprise of big conglomerates.
Moreover, the government also needs to ease out the cultural restrictions over women joining the job market and contribute in the economy and their own well-being. Saudi Arabia has been reluctant to take very important steps in providing jobs to the women who act as important assets of economy. According to the interpretations of Islam, it is not good for unrelated men and women to come together and work. The plans to create gender-segregated areas for women would be helpful to integrate them into workforce.

## Conclusion

Saudi Arabia has been taking various measures to beat the unemployment including Hafiz program, system of Nitaqat, encouraging private sector, allowances programs, introducing educational programs, but it is still in distress of unemployment rate of 5. 55%. The reason major becomes the unexpected and lower salaries, poor job prospects, and increasing cost of living. As the best solution, various industries need to change their structure and provide comparative advantage. The government needs to apply quick fixes, releasing gender segregation, encouraging stagnant private sector, beating the competition from the lowed paid foreigners, turning into diversified economy, in order to reduce the risk and headache of unemployment. Saudi Arabia being the largest oil producer in the world and touching all the corners of the world can come under big threat if it does not take and continue to take a wide range of effective steps to maintain the demand and supply of labor market. The well-being of any society suggests when it is able to get good education can afford good living styles or at least is able to fulfill needs, acquire health care facilities, and remain happy and satisfactory. The main reason behind increasing unemployment in Saudi Arab is its demographics. Saudi youth is increasing but its economic policies do not support them and that can help to resolve the issues.

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