



# School's out, now what?

## Meeting the skills challenge

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Gulf Cooperation Council (GCC) governments are committed to policies of nationalization, but young people still seem focused on public sector jobs and those with the required technical qualifications are in short supply. Will this create a skills gap and, if so, how can it be filled in practice?

### **Growing economies but large numbers of unemployed youth**

Around 60 percent of the GCC population is under 30 years old and the labor pool of nationals and expatriates grows annually. This reality underpins many of the continuing social and economic changes underway in the Middle East and effective vocational education is central to addressing them. A growing population means that the public sector can no longer sufficiently absorb school and university leavers as in the past.

In order to meet the challenges of youth unemployment in the region, governments are more actively promoting a policy of increasing employment for nationals and replacing expatriate employees. For example, Kuwait plans to reduce foreign workers by 100,000 a year while companies in Saudi Arabia have quotas of Saudi employees and risk having their licenses removed if they fail to meet these targets. However a British newspaper, the *Financial Times*, reports employer concerns that a combination of higher wage nationals with low or unneeded skills will threaten business sustainability. A challenge facing the region is how skills levels can be raised and attitudes changed so that people access rewarding and useful employment.

Vocational education can produce suitably prepared young people to enter employment but has a small proportion of nationals in enrollment. In relation to schools and universities, vocational training is, relatively, generally neglected in the Gulf region today. Saudi Arabia recognizes this situation and is in the early stages of expanding its vocational training system nearly fourfold in the next ten years through its Colleges of Excellence initiative. The Abu Dhabi Center for Technical and Vocational Education and Training, with its plans to open several centers, is a similar step addressing the challenge.

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## There is a need for a better understanding of the opportunities and needs of the GCC private sector when locals transition from school, if a better workforce balance is to be reached

Adjusting the skills balance between national and expatriates is critical if growth is to be sustained. In the region's three main economies expatriates make up 94 percent of the private sector workforce in Qatar and 90 percent in Saudi Arabia according to BBC research. Insead Business School estimates that Emiratis make up between 60 and 70 percent of the public sector but less than 5 percent of employees in the private sector. If public sector employment growth is limited there is a need for a better understanding of the opportunities and needs of the GCC private sector when locals transition from school, if a better workforce balance is to be reached.

### **Boys drop out of education, girls stay longer**

Education represents a way towards this goal. According to Alpen Capital (GCC Education Industry study–2010) the number of students in the GCC region

is expected to grow from 9.5 million in 2010 to 11.3 million in 2020. At present enrollment rates at primary and secondary level are above 90 percent for almost all Gulf countries as education is free and compulsory for all GCC nationals. At the tertiary level, however, there is a disturbingly low average of 23 percent enrollment rate across the region, worse than in many developed countries. Deloitte's February 2011 report *Mind the Gap* found Finland (93 percent), the United States (82 percent), Italy (67 percent) and the United Kingdom (59 percent) have all achieved greater rates of tertiary enrollment.

Enrollment rates for tertiary education are particularly low for men. A lower number of young males have been entering higher education than women, according to data from the World Bank. With fewer job opportunities for women, they tend to continue in education for longer. In Dubai for example, some 75 percent of those enrolled in public universities are women while only 25 percent are men, according to the Dubai Knowledge and Human Development Authority.

This arises due, in part, to GCC governments providing relatively high-paying employment for male nationals with minimum qualifications, so naturally they are choosing this path over gaining more qualifications or a career in the private sector. But as the national population grows, governments become less interventionist, and countries experience spending slowdowns, there will be fewer public sector jobs available. This makes it important for more young men to consider private sector employment routes and stay in post-school education to get the appropriate qualifications.

### **There needs to be more joined-up thinking**

The education systems of the GCC countries should ensure that students finish their education prepared for a future that requires them to be globally competitive. There needs to be even better coordination between the Ministries of Labor, Education, Higher Education and the private sector (through Sector Boards and Chambers of Commerce), to ensure that today's educational reforms

will provide tomorrow's skills requirements. This will require thorough and ongoing analysis of labor markets and extensive communication of findings with students, parents, employers, schools, universities and colleges.

Emphasis should be placed on skills such as creative thinking, team work, purposeful writing, problem solving, research, innovation and technology. Regulations should be developed to ensure that each country has a curriculum and testing system that reflects this style of learning that users can understand.

Although debate continues over whether students should be taught in Arabic or in English, it is certain that proficiency in both is vital for today's students. Reformed vocational education should safeguard the status of Arabic and traditional cultural values.

There needs to be effective coordination between K-12 and higher education and technical institutes in order to encourage more students to continue into post-school education, particularly vocational education. Universities and technical institutes must create better awareness of the benefits of their opportunities. Efforts to make entry routes into vocational training and higher education more flexible should be developed further. The provision of flexible part-time or second chance routes to qualifications would increase the chances of these qualifications being achieved. This should include greater use of part-time study and computer-assisted learning.

### **Employers must play their part**

Students need to be better informed about the labor market. Improved careers advice and employer engagement in schools and vocational training is important in supporting parents and students in the decision making process so that labor market realities are understood when choosing majors.

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Quality in vocational education must be safeguarded. Assessment of vocational learning should be practical and linked to the demands of the workplace, independently monitored and with standards that are consistently applied and internationally recognized—ideally with significant employer input and support.

Sector boards that bring together employers and vocational training providers have the capacity to improve the status and responsiveness of vocational training in the region. The United Kingdom's Council for Education and Skills (UKCES) and Norway's National Council for Vocational Education and Training have done this. By providing a forum for collaboration, sector boards have the potential to impact on the way vocational learning is designed, delivered and assessed so that employers' needs are met and employment opportunities created.

Whatever the direction of the journey to improve and increase vocational education, we suggest that public and private sector collaboration is critical. Reform will need to be state-initiated but with private sector involvement and support with no tolerance of poor performance.

by **Richard Barrett**, leader of Education and Skills consulting services, Deloitte Middle East