

**IEMed  
Mediterranean  
Yearbook 2025**



**Skills Gap and  
Training Needs:  
Challenging  
Workplace  
Requirements and**

# MENA REGION

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## **A Global Skills Crisis with Local Roots**

Across the globe, the workplace is being redefined by rapid technological change, the rise of artificial intelligence and an evolving demand for digital and cognitive skills. International frameworks such as those developed by the World Economic Forum, ILO and OECD outline the urgent need for adaptability, digital literacy and emotional intelligence in the labour force. In the Middle East and North Africa (MENA), these same skill sets are increasingly promoted through donor-driven education and employment reform agendas.

Yet in MENA, the issue is not just about catching up with global trends. The region’s persistent skills gap is not primarily a result of technological lag or outdated training. It is a reflection of deeply entrenched structural conditions — the cumulative outcome of authoritarian governance, external economic domination, entrenched corruption and chronically misaligned education systems.

What presents globally as a skills mismatch is, in MENA, symptomatic of a political economy still shaped by the legacy of colonialism. Today’s

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and obstruct the development of an independent and innovative workforce. As such, any meaningful strategy to address the skills gap must go far beyond training modules and labour market reforms. It must confront the roots of systemic failure.

## Historical Inheritance and Structural Dependency

How did a region with so much wealth, and such a strategic geographical position, that once served as the intellectual and scientific epicentre of the world fall so far behind in knowledge production, innovation and industrial capacity?

MENA's modern development trajectory cannot be separated from its colonial past. The education systems imposed by European powers — and preserved after independence — were never designed to foster critical thinking or self-reliance. They were built to produce compliant administrators for colonial regimes. In many cases, post-independence rulers continued this model, valuing loyalty over creativity and stability over reform.

This legacy has been reinforced by modern forms of external control. Resource-rich states, instead of investing in diversified, knowledge-based economies, became dependent on oil rents and global trade routes. Sovereign wealth was largely invested in the financial centres of the Global North. Political elites aligned with external powers have sustained regimes that suppress innovation and reward patronage. The educational systems produced under this structure serve not to liberate the mind, but to reinforce the status quo — a system designed to replicate itself rather than transform.

GDP on research and development, compared to the OECD average of over 2%. This intellectual stagnation is not a cultural deficiency; it is a systemic outcome of policies that discourage risk, dissent and critical inquiry.

## **Broken Education Systems and the Foundations of the Skills Gap**

Despite decades of investment in expanding access to education, the MENA region faces a profound learning crisis. According to the World Bank, more than 59% of children in MENA cannot read and comprehend an age-appropriate text by age 10 — a phenomenon termed “learning poverty.” This basic failure cascades upward: even at the secondary and tertiary levels, students lack the foundational skills needed for critical thinking, problem-solving or employability.

While many MENA countries dedicate a relatively high percentage of GDP to education, outcomes remain alarmingly poor. The issue is not only financial — it is institutional. Curricula remain outdated, teacher training is weak and assessment systems reinforce rote memorization. Standardized national exams, inherited from colonial frameworks, still dominate educational trajectories, reinforcing conformity over innovation.

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This educational model has created what scholars call a “credentialist trap”: young people earn diplomas that signal schooling but not skills. Employers remain unconvinced and graduates remain unemployed or underemployed. According to the International Labour Organization (ILO), youth unemployment in MENA has hovered around 26% for over two decades — the highest regional rate globally. More strikingly, graduates — especially women — are often more likely to be unemployed than those with only a basic education, signalling a systemic failure in the education-to-employment pipeline.

## **Education as a Tool of Control, Not Empowerment**

At the core of the education crisis is not just poor pedagogy — it is political intent. Across much of the region, education systems are designed not to empower individuals but to control them. The Arab Human Development Report (2022) notes that school curricula often avoid civic engagement, discourage debate, and promote obedience. This “pedagogy of compliance” aligns with the broader authoritarian architecture of many MENA states.

As a Carnegie Endowment analysis observes, Arab education systems “do not – and are not designed to – foster genuinely democratic and engaged citizenship.” Instead, they prioritize credentials that offer access to public sector jobs — themselves often distributed through networks of patronage.

Even initiatives aimed at reform — such as vocational training, STEM promotion, and digital upskilling — frequently fall short. These programmes are often

domestic growth.

## **Corruption, Militarization and the Disempowerment of Youth**

The educational crisis cannot be separated from broader governance failures. Pervasive corruption undermines merit-based hiring, weakens public trust and steers investments away from development and toward rent-seeking. According to Transparency International's 2023 Corruption Perceptions Index, the MENA region continues to perform below the global average, with many countries showing no significant progress over the past decade.

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Meanwhile, military spending absorbs a disproportionate share of national budgets. SIPRI reports that MENA states collectively spend more of their GDP on defence than any other region. In 2023 alone, military expenditure in the region surpassed \$250 billion. But this is not investment in self-sufficiency or indigenous defence production. The vast majority of this spending goes toward purchasing foreign-made weapons, primarily from the US, the UK and France.

supplying states. The region becomes not only a consumer of external products, but also a site for geopolitical manoeuvring and manufactured conflict — a textbook continuation of extractive, colonial-era dynamics.

Wars in Iraq, Syria, Yemen and Libya — often driven or exacerbated by external powers — have decimated infrastructure, displaced millions, and destroyed education systems. The rebuilding effort, where it occurs, is shaped less by local priorities and more by donor frameworks, further disempowering communities.

## **Capital Flight and the Opportunity Cost of Wealth**

The weaknesses in governance and security have contributed to another challenge: capital outflows from the region, both human and financial, leading to missed opportunities for development. One stark indicator is the brain drain. Frustrated by unemployment, corruption and political stagnation, a huge share of MENA's talented youth expresses a desire to emigrate. Surveys in recent years reveal that almost half of young Arabs have considered leaving their home countries in search of better opportunities abroad. In some places, the figures are even higher: for instance, 53% of youth in the Levant and 48% in North Africa are actively exploring emigration, according to regional polls at [sarabnews.com](http://sarabnews.com). This exodus deprives MENA of precisely the educated, dynamic citizens needed to drive economic diversification and innovation. When doctors, engineers and entrepreneurs trained in MENA depart to work in Europe, North America or the Gulf, their home countries lose the return on educational

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Perhaps most paradoxically, the MENA region is home to immense wealth — particularly in the Gulf — yet this wealth seldom fuels regional development. Sovereign wealth funds (SWFs) from oil-exporting states hold trillions of dollars in assets. However, the majority of these funds are invested in financial markets in North America and Europe.

For example, the Abu Dhabi Investment Authority allocates 45–60% of its portfolio to North America and another 15–30% to Europe. Similar patterns are seen in Saudi Arabia’s Public Investment Fund and Kuwait’s Investment Authority. As UNCTAD’s 2024 World Investment Report confirms, outward FDI from West Asia flows predominantly to developed economies, rarely reaching neighbouring Arab countries.

Economists describe this phenomenon as a form of geopolitical insurance: by investing in the Global North, elites secure political cover and favourable treatment. But the opportunity cost is enormous. The very capital that could fund high-quality public universities, research institutes, green industries or

capital, while local populations face undertunded education systems and bleak employment prospects.

## **The Illusion of Aid and the Failure of Technocratic Fixes**

International donors and multilateral institutions have poured billions into education, training and reform across the MENA region. While some of these efforts have achieved localized gains, most have failed to address structural issues. Donor strategies often emphasize technical fixes — like revising curricula, launching digital platforms or providing short-term training — while deliberately avoiding politically sensitive topics such as governance reform, decentralization or anti-corruption measures.

This is not accidental. To preserve access to recipient governments and protect broader strategic relationships, aid agencies frequently bypass systemic critique. As a result, reforms tend to be superficial: new textbooks and ICT labs are introduced without changing the political logic of education systems.

Moreover, the same Western powers funding “democratization” and “capacity building” also supply weapons to regimes engaged in repression or war. In Gaza, as UN Special Rapporteur Francesca Albanese has noted, international aid addresses humanitarian needs while Western-backed blockades and military operations destroy infrastructure and livelihoods. This contradiction reveals the limits — and often the complicity — of international aid.

As economist Samir Amin argued, development approaches that treat political and economic dysfunction as merely a technical problem end up

## FROM EXTRACTION TO CO-CREATION

The skills gap in MENA is inseparable from a wider historical condition: a region whose educational and fiscal institutions were engineered—first by colonial powers, then by post-colonial elites in league with external patrons. Excessive militarization, capital flight and patronage networks are not anomalies; they are the operating code of that system. Expecting state-led reform alone to close the gap therefore misreads the political economy.

What *can* break the cycle is an insurgency of alternative learning pathways: neighbourhood-based learning centres, cross-border South–South consortia, open-source EdTech cooperatives and industry clusters owned and governed by local stakeholders. Together they can cultivate the adaptive, critical and collaborative skills that 21st-century work — and citizenship — demand.

Building such ecosystems will not be easy. They require patient coalition building, new financing vehicles and policy space often denied by security-centric regimes. Yet history suggests that when conventional institutions prove incapable of renewal, innovation bubbles up at the margins. By rooting education in community problem-solving and aligning with Global South partners who share the struggle against extractive hierarchies, MENA societies can convert a debilitating skills gap into a launch pad for self-determined development.

Anything less will leave the region trapped in the colonial logic of dependency — over-armed, under-skilled and perpetually exporting its most valuable resource: its people.

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