

ANTECEDENTS AND CONSEQUENCES OF UNEMPLOYMENT: EMPIRICAL EVIDENCE FROM UAE

Maryam Taresh Saif Suhail Al Marri

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Maryam Taresh Saif Suhail Al Marri, School of Business Management, Universiti Utara Malaysia. **Houcine Meddour**, School of Business Management, Universiti Utara Malaysia.

Abdul Halim B Abdul Majid*, Research Fellow, Institute for Business Competitiveness, Standards and Sustainability Initiative, SBM, Universiti Utara Malaysia, Malaysia

Corresponding Author: ahalim@uum.edu.my

ABSTRACT

Unemployment measures how many laborers in a specific country are educated and skilful but unable to find a job either in the private or public sector. Labor keeps waiting to get a public position, and unemployment in UAE keeps growing every year. An unemployment rate of 25 percent would mean that 25 percent of employees are willing to work but can't find work, and every year, the burden keeps rising on the UAE government to generate jobs for their locals. Some level of unemployment is inevitable in any country, but high unemployment could slow down economic growth. Unemployment could be expensive as any country needs to balance technical and non-technical graduates and their job placements or else provide them financial schemes to start their businesses. The causes of high unemployment rates can project unscrupulous strategies and policies that will even make the scenario worse. Now the question is how to reverse the trend and control growing unemployment. This paper investigates the interrelationship among major antecedents of unemployment, such as weak HRM policies and practices, consequences of unemployment in the UAE, and possible future solutions for making the UAE a country full of job opportunities. This paper will also ponder the government agencies' perspectives and understand how to solve unemployment problems. This conceptualization helps compare and categorize emerging themes in understanding current unemployment problems in UAE.

Keywords: Unemployment, Labor pool, UAE

UNEMPLOYMENT OVERVIEW IN UAE

The expansion in oil costs during the 1970s prompted a flood in monetary improvement programs in UAE and national work deficiency from the open area. This inferred the nation needed to depend on remote work. During the 1980s, over 80 percent of the work power was involved in non-nationals. The oil costs fell in 1986, causing a decrease in non-national work. This expanded the number of nationals who were searching for occupations. The pattern proceeded from the 1990s onwards because of segment pressures [1, 2]

Unemployment in the UAE is high since it involves nationals and ostracizes those

who continually enter the nation. Lately, joblessness has become an intense issue because of the increment in populace and extension in the number of graduates leaving secondary schools and universities. The expanded joblessness has influenced both the economy and the general public contrarily. This circumstance has constrained the administration to manage political weight and spent huge cash on social advantages[1, 3]. Subsequently, the soundness of the economy has been influenced, and misallocation of assets has set in.

As per the World Bank information, the six conditions of the Bay Participation Gathering have the most special youth joblessness rate, for example, 40% approx on the planet. The six states comprise Oman, Bahrain, Qatar, Saudi Arabia, the UAE, and Kuwait. There are different factors behind this pace of joblessness. Yet, the significant key factor is the contrast between the aptitudes earned through an instructive framework and the abilities required by the private area in the GCC nations. It is underlined that insufficient instruction doesn't allude to the no training, and to be sure, joblessness in the Middle Easterner world is high among the most taught youth[4, 5]

Causes of Unemployment in UAE

[3] Informed that employability is a complex situation and depends on various attributes. He future explained that joblessness rates in UAE had been related to different causes. The legislature has tended to some of the reasons while others have not been unaddressed. This suggests there is as yet the need to address the issue of joblessness in the UAE to guarantee the dependability of the nation. Increment in joblessness rates causes shakiness and turmoil in countries [3, 6].

The reluctance of People to Work in Specific Occupations

One of the variables that have been referred to as a reason for joblessness in the UAE is that the two men ladies have not been set up to work in specific occupations [7]. This fundamentally has suggested that particular fields have been considered to have a place with men while others have been viewed as ladies' employments. This has been a constant issue in UAE that has contributed towards an increment in joblessness[8, 9]

For example, ladies in UAE have been bound by social convictions that have kept them from working in non-isolated workplaces. Rather than battling for positions in such workplaces with men, they have accepted that they shouldn't work in such places. Subsequently, they have been avoiding openings for work they could involve [2, 6, 10]. For example, ladies in UAE have accepted that callings like buildings should just be saved for men. Subsequently, they have contributed to joblessness by deciding to be oppressive concerning their occupations.

This issue can be fathomed by furnishing ladies in UAE with the correct information about working in non-isolated workplaces [11-13]. They ought to comprehend that the world has changed, and there is nothing amiss with ladies working in such workplaces. Moreover, ladies who have just joined the non-isolated segments should assume a significant job instructing the remainder of the ladies who accept that they ought not to join such divisions.

By doing this, ladies will be set up to take up occupations in the non-isolated industry and dispose of social convictions that keep them from taking up the positions. The possible result will be decreased joblessness rates [7, 8, 14]. Men have not been eager to work in occupations that have been viewed as low positioning. After they move on from universities, most men have been concentrating on searching for professions considered renowned and of a higher class. Be that as it may, this isn't what has consistently been going on because of constrained openings for work.

Since they have been thinking about themselves taught, they have not been taking up specific occupations in any event, whenever they get the odds since they have

been thinking about the employments of lower positions and employments that would disparage their social classes [4, 8, 9] This issue can be unravelled by instructing men on the significance of taking up occupations that they get first as they search for the high-positioning employments they wish to get.

The second motivation behind why men in UAE don't take up specific occupations is because they come up short on the necessary instruction to fit in the employments. There are sure employments that require people who have a particular instruction degree, and except if they have the capabilities, this keeps them from getting to the occupations[5, 14]. Thus, joblessness rates among men in UAE keep on expanding. The absence of instruction can be unravelled by urging men to go to class and get training. They can be persuaded by demonstrating the issues with people who need good training since it gets hard to land significant positions.

Heavy Dependence on Foreign Labor

The following significant reason for joblessness in UAE is the nation's substantial reliance on outside work. The principal motivation behind why the nation depends on outdoor work is the absence of people of Emirati nationality who have particular aptitudes. Certain fields require specific people with high information. If the nation neglects to get the faculty among the UAE nationals, dependence on outside work becomes a choice. Subsequently, this expands joblessness rates among UAE residents. To take care of this issue, the legislature should support UAE nationals by giving grants to consider and procure the particular abilities required.

The second motivation behind why UAE depends on outside work is that a few associations incline toward representatives from the west instead of utilizing Emiratis. For the most part, they accept that the westerners can give quality administrations that improve their associations. Despite what might be expected, the associations don't get that Emiratis have enough information and give quality administrations. This, thus, prompts joblessness among UAE nationals. The administration can address this issue by authorizing Emiratisation laws and raising the quantity of UAE nationals that ought to be utilized in the nation's associations and organizations.

Policies, Plan, and Strategies

According to the newspaper (The National Plans to cut unemployment rates among UAE nationals by about half, increment Emiratisation in both open and semi-open parts, and guarantee almost every youngster in the emirate is proficient by 2020 is a portion of the measures under the Abu Dhabi Plan. Different needs in the diagram included ensuring each resident in the emirate has a sense of security, guaranteeing the adequacy of the criminal equity framework, and diminishing the number of significant violations and traffic losses on the streets. Actualizing a far-reaching retirement framework in Abu Dhabi, expanding the quantity of older taking an interest in network programs, and increasing the number of school understudies inoculated against transferable maladies was likewise seemingly within easy reach. Projects giving grants and building up an enhanced activity showcase were planned for handling difficulties looked at by understudies and graduates. Youth exercises were also extended, forming the emirate into territorial games and diversion center point.

Unproductive Solutions of UAE Regime Facing Rising Unemployment

According to [11, 15, 16], the UAE is one of the most vigorously utilized nations in the Inlet. Yet, joblessness among Emiratis is developing, and it appears that residents are experiencing the most monetary emergency and the exhausting of some private endeavors from representatives. Al-Naimi's announcement at the opportunity arrived half a month after an examination distributed in the paper Al-Khaleej Times affirms

that the service neglected to enroll residents and that the "enlistment" presentations are phony and without much of any result. The official paper request goes under uncommon analysis in the state, which controls the media.

In the past, youthful Emirati bloggers have been progressively disparaging the specialists as outsiders are gradually utilized in the general population and private segments, albeit youngsters in the nation can fill these employments with extraordinary intensity with outsiders. Pundits in the UAE are once observed for tight security and widespread online life. However, many have ended their quiet for neglecting to land positions or feeling that the UAE's childhood is jobless in their nation and enduring joblessness.

UAE engineer Bader al-Kaabi posted tweets on Twitter, saying that "outsiders secure positions after moving on from the college while residents are without occupations." Business envelops both the administration and the private area. They accept that the purpose behind this is authorities in government foundations lean toward the outsider since they follow the requests without resistance. It is challenging to expel him if his thoughts are strife with higher powers.

The most recent review given by the Bureaucratic Expert for Aggressiveness and Measurements in 2017, the most recent year wherein information on the accessibility of joblessness from the administration, demonstrated the expansion of the joblessness rate in the nation to 2.5%, and the joblessness rate among residents 9.6% While exiles 2.1%. Informal insights show that the joblessness rate among UAE nationals surpasses 20%. As indicated by 2017 insights, the level of jobless UAE nationals among the seven emirates is among the age gatherings (20-39 years) as follows:

Youth employment and labor market characteristics in the UAE

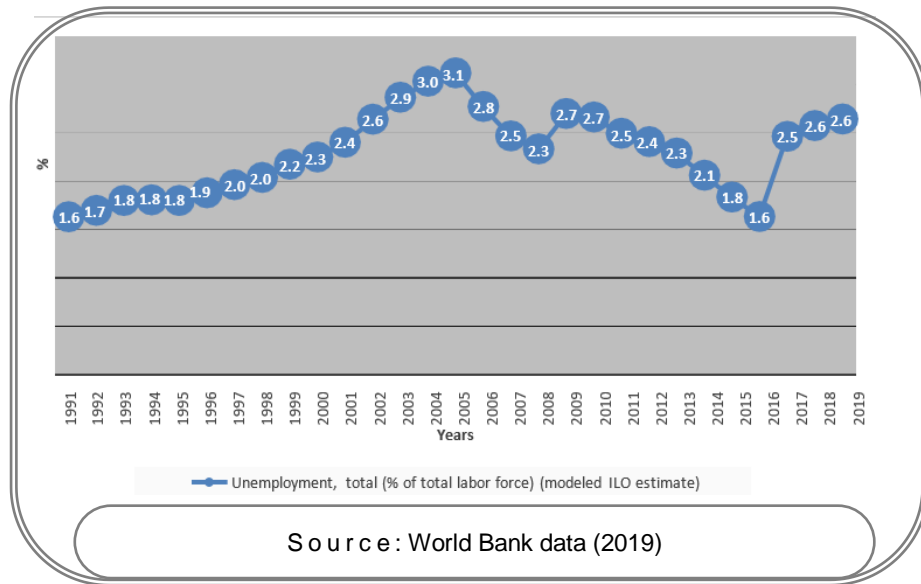
In the UAE, the work proportion diminishes bit by bit step by step. The young people of UAE are confronting several moves identified with the capability, ability, and opening for work. In the UAE, the all-out joblessness work power is 4 %, as indicated by the World Bank record, and the jobless work power proportion for males and females is 7.9% and 21.8% separately. In the Bay area, joblessness is higher than in different locales. This circumstance speaks to the underutilization of human capital. According to the universes bank report, the UAE needs to container 40 million occupations to oblige with the work showcase or close to the 4 million employments for each year^[5, 16, 17]

Labor Market Characteristics in UAE

The Work advertises unique in UAE to different nations. In light of specific reasons, for example, workers' movement, the proportion of males is higher than the females in UAE. A large portion of the work in the nation is included non-resident. Furthermore, the more significant part of the UAE residents is working in the open division or semi-government area. There are no fixed criteria for compensation for the representative as indicated by their assignment, even though the scope of pay varies by association to an association for a similar position.

UAE Labor force and Employment (1991-2019)

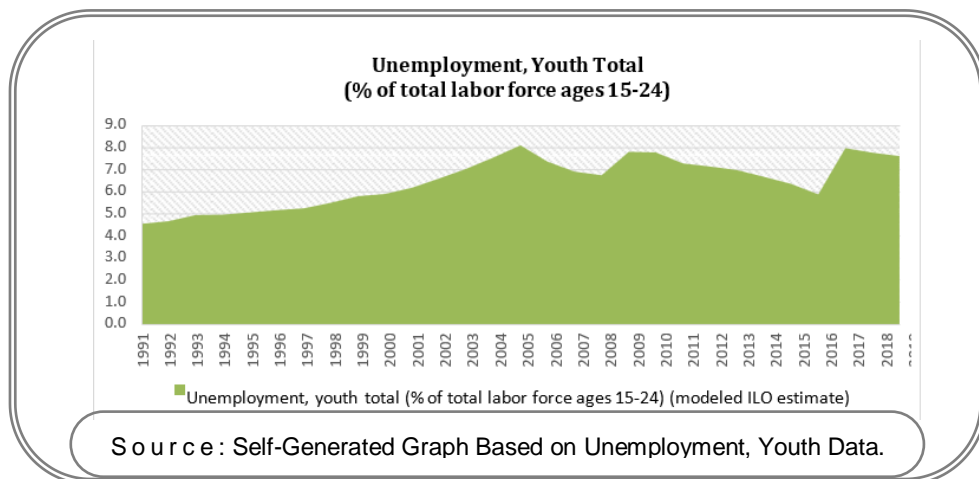
According to UN data, the United Arab Emirates 2020 population is estimated at 9,890,402 people at midyear. The United Arab Emirates population is equivalent to 0.13% of the total world population.



Trends on youth unemployment:

For the UAE youth, joblessness is a significant issue; the pace of joblessness is rose bit by bit, step by step, influencing the Bedouin locale. Based on the segment factor, 15-24 gatherings called the adolescent. Over 20% of youth are confronting numerous difficulties in securing positions. What's more, particularly in the Bay locale, the proportion of jobless youth is high to explain the training, aptitudes, and openings for work. Uncommon of the Female youth confronting principle issue in UAE is a result of some social standards, sexual orientation biases, male predominance, and social contrasts, and it increments the sex hole in joblessness it is more extensive in Bay district (Youth in the Bedouin Area).

UAE youth unemployment is three times 12% of the overall unemployment rate that is 4%. According to the report Female unemployment is 28.1% as compared to the male which is 7.8%.



According to World Bank's latest estimates, youth unemployment refers to the share of the labor force ages 15-24 without work but available for and seeking employment.

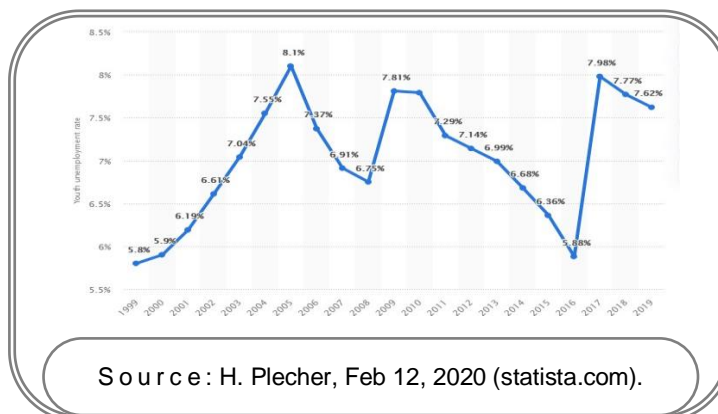
- UAE youth unemployment rate for 2019 was 7.34%, a 0.29% increase from 2018.
- UAE youth unemployment rate for 2018 was 7.05%, a 0.8% decline from

- 2017.
- UAE youth unemployment rate for 2017 was 7.85%, a 2.02% increase from 2016.
 - UAE youth unemployment rate for 2016 was 5.83%, a 0.68% decline from 2015.

GRAPH ANALYSIS OF YOUTH UNEMPLOYMENT

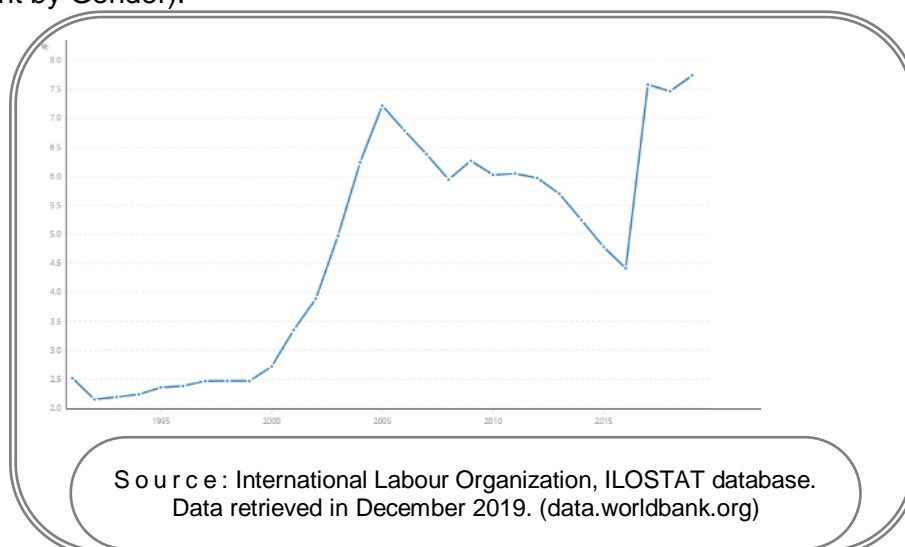
Total Unemployment youth in UAE 1991 to 2019

Source: World Bank data (2019) as per modelled ILO estimates.



From the above figure shown for the youth employment in UAE, it can be interpreted that there are unsatisfactory conditions in the UAE for the youth, especially between the ages of 15-24 youths. It shows 27- 28 % for unemployment. For the age 25-29, the ratio offers 14.3%. These facts and data show the effect o and its cost on the economy and society[18]

It has been examined for years that female youth's pace of joblessness is continuously higher than the pace of male youth joblessness. Therefore, it has been discovered that the complete rate of joblessness has been lessening throughout the years. As in the years 1995 and 1996, it was constant, i.e., 98.3% while in the year of 2008 it was 82.9 %. The UAE is adopting several practices to reduce youth unemployment from the region, but due to expatriates and an inadequate education system, the rate of youth unemployment is reducing in significantly less part (Youth Unemployment by Gender).



Unemployment, female (% of the female labor force) (modelled ILO estimate) - United Arab Emirates

DISCUSSION

It is prescribed to have the best monetary arrangement, which is best in light of a legitimate concern for Emirati individuals and for that, there is a dire need to help work creation and work requests. Employment opportunities are called career choices, which allow individuals to achieve their life objectives and fulfil their monetary needs[5]

Notwithstanding, there is a need to have better-arranged youth for the activity advertise. In addition, it will be vital to have a long haul and momentary arranging and have lighted up pathways to profitable work. To improve the activity and advertise, it is required to have manageable, creative, and innovative business exercises and standards that support such conditions. Improving money related prosperity will impact the activity pool and will fix the present and future activity requests for Emiratis.[1-18].

Governments, for instance, ought to create national activity plans focusing on youth work. They ought to set up big business brooding projects and framework extends that contract and train youngsters. They ought to likewise boost instruction establishments and private administrators to do again.

It is likewise prescribed to decrease the number of ostracizing laborers in UAE as in the past, and the circumstance was unique; however, the thing has changed as the pace of work for the foundation should have been decreased. It is likewise required to have a new model that is pulling in explicit outside specialists like migration and work approaches of the US, Canada, and Australia.

The response to unemployment is to make new occupations. Ordinarily, a robust money-related advancement pace of 2-3% is adequate to make the 150,000 new occupations required to prevent joblessness from climbing. When joblessness slithers more than 6-7% and remains there, it suggests the economy isn't sufficiently strong to do adequate new jobs without assistance. That is where the assembly is required to wander in and give results. See what the governing body has endeavored in the past with Joblessness Rate by Year [4]

In any case, not all money-related methodology results are made equal. Dollar for dollar, what's the best financing that makes the most occupations? A couple of assessments contemplates showing that the sharpest outcome is giving advancement occupations to mass travel, for goodness' sake. The most useful is joblessness benefits, and the third-best occupations provider is financing guidance. Duty decreases, regardless of whether finance or no issues what you look like at it pay appraisal, are less ground-breaking [12]

CONCLUSION

Unemployment is a significant issue that has been seen in UAE in the ongoing past. Those who have been experiencing joblessness have not had the option to address their issues. Various variables have been referred to as the potential reasons for joblessness in UAE. There are different answers for the problems that ought to be started by the administration; however, the general public ought to be strong in government endeavors.

UAE approach creators should consider accentuation on innovative change and move from outsiders to their neighborhood. By contracting outside specialists can profit for certain timespan and specific arrangements of ventures. The approach creators expected to see the business and work pool for a more drawn-out run and the destinations required to have a superior vision for work offices for Emirati people groups.

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