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Innovation and Entrepreneurship Opportunities and Challenges for Arab Youth and Women

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Outline

1. Arab Youth and Women Economic Inclusion
2. Enhancing benefits from entrepreneurial activities by youth and women through:
 - Frontier Technology
 - Value Chain development
 - Social Entrepreneurship and
 - Digital Platforms and Content
3. Recommendations

Arab Countries' Competitiveness

Down globally over the last decade with particular weaknesses in Innovation, technological readiness and higher education and training

GCI Pillar	All Countries		Resource Rich		Resource Poor	
	2007-08	2017-18	2007-08	2017-18	2007-08	2017-18
Institutions	-7.8	-2.8	-5.8	1.4	-12.7	-12.6
Infrastructure	-18.6	-10.4	-15.4	-6.4	-26.0	-19.8
Macroeconomic environment	4.3	-14.1	14.7	-6.9	-19.8	-30.8
Health and primary education	-9.1	-7.4	-8.0	-5.5	-11.6	-11.9
Higher education and training	-22.1	-18.9	-21.1	-15.0	-24.6	-27.9
Goods market efficiency	-11.5	-6.6	-9.9	-4.6	-15.3	-11.1
Labor market efficiency	-10.6	-14.4	-5.6	-10.7	-22.2	-22.8
Financial market development	-16.5	-10.4	-13.4	-8.8	-23.7	-14.0
Technological readiness	-28.8	-20.6	-25.4	-15.4	-36.7	-32.6
Market size	-21.4	-5.9	-24.0	-5.1	-15.4	-7.8
Business sophistication	-16.0	-13.3	-14.9	-11.3	-18.7	-18.0
Innovation	-25.5	-21.9	-25.4	-18.8	-25.9	-29.0

WEF, 2018, "-" as compared to OECD countries

Resource Rich: GCC+Algeria

Resource poor: Egypt, Jordan and Morocco

Innovation

Measured by the Global Innovation Index: most countries decreased in value and ranking sometimes considerably

Country	GII 2018		GII 2011		Delta 2018-2011	
	Value	Rank	Value	Rank	Value	Rank
UAE	42.58	38	41.99	34	1.39%	-4
Qatar	36.56	51	47.74	26	-30.58%	-25
Kuwait	34.43	60	36.64	52	-6.42%	-8
Saudi Arabia	34.27	61	36.44	54	-6.33%	-7
Tunisia	32.86	66	33.89	66	-3.13%	0
Oman	32.80	69	35.51	57	-8.26%	-12
Bahrain	31.73	72	37.80	46	-19.13%	-26
Morocco	31.09	76	28.73	94	7.59%	+28
Jordan	30.77	79	38.43	41	-24.89%	-38
Lebanon	28.22	90	37.11	49	-31.50%	-41
Egypt	27.16	95	29.21	87	-7.55%	-8
Algeria	23.87	110	19.79	125	17.09%	+15
Yemen	15.04	126	20.72	123	-37.77%	-3

Technological Readiness (Digital)

Good levels of infrastructure thanks to Mobile

Internet access predominant through mobile and much less through fixed network (cost)

Usage by individuals around social media and peer-to-peer communication

Weak levels of use by businesses

Except for some GCC, weak use by government services

Doing Business

- Shows **marked weaknesses** in issues of high importance for entrepreneurs: **getting credit, resolving insolvency and starting a business.**
- Despite efforts carried out by some countries in starting a business and resolving insolvency, **Arab countries overall doing business environment remains weak** (relative to the income group to which they belong to) and has deteriorated/stagnated for many since 2011

According to the WB data in 2017

Entrepreneurship in Some Arab Countries (from the GEM Survey)

- A large gap between **perceived opportunities** and **effective decision** to engage in entrepreneurship endeavor
- Identical gap with respect to established business ownership except in Lebanon and Morocco
- **Fear of failure** is an important blocking factor
- **Necessity entrepreneurship** important in Egypt and Palestine
- Bright spot: **belief that endeavor innovation in product or service is generally good**

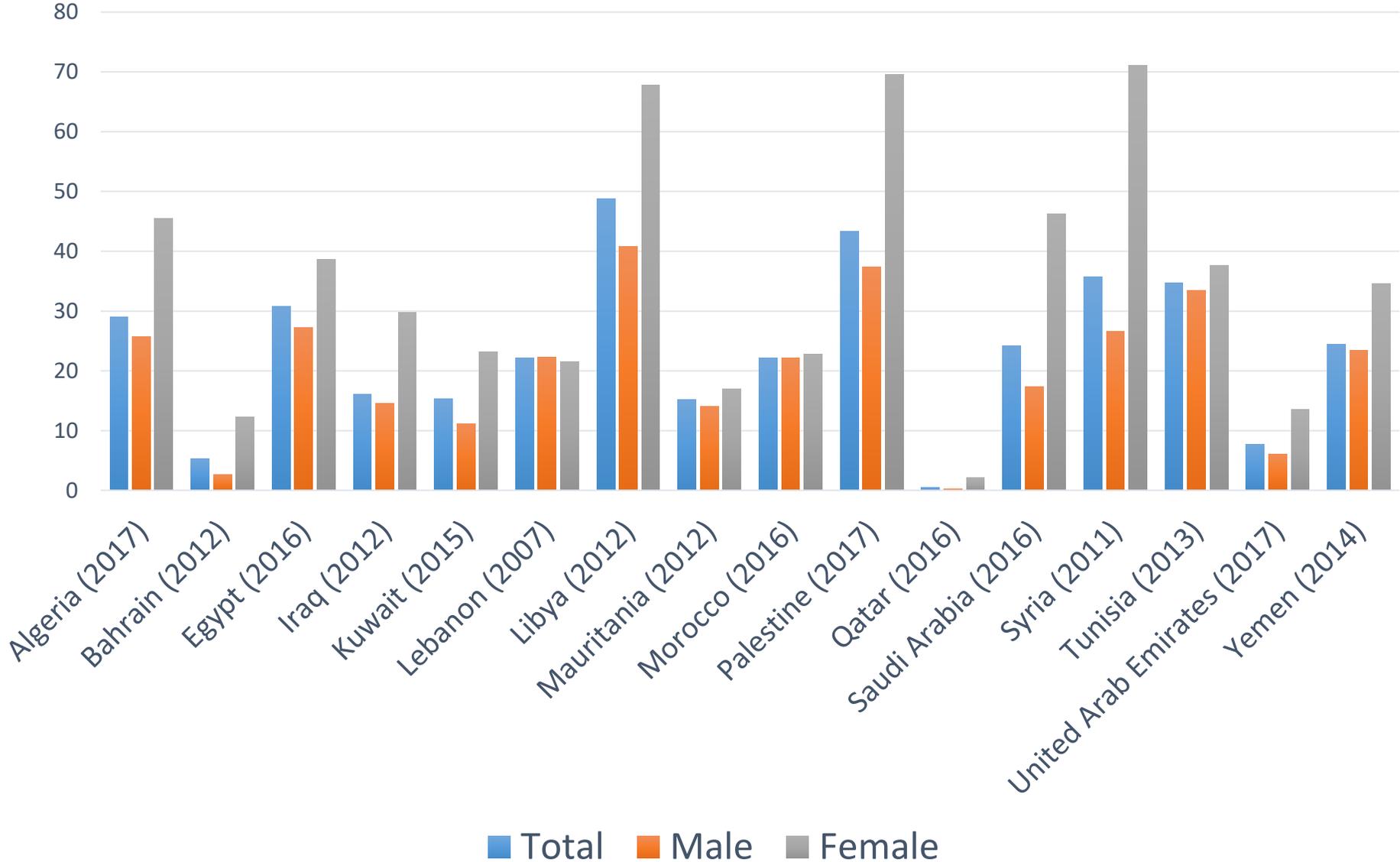
Arab Youth and Women Labor Force Participation

- Arab Women total Labor Force Participation rate lowest among all world regions: at 20.9% in 2017 it is 3.5 times lower than for men and has marginally improved from the 2000 value of 19.7%
- Arab Youth total Labor Force Participation rate (males and females) is lowest among world's region and highlights the highest gender gap with south Asia

Arab Youth Unemployment

- At around 30%. It is highest among world regions and 3-4 times higher than total unemployment.
- Young women suffer from higher unemployment in most countries
- Unemployment affects the educated even more as they are not willing to accept any employment

Arab Youth Unemployment (by country)





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Arab Women situation in employment

- Young women suffer from higher and vulnerable unemployment in most countries
- Percent of firms with a female top manager is low in all countries
- Female participation in business ownership is significant in only Tunisia, Jordan and Morocco

Women and Youth Entrepreneurship

- Women in entrepreneurship is lower than that of males in nearly all countries
- Higher percentages of necessity entrepreneurship among female particularly in Egypt (GEM survey)
- ILO's assessments of Women's entrepreneurship in four Arab countries highlights **weak points**: (1) access to financial services, (2) access to market and (3) technologies.
- Arab young entrepreneurship (18-24 and 24-35) reaches good levels in Lebanon, Egypt and Saudi Arabia but Arab countries' averages are lower than in Africa and Latin America (GEM Survey)

SDGs and Entrepreneurship

- **Clear mention of entrepreneurship as a tool to achieve**
 - Goal 4 : a skill needed for decent jobs for youth and adults
 - Goal 8: entrepreneurship and formalization of MSMEs
 - Other Goals : agricultural productivity (Goal 2); women empowerment (Goal 5); renewable energy (Goal 7);
- **Three UN GA resolutions on Entrepreneurship and Sustainable Development in 2012, 14 and 16**
- Entrepreneurship helps create economic growth and address environmental and social issues particularly when combined with new technologies

Entrepreneurship Opportunities for Arab Youth and Women



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1) Frontier Technologies Opportunities

- Frontier Technologies provide great opportunities for Innovation and Entrepreneurship.
- Big Data, Internet of Things (IoT), and Artificial Intelligence have great potentials.
 - In healthcare: Personalized healthcare and control and supervision of disease outbreaks
 - In agriculture: optimizing irrigation and fertilizer use
 - Efficient Water distribution and quality control against contaminations



SMART CITIES

Where are the strategic areas to build a new hospital in Port au Prince?

Impact Assessment based on traffic patterns



MOBILE/GENDER INCLUSION

How to give access to financial markets for women in Uganda?

Local Communities/ Minorities Empowerment through digital payment



AGRITECH

What would be the yield mapping in Karamoja this year vs others?

Food Crisis early stage Prediction and Agri recommendations



PUBLIC HEALTH

Which districts of Sao Paulo have the highest Zika's export/import risk?

Outbreaks Prevention based on population mobility



Frontier Technologies: Challenges and opportunities

- Opportunity Jobs Displacement in favor of high-skills occupation
- Challenge for the education eco-system
- A new skills development agenda is needed.

Early-childhood
education

Early exposure to
workplace

Openness to education
innovation

Future readiness of
curricula

Digital fluency

Robust and respected
Technical and
Vocational Education
and Training (TVET)

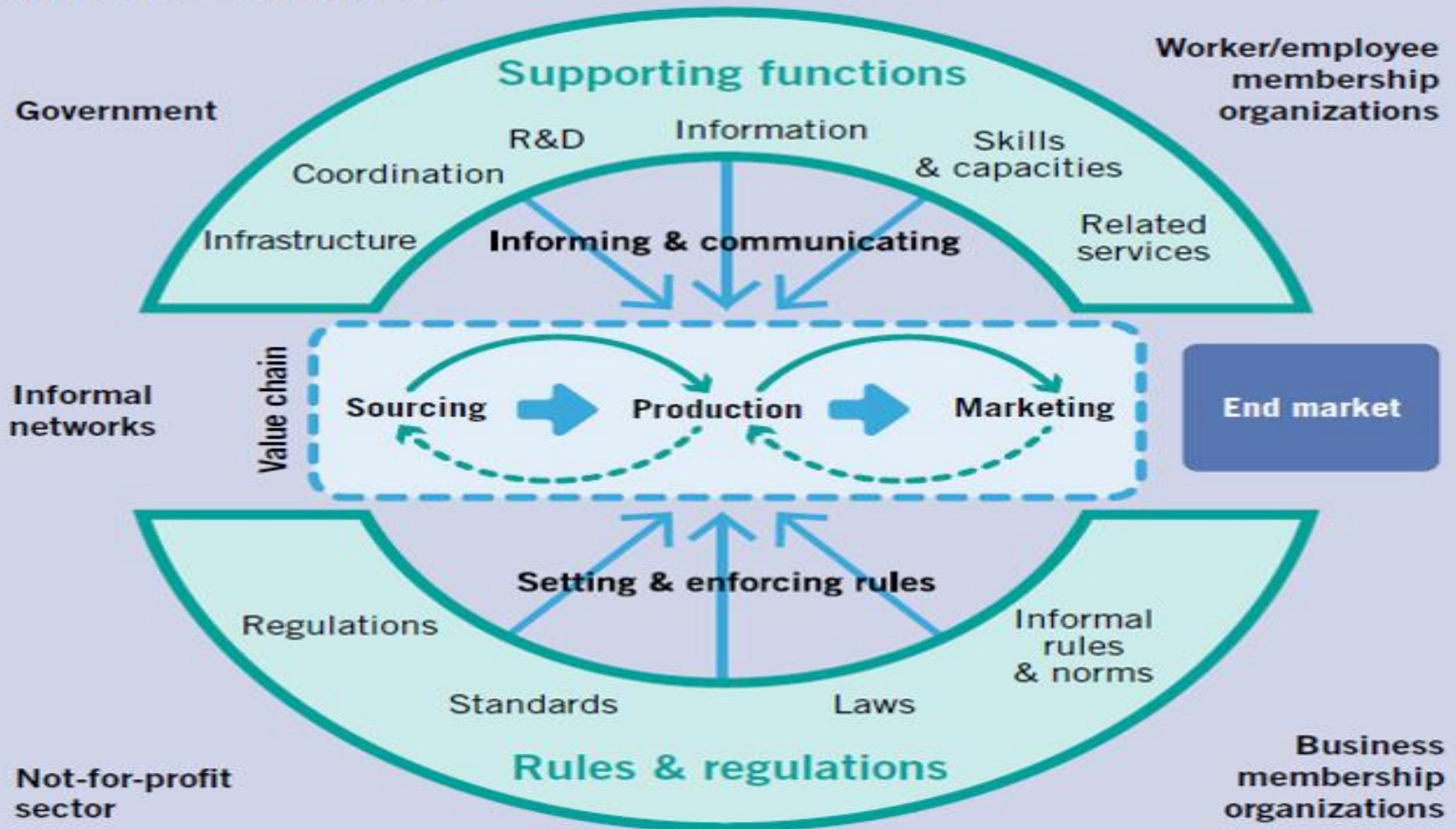
Professionalized
teaching workforce

A culture of lifelong
learning

2) Value Chain Development

- It related to the full lifecycle of a product or service, everything from conception, to the intermediary phases of production and delivery to final consumers, and final disposal after use
- Small producers and entrepreneurs in many developing and Arab countries **seldom have a choice for entering into a given value chain** in the most equitable terms

MARKET PLAYERS



3) Social Entrepreneurship

Social enterprises:

1. Use market driven methods to advance their social impact

2. Impact a wide range of sectors

3. Try to combine three essential objectives

Providing public good

Ensuring profitability

Sparking acceptance and adoption at scale by concerned target populations

SE Challenges in the Majority of Arab Countries

Difficulties in registering: must recur to one of the binary for-profit or non-for-profit models

Regulation and financing and, second tier, human resources and sustainability

Not high on the agenda of impact investors, development actors and governments in the region

4) Digital Platforms and Content

Arab Digital Platforms

- Do not contribute to entrepreneurship development (like China)
- Have not reached scale compared to global platforms that Arab Internet users essentially use for access to content
- Cultural barriers and gender stereotypes still hinder many Arab women and girls (pursuing careers in digital related jobs)

Recommendations



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Recommendations

- 1. General Policies**
2. Measuring Entrepreneurship
3. Enhancing Entrepreneurship Potential of FT
4. Value Chain Development
- 5. Social Entrepreneurship**
- 6. Digital Platforms and Content**

General Policies

Government and other stakeholders

- Develop a **National Innovation Strategy** as a cornerstone for technology acquisition, transfer and development.
- Implement **regulatory reforms** that favor entrepreneurship to ensure effective implementation and follow-up
- Launch **funding initiatives** and involve banking sector for promoting entrepreneurship
- Encourage emergence of entrepreneurship led by private sectors or NGO's.
- Ensure a **universal and quality internet access** at affordable price.
- Encourage **inclusive innovation approaches** that are prone to generate entrepreneurship opportunities by all.

General Policies

Education system

Integrate **comprehensive entrepreneurship education** in national curriculums for all levels, to provide youth with needed **hard and soft skills** to embrace entrepreneurship as a career.

- Offer technical, non-cognitive and life skills
- Use interactive hands-on and experiential teaching methods
- Adapt / improve training for educators
- Facilitate good practice exchange & resource sharing.

Enhancing Entrepreneurship Potential in FT

Governments and other stakeholders

- Facilitate the acquiring of new technologies
- Offer entrepreneurs a safe place experiment with innovative technologies

Entrepreneurs

- Look closely for the problem to solve before jumping on the technological solution.

Social Entrepreneurship

Governments

- Allow the registration of SE as such and not under company or non-profit statutes

Investors and donors

- Consider investments in SE as an important avenue to fulfill their mandate.

Civil society and local authorities

- Engage with potential social entrepreneurs to develop SE projects that benefit their population.

Digital Platforms and Content

Governments

- Remove online content restrictions and filtering and encourage initiatives aimed at providing quality online content.

Digital platform and content developers

- Create platforms that address issues of local concern and ignite economic activities by small actors.

Governments, NGOs and civil society

- Closely monitor the safety of platform user's data to avoid malevolent theft or diversion of personal data.

THANK YOU

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