



**2023 - 2024**

# **Model Arab League BACKGROUND GUIDE**

*Council of Arab Economics Affairs Ministers*

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**Original draft by Sam Ames, Chair of the Council of Arab Economics Affairs Ministers at the 2024 National University Model Arab League, with contributions from the dedicated staff and volunteers at the National Council on U.S.-Arab Relations**

Honorable Delegates,

Welcome to the Council of Arab Economics Affairs Ministers! My name is Sam Ames, and I am the Chair of your council for the 2024 National University Model Arab League. I'm from Salt Lake City, Utah and am a Senior in the Middle East Studies/Arabic program at Brigham Young University in Provo, Utah with minors in Economics and Political Science. This is my third year participating in the Model Arab League program and I am so excited for all of you to experience the engaging and fulfilling diplomatic simulation we have planned for you this year. For those of you attending the National University conference in Washington, D.C., I look forward to meeting you in person and seeing the innovative solutions you will all bring to the table.

As delegates representing the diverse nations of the Arab League, I expect you to give your best effort into preparing before the conference and maintaining high standards of decorum at the conference itself. Come to your conference with ideas and solutions ready to be discussed, and be an active participant in the debate and policy making process. Familiarize yourself with parliamentary procedure, and be prepared to put your ideas on paper through writing Arab League resolutions. While it is important to bear in mind your country's foreign policy goals, don't let disagreements between those of other nations become personal. Being a good representative of your country should not come at the expense of respect towards your fellow delegates in your words and actions. Don't lose sight of the purpose of these conferences: to build bridges and develop the skills required of a good leader.

As you research and prepare for these conferences, try to synthesize the old with the new. Find existing solutions your country or others may already be implementing, but don't limit yourself to that which has been tried already. Think outside of the box, and find ways to apply things you have learned throughout your university career. Avoid surface-level ideas, make sure you are ready to back up your claims with facts and data. Remember that while this simulation may only be an exercise, it is also preparation for scenarios in the real world that will require the very best of your critical thinking and leadership skills.

While for many of you this will not be your first conference, I recognize that for some it is. Don't be overwhelmed by the rules, procedures, and talented delegates that surround you. Each one of you brings a unique perspective to the table, and you are all valuable contributors to this wonderful exercise. I promise you that you will walk away from your respective conference having learned more about yourself and gained leadership skills that will benefit you personally as well as those around you.

Best of luck to you all,  
Sam Ames

## **Topic I: Evaluating the effectiveness of tourism and entertainment investments in improving Arab states' economic outlook.**

### **I. Introduction to the Topic**

#### **A. General Background**

When developing nations decide to nurture tourism and entertainment prospects, there is always a risk of exploitation from other countries and an extraction of resources that can overwhelm local economies and systems. However, for states that are able to sustainably foster and develop tourism sectors and host international entertainment events, the economic benefits are enormous.

There are many advantages to utilizing tourism as a means of development. One of the largest economic appeals of tourism as compared to other major GDP-growing sectors, such as manufacturing and farming, is the far lower costs of implementation. While there are certainly costs associated with creating a strong tourism sector, the key components required to do so typically require far less financial investment to develop and can advance on a local level independent of intervention from larger businesses or governmental forces (though cooperation with corporate and governmental bodies could certainly allow development to progress more quickly and efficiently).<sup>1</sup> The expediency of tourism development is further emphasized by growing tourism demand trends globally, with recent data showing that the global tourism industry experienced a 48x increase from “US\$17.9 billion in 1970 to US\$852 billion in 2009”. While most studies fail to find a direct causal link between investment in the tourism sector and GDP growth, there is abundant evidence that tourism revenue has a positive effect on economic development.<sup>2</sup>

In order to promote tourism development, many countries host major entertainment events. This particular method carries a degree of increased risk as compared to more sustainable options; hosting such events can be a very costly affair, and put a particular amount of strain on developing regions where the infrastructure for managing a sudden surge of tourists may not be present.<sup>3</sup> However, when implemented correctly they can create both a short- and long-term boost to the host nations's tourism sector and thereby overall economic outlook.<sup>4</sup> Notable contemporary examples of major entertainment events creating economic benefits for the host

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<sup>1</sup> Wilson, S., Fesenmaier, D. R., Fesenmaier, J., & Van Es, J. C. (2001). Factors for Success in Rural Tourism Development. *Journal of Travel Research*, 40(2), 132–138. <https://doi.org/10.1177/004728750104000203>

<sup>2</sup> It should be noted that even if these authors did find a positive, statistically significant elasticity between tourism development and economic growth, the results would still fail to prove causality as the statistical model they use to test for said elasticity is a primarily used for forecasting economic trends and not for testing causality.

Ekanayake, E. M. and Long, Aubrey E., *Tourism Development and Economic Growth in Developing Countries* (2012). *The International Journal of Business and Finance Research*, 6(1), 61-63, <https://ssrn.com/abstract=1948704>

<sup>3</sup> Wan, S. K., & Song, H. (2019). Economic Impact Assessment of Mega-Events in the United Kingdom and Brazil. *Journal of Hospitality & Tourism Research*, 43(7), 1044–1067. <https://doi.org/10.1177/1096348019851838>

<sup>4</sup> Vierhaus, C. (2019). The international tourism effect of hosting the Olympic Games and the FIFA World Cup. *Tourism Economics*, 25(7), 1009–1028. <https://doi.org/10.1177/1354816618814329>

include the Olympics, which led to a 10% increase in China's international tourism revenue in the years following the Beijing Games,<sup>5</sup> Eurovision, which generated €23 million in tourism revenue,<sup>6</sup> and Taylor Swift concerts, to which the U.S. Federal Reserve attributed reversals in the decline of tourist spending in various locations throughout the United States.<sup>7</sup>

Hosting tourism events and tourism development can also bring intangible benefits not easily detected by economic data. For example, successful entertainment events can foster domestic and foreign political popularity of ruling governments by using the excitement generated from the events to cover up human rights abuses. This method of utilizing major tourism events, particularly sporting events, in order to garner political legitimacy is called "sportswashing".<sup>8</sup> Some notable examples of governments being accused of sportswashing around the globe include Russia's Putin regime hosting the Sochi Olympic Winter Games, the Rousseff regime hosting the 2014 Brazil FIFA World Cup, and Mohammad Bin Salman's Saudi Arabia spending tremendous amounts to grow their domestic soccer and golf leagues.<sup>9</sup>

## B. History in the Arab World

Within the MENA region itself, tourism has proven to be a reliable, GDP-growing sector. While there is little evidence that the tourism-led growth hypothesis holds true on a global scale, the success of the tourism industry is a reliable indicator of economic development in the Arab World.<sup>10</sup> Home to 90 UNESCO world heritage sites, the MENA region certainly has a lot of cultural capital which has long been a major draw for tourists from around the world.<sup>11</sup> However, the rapidly growing tourism sector in the region is accompanied by concerns about safety and commodification, particularly concerning religious tourism.<sup>12</sup> The commodification of religious tourism at the holy sites of Mecca and Medina in the Kingdom of Saudi Arabia has spurred on a debate about the ethics of promoting material consumption around such sites around the world, as some are concerned that the modern Hajj experience in particular may become a "pay to pray" situation, which could jeopardize the spiritual significance of the pilgrimage.<sup>13</sup> Policy-makers would do well to maintain balance in regards to religious tourism by recognizing the tremendous

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<sup>5</sup> Li, S., Blake, A., & Thomas, R. (2013). Modelling the economic impact of sports events: The case of the Beijing Olympics. *Economic Modelling*, 30, 235-244. <https://doi.org/10.1016/j.econmod.2012.09.013>

<sup>6</sup> Italy: Turin Reports the Economic Impact of Hosting Eurovision 2022. (January 31, 2023). Eurovoix.

<https://eurovoix.com/2023/01/31/italy-turin-reports-the-economic-impact-of-hosting-eurovision-2022/>

<sup>7</sup> Beige Book - July 2023. Federal Reserve. <https://www.federalreserve.gov/monetarypolicy/beigebook202307.htm>

<sup>8</sup> Fruh, K., Archer, A., & Wojtowicz, J. (August, 2022). Sportswashing: Complicity and Corruption. *Sport, Ethics and Philosophy*, 17(1). <https://doi.org/10.1080/17511321.2022.2107697>

<sup>9</sup> Hertzman, A. (2023). Sportswashing: a political tool for national power- and cultural development. Linnaeus University. <https://www.diva-portal.org/smash/get/diva2:1766928/ATTACHMENT01.pdf>

<sup>10</sup> Tang, C. F., & Abosedra, S. (2014). The impacts of tourism, energy consumption, and political instability on economic growth in the MENA countries. *Energy Policy*, 68, 458-464. <https://doi.org/10.1016/j.enpol.2014.01.004>

<sup>11</sup> UNESCO World Heritage Centre. [https://whc.unesco.org/en/list/?search=&id\\_search\\_region=4&order=region](https://whc.unesco.org/en/list/?search=&id_search_region=4&order=region)

<sup>12</sup> Tourism Trends in the MENA Region. European Institute of the Mediterranean (IEMed).

<https://www.iemed.org/publication/tourism-trends-in-the-mena-region/>

<sup>13</sup> Qurashi, J. (2017). Commodification of Islamic Religious Tourism: from Spiritual to Touristic Experience.

*International Journal of Religious Tourism and Pilgrimage*, 5(1), Article 9.

<https://clock.uclan.ac.uk/26391/1/26391%20viewcontent.cgi.pdf>

profits it can bring at tremendous benefit to host communities, while also maintaining the integrity and respecting the sacred nature of religious sites.

Political obstacles are frequently one of the largest challenges many tourists face when trying to visit Arab League member-states. Most Muslims are not permitted to visit the Islamic holy sites in Jerusalem due to Israeli limitations. Similarly, there are some Jewish heritage sites within the MENA region that citizens of Israel and members of the Jewish diaspora sometimes have difficulty visiting due to travel restrictions. Many other sites considered holy by the major Abrahamic religions are difficult to visit due to security concerns and a lack of infrastructure necessary to support tourist populations. Ongoing conflicts in Libya, Syria, and Yemen make visiting the major historical and cultural sites present almost impossible. Some countries, such as Egypt and Tunisia, have made progress in successfully rehabilitating their tourism sectors following sectarian conflict but still have much room to grow.<sup>14</sup>

One notable area of rapid growth in the tourism sector of the MENA region is that of sports tourism in the Arab Gulf region. From Qatar hosting the 2022 FIFA World Cup, to Saudi Arabia hosting major boxing tournaments, the LIV golf tour, and bolstering their national soccer league by offering world-class players extremely lucrative contracts, to the UAE hosting major rugby and cricket events, it is clear that the gulf views sports and other major entertainment events as a key aspect of expanding their tourism sector.<sup>15</sup> It should be noted however that despite (or perhaps because of) the massive amounts of investment put into some of these events to which the host's government itself is typically the primary financier, there is much debate surrounding whether or not these events actually create any sort of sustainable economic growth. For example, the 2022 FIFA World Cup in Qatar cost an estimated US\$220 billion over the course of 10 years, which is the most money ever spent in preparation for the event.<sup>16</sup> This figure is not only a reflection of the fact that even the most prosperous MENA states typically lack sufficient pre-existing infrastructure to host such events and that such preparations are often hindered by the sometimes extreme local climate.

As outlined in the previous section, “sportswashing” is one major reason why many MENA governments go to such lengths to host these expensive entertainment events, but due to the limited nature of political data in most MENA countries the effectiveness of sportswashing campaigns on domestic and foreign policy goals is unclear.<sup>17</sup> While these events have certainly expanded the tourism sector of the Arab Gulf and developed other less-tangible and non-economic benefits for their hosts, other MENA nations who seek to replicate the events

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<sup>14</sup> Tourism Trends in the MENA Region. European Institute of the Mediterranean (IEMed).

<https://www.iemed.org/publication/tourism-trends-in-the-mena-region/>

<sup>15</sup> Full Speed Ahead: Arab Gulf States Go All-In. Control Risks.

<https://www.controlrisks.com/our-thinking/insights/full-speed-ahead-arab-gulf-states-go-all-in>

<sup>16</sup> Craig, M. (2022, November 19). The Money Behind The Most Expensive World Cup In History: Qatar 2022 By The Numbers. Forbes. Retrieved from

<https://www.forbes.com/sites/mattcraig/2022/11/19/the-money-behind-the-most-expensive-world-cup-in-history-qatar-2022-by-the-numbers/?sh=9c0d461bff5e>

<sup>17</sup> Ibid

hosted by the Gulf states would do well to bear in mind the prohibitive costs and environmental limitations.

### **C. Finding a Solution to the Problem: Past, Present, Future**

There are a few key components for states to focus on should they choose to expand their tourism sectors. These include interesting attractions, effective marketing, efficient infrastructure, services that fit tourist needs, and a hospitable community. At a minimum, the cooperation of tourism-oriented entrepreneurs is essential to the success of any tourism program.<sup>18</sup> Delegates seeking to develop a league-wide policy regarding the expansion of tourism among league member-states should integrate these components into their proposals. In addition, delegates should always take the long-term sustainability of their proposals into account when crafting policy. Some challenges to sustainability that nations typically face when creating tourism programs include maintaining a consistent tourism demand, ensuring that excess strain is not placed on tourist resources, and verifying that tourism programs improve the equity and sociocultural progress of the local populations.<sup>19</sup>

Given the unique political and environmental conditions of the MENA region, there are a few region-specific areas of focus necessary for tourism development in the Arab League as well. The developing economic situation of many Arab League member-states means that many of them will require foreign direct investment in order to properly facilitate successful tourism sectors, particularly given the strain tourist demand can put on local resources and infrastructure. In many cases, large-scale tourist movements will prove to be impossible unless political issues are rectified or at a minimum addressed. Promoting tourism in conflict-ridden areas could also be challenging, though it may not be impossible. In any case, despite the challenges against tourism development, delegates will no doubt be able to identify under-utilized tourist attractions throughout the MENA region and should focus on promoting those areas where they deem it possible.<sup>20</sup>

One method of utilizing tourism development as a means of economic development that delegates should address is that of hosting major entertainment events. As previously stated in the prior section, delegates should be cautious of using this method due to the high associated costs and potential for wasted investment. If a country doesn't already have the infrastructure necessary to host such an event, it will require years of investment and construction in order to do so, only for such infrastructure to fall into lack of use following the event.<sup>21</sup> This eventuality

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<sup>18</sup> Wilson, S., Fesenmaier, D. R., Fesenmaier, J., & Van Es, J. C. (2001). Factors for Success in Rural Tourism Development. *Journal of Travel Research*, 40(2), 132–138. <https://doi.org/10.1177/004728750104000203>

<sup>19</sup> Zhenhua Liu (2003) Sustainable Tourism Development: A Critique, *Journal of Sustainable Tourism*, 11:6, 459-475, DOI: 10.1080/09669580308667216

<sup>20</sup> Timothy, D. J. (2019). Tourism Trends in the MENA Region. European Institute of the Mediterranean (IEMed). <https://www.iemed.org/publication/tourism-trends-in-the-mena-region/>

<sup>21</sup> What will happen to Qatar's World Cup stadiums? (February 16, 2023). Euronews. <https://www.euronews.com/2023/02/16/what-will-happen-to-qatars-world-cup-stadiums#:~:text=Currently%2C%20the%20plan%20is%20for,Bayt%20Stadium%20in%20Al%20Khor>

should be avoided at all costs, and as such are discouraged from promoting events in areas without strong existing infrastructure systems or without including plans to refurbish and reutilize infrastructure built for the event.

## **II. Questions to Consider in Your Research**

- How can tourism and global entertainment events facilitate economic growth in your country? Would such economic growth be sustainable?
- Does your country currently have any areas that could be an underutilized tourist attraction?
- What types of entertainment events would your country be able to host?
- Would your country be able to advance its tourism sector or host entertainment events on its own, or is outside investment needed to do so?

## **III. Questions a Resolution Might Answer**

- Is it necessary for Arab League member-states to help their fellow member-states develop their tourism sectors?
- Are there any political issues that need to be resolved in order for tourism around the MENA region to flourish?
- Are there any Arab League member-states in particular need of economic development that would benefit from investment in their tourism sector?
- What effects do “sportswashing” have on the Arab League as a whole? Is “sportswashing” an acceptable practice?
- What can the Arab League do to ensure that religious tourism is conducted in a way that respects the integrity of religious sites?

## **IV. Additional Resources**

### [UN Global Code of Ethics for Tourism](#)

*The UNWTO has established a set of principles for sustainable tourism that are certainly worth looking into. Ratified by the UN General Assembly in 1999, this code of ethics provides valuable information for any nation hoping to develop their tourism sector.*

### [Tourism in the MENA Region](#)

*A little outdated, but this United Nations World Tourism Organization (UNWTO) report from 2019 provides some great statistics and information about pre-COVID tourism trends in the MENA region.*

### [Tourism in Middle East and North Africa : A Strategy to Promote Recovery, Economic Diversification and Job Creation](#)

*This 2012 World Bank report provides further information on how the tourism industry has had an effect on the economics of the MENA region.*

### [Sportswashing](#)

*This piece by Encyclopaedia Britannica provides several examples of sportswashing and provides more information about the concept itself. Some examples include cases from the Arab World.*

#### [Vision 2030](#)

*While the scope of Saudi Arabia's Vision 2030 may be a little broad considering the parameters of this topic, tourism certainly plays a key part to it and delegates may find some of the projects within it to be useful. Delegates should also look into the "Vision" goals of other Arab League member-states.*



## **Topic II: Assessing current efforts towards diversification away from fossil fuel dependence.**

### **I. Introduction to the Topic**

#### **A. General Background**

Anyone who has taken an introductory economics course can likely tell you all about the benefits of utilizing comparative advantages in international trade. The modern global supply chain has brought increased economic prosperity to nearly every country on Earth, as shipping routes are able to transport goods across the world with a speed and efficiency that is unparalleled in comparison to any other point in history.<sup>22</sup> There are many nations that are able to exercise their economic comparative advantages while maintaining economic diversity, such as Japan and Taiwan where semiconductor exports play an outsize role but don't hinder economic growth in other sectors,<sup>23 24</sup> or Switzerland, which exports huge amounts of chemicals, pharmaceuticals, and luxury goods but has one of the most diversified domestic economies in the world.<sup>25</sup> Many countries around the world are not so fortunate, with most nations throughout South and Central America, the Middle East, and Central Asia displaying high levels of commodity export dependence, with a particular reliance on mining, agriculture, and energy sectors.<sup>26</sup>

Economies that are reliant on the export of a select few goods are particularly vulnerable to demand shocks caused by global crises and changing consumer preferences. Despite the tremendous GDP growth that can come from mining and energy exports, even the richest countries can be severely impacted by fluctuations in the global market for these commodities. The COVID pandemic brought about one of the best examples of demand shocks on non-diversified economies as a sudden decrease in transportation and manufacturing caused by quarantine lockdowns led to a corresponding decrease in the global demand for oil. This particular crisis sent states such as Russia, Nigeria, and Saudi Arabia into an economic tailspin

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<sup>22</sup> Review of Maritime Transport 2022: Navigating stormy waters. (2022). United Nations Conference on Trade and Development.  
<https://unctad.org/rmt2022#:~:text=The%20median%20turnaround%20time%20for,but%20with%20variations%20between%20countries>.

<sup>23</sup> Lin, S. S. (2021, March 15). Taiwan's continued success requires economic diversification of products and markets. Brookings.  
<https://www.brookings.edu/articles/taiwans-continued-success-requires-economic-diversification-of-products-and-markets/>

<sup>24</sup> Wolf, M. (2023, July 21). Japan economic outlook, July 2023. Deloitte.  
<https://www2.deloitte.com/us/en/insights/economy/asia-pacific/japan-economic-outlook.html>

<sup>25</sup> Swiss Economy - Facts and Figures. (2022, March 30). Switzerland Federal Council.  
<https://www.eda.admin.ch/aboutswitzerland/en/home/wirtschaft/uebersicht/wirtschaft---fakten-und-zahlen.html>

<sup>26</sup> The state of commodity dependence. (2023). United Nations Conference on Trade and Development.  
<https://unctad.org/topic/commodities/state-of-commodity-dependence>

throughout the duration of the pandemic due to the over-reliance of their GDP on oil exports.<sup>27</sup> An overreliance on one resource can also become an issue of national security, as the global community is able to target the primary export industry with sanctions to apply economic pressure. Contemporary examples include global sanctions against fossil fuel exports from Russia and Iran as a result of the war in Ukraine, the development of nuclear programs, and other activities.<sup>28</sup>

Experts call this phenomenon of economic over-reliance on one or a few commodity exports the “resource curse”, and its debilitating effects can be felt worldwide.<sup>29</sup> In addition to being sensitive to demand shocks, economies that suffer from a lack of economic diversity typically experience lower economic equality as institutions are more inclined to adopt rentier models of development that block export profits from trickling down to the general public. This lack of economic mobility stifles entrepreneurship and breeds corruption.<sup>30</sup> Frequently cited examples of this include Nigeria and Cote d’Ivoire, which generate tremendous profits from mining and energy exports but maintain remarkably low levels of GDP per capita, and Russia, which has a very corrupt authoritarian government in which most of the GDP and political power is controlled by a small number of oligarchs.<sup>31</sup>

Furthermore, major fuel exporting countries are also susceptible to long-term economic trends, namely the global push to transition away from fossil fuel as a major energy source towards greater renewable energy production. While global fossil fuel consumption is still high and will likely remain so into the near future, governments around the world are making great efforts to eventually transition towards more environmentally friendly options.<sup>32</sup> While the transition towards green energy and away from fossil fuels will likely take decades, so too will efforts to diversify economies reliant on the export of such resources take years of planning and decisive action, meaning that if major fuel exporters want any chance of staying economically relevant, they need to act now.

## **B. History in the Arab World**

To say the economy of the Arab League is reliant on fossil fuels would be a tremendous understatement. 57% of the world's oil reserves and 41% of its natural gas reserves lie within the MENA region, with 50% of the world’s oil production and 15% of its natural gas production

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<sup>27</sup>Lashitew, A., & Werker, E. (2020, July 16). Are natural resources a curse, a blessing, or a double-edged sword? Brookings Institution.

<https://www.brookings.edu/articles/are-natural-resources-a-curse-a-blessing-or-a-double-edged-sword/>

<sup>28</sup> Kennedy, C. (2023, June 30). Russian oil exporters cast a shadow on Western sanctions. East Asia Forum.

<https://www.eastasiaforum.org/2023/06/30/russian-oil-exporters-cast-a-shadow-on-western-sanctions/>

<sup>29</sup> Carley, S., Evans, T. P., & Konisky, D. M. (2018, March). Adaptation, culture, and the energy transition in American coal country. *Energy Research & Social Science*, 37, 133-139. <https://doi.org/10.1016/j.erss.2017.10.007>

<sup>30</sup> Ibid

<sup>31</sup> Ibid

<sup>32</sup> Shafiee, S., & Topal, E. (2008). An econometrics view of worldwide fossil fuel consumption and the role of US. *Energy Policy*, 36(2), 775-786. <https://doi.org/10.1016/j.enpol.2007.11.002>

coming from the area. Saudi Arabia, Iraq, the UAE, and Kuwait are the major regional exporters of oil while Qatar, Saudi Arabia, Algeria, Egypt, and the UAE hold the same status for natural gas.<sup>33</sup> All of these countries have been seriously affected by shifts in the demand of these resources in the past, and as such have it in their best interest to hedge against any future shocks to the prices of fossil fuels.<sup>34</sup>

Due to the tremendous risks associated with having an economy overly reliant on a resource that will one day be phased out as one of the primary global energy resources, it's no surprise that many of the major fossil fuel exporters of the Arab League currently have initiatives to diversify their economy. Every Gulf state has created a set of policy goals aimed at economic diversification and sustainability, outlined in Saudi Arabia's and Qatar's Vision 2030, the UAE's Projects of the 50, Oman's Vision 2040, and others.<sup>35</sup> Many of the Gulf states have provided a tremendous amount of funding geared toward promoting business and innovation in the region, but such efforts have hit major pitfalls along the way. Some of these pitfalls include overregulation, clientelism, and a lack of citizen participation in new sectors. Many of the current initiatives are over-reliant on government funding and struggle to succeed without it.<sup>36</sup> Creating more organic diversification thus remains a challenge for the major fossil fuel exporters in the Arab League.

While there are many countries in the MENA region whose economies primarily rely on fossil fuel exports, there are many others who do have far more diversified economies. For example, Levantinian states such as Jordan, Lebanon, and Palestine, while being far economically weaker than their gulf neighbors, have more diverse economies with tourism, entrepreneurship, and a budding tech sector being primary drivers of economic productivity. Egypt has seen similar success in the same fields. However, lest they think they are free of the economic fallout from oil price fluctuations, it should be noted that a significant portion of all of those nations' economies is also derived from remittances sent home from foreign workers, many of whom work in GCC countries. Jordan, Egypt, and Lebanon in particular typically derive 5-10% of their annual GDP from said remittances, the vast majority of which originates in the Gulf.<sup>37</sup> These states thus have a vested interest in assisting economic diversification efforts from their fossil fuel exporting neighbors.

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<sup>33</sup> Keltie, I. (2022, December 21). The latest developments in the MENA region. Oilfield Technology. <https://www.oilfieldtechnology.com/digital-oilfield/21122022/the-latest-developments-in-the-mena-region/#:~:text=The%20gas%20production%20in%20the,Algeria%2C%20Egypt%2C%20and%20UAE>.

<sup>34</sup> Arezki, R., & Nguyen, H. (2020, April 14). Coping with a Dual Shock: Coronavirus (COVID-19) and Oil Prices. World Bank. <https://www.worldbank.org/en/region/mena/brief/coping-with-a-dual-shock-coronavirus-covid-19-and-oil-prices>

<sup>35</sup> Mogielnicki, R. (2022). Competing Economic Visions in the Gulf. The Cairo Review of Global Affairs. <https://www.thecairoreview.com/essays/competing-economic-visions-in-the-gulf/>

<sup>36</sup> Kabbani, N., & Ben Mimoune, N. (2021, January 31). Economic diversification in the Gulf: Time to redouble efforts. Brookings Institution. <https://www.brookings.edu/articles/economic-diversification-in-the-gulf-time-to-redouble-efforts/>

<sup>37</sup> Ubeidat, B., & Attalla, K. (2019, September 17). Five economic trends to follow in Levant countries. PwC Middle East. <https://www.pwc.com/m1/en/blog/five-economic-trends-follow-in-levant-countries.html>

## C. Finding a Solution to the Problem: Past, Present, Future

Cooperation between Arab League member-states is essential to accomplishing member-states' goals towards economic diversification. One proposed method for eliminating unnecessary red tape and facilitating organic business growth is the establishment of free trade zones. Many of the Gulf states have already created such zones with some success<sup>38</sup>, but doing so in the Levant and North Africa regions would likely create similar levels of success and allow for a more unified League-wide effort toward entrepreneurship.<sup>39</sup>

In addition to creating more business-friendly environments, member-state governments could also identify and provide funding for specific sectors they would like to see develop more. Some examples of sectors that Arab League member-states have experienced success in developing include manufacturing, finance, technology, shipping, transportation, logistics, and renewable energy.<sup>40</sup> Even state-run oil companies such as Aramco have found success in transitioning to other industries.<sup>41</sup> In creating a League-wide policy, delegates should identify sectors that could either be better established or further developed within their own countries and then determine whether or not cooperation with other states can be accomplished.

Another key step in facilitating economic diversity is finding ways to invite more foreign investment from inside but particularly outside the Arab League. In order to do this, Arab League member-states need to reduce investor uncertainty by ensuring that their macroeconomic conditions remain stable, that policy implementation remains predictable, and that the government does not crowd out the private sector.<sup>42</sup> These factors are a major perceived risk foreign entities must take on should they desire to invest in Arab League member-states, and as such it is critical that the Arab League create assurances that their investments will remain secure.

## II. Questions to Consider in Your Research

- Given your country's resources, what sectors have the potential for growth?
- Does your country have free trade zones? If so, what effect do they have on your country's economic diversity?

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<sup>38</sup> Kabbani, N., & Ben Mimoune, N. (2021, January 31). Economic diversification in the Gulf: Time to redouble efforts. Brookings Institution.

<https://www.brookings.edu/articles/economic-diversification-in-the-gulf-time-to-redouble-efforts/>

<sup>39</sup>Egel, Daniel, Andrew Parasiliti, Charles P. Ries, and Dori Walker, Estimating the Economic Benefits of Levant Integration. Santa Monica, CA: RAND Corporation, 2019.

[https://www.rand.org/pubs/research\\_reports/RR2375.html](https://www.rand.org/pubs/research_reports/RR2375.html).

<sup>40</sup> Callen, T., Cherif, R., Hasanov, F., Hegazy, A., & Khandelwal, P. (December 2014). Economic Diversification in the GCC: Past, Present, and Future. International Monetary Fund (IMF).

<https://www.imf.org/external/pubs/ft/sdn/2014/sdn1412.pdf>

<sup>41</sup> Supporting the energy transition. (2023). Aramco.

<https://www.aramco.com/en/sustainability/climate-change/supporting-the-energy-transition>

<sup>42</sup> Investment and Growth in the Arab World. (April 2016). International Monetary Fund (IMF).

<https://www.imf.org/external/np/pp/eng/2016/050216.pdf>

- How much foreign direct investment does your country attract? What impact does it have on its economy?
- Is there any unnecessary red tape in your country that stifles innovation?
- Does your public sector typically compete with the private sector for success?
- Which Arab League countries have already made efforts towards diversifying their economies? Have their strategies been successful?
- Does your country have state-run or public-sector fossil fuel companies that could transition away from the industry?

### III. Questions a Resolution Might Answer

- Is new investment needed to create more economic diversity league-wide, or is existing infrastructure sufficient?
- How can Arab League Member-states invite additional foreign direct investment? Are there areas/sectors in which they would benefit from working together?
- Should the Arab League help create more free trade zones? How could they do so?
- What can the Arab League do to promote domestic renewable energy production?
- How can the Arab League promote more trade between member-states and other countries?

### IV. Additional Resources

#### [World Energy Outlook 2022](#)

*This 2022 report from the International Energy Association (IEA) describes the current state of the global fossil fuel market, and makes projections about how it may change in the future. In particular, it states that global demand for fossil fuels has likely peaked and outlines efforts around the globe to diversify the energy market.*

#### [Fossil Fuels and the Future](#)

*This 2016 OPEC report is similar in nature to the IEA report as it mentions the need for oil exporting nations to diversify their economies but also describes factors that may keep oil a staple in the energy industry for years to come.*

#### [Economic Diversification in the Gulf](#)

*This excellent piece by the Brookings Institution outlines current efforts in oil exporting MENA countries to diversify their economies, as well as current challenges they face.*

#### [How Should GCC Countries Diversify Their Economies and Promote Inclusive Growth?](#)

*This article from the International Monetary Fund (IMF) provides specific actionable items for Gulf countries to undertake in order to properly diversify their economies. It also links to similar articles on the same topic.*

#### [Future Energy Trends and Their Implications for the United States and Arab Region](#)

*This video stream from NCUSAR provides an excellent overview of how energy trends will come to impact the MENA region, with fascinating input from a panel of scholars.*

### **Topic III: Investigating and repairing existing systems of income inequality across the League.**

#### **I. Introduction to the Topic**

##### **A. General Background**

Global income inequality is on the rise. The current trend is attributed to an eroding global middle class as intergenerational mobility, the ability of children to be able to earn more than their parents, has diminished while the top 10% of earners see their incomes rise. This proliferation of income inequality is attributed to globalization and the development of new technologies, which have and continue to change global markets so quickly that public policymakers can barely keep up.<sup>43</sup> It is estimated that 71% of the world's population lives in countries where inequality has grown since 1990, with the majority of high to middle-income states being primarily affected. Minority groups are particularly affected by these trends in inequality, as when education, technology, and other resources become limited in supply, they are often only provided for the majority in groups that are able to effectively compete for them. Overt and inadvertent minority stigmatization can be seen throughout the world in the form of discrimination based on gender, race, sexual orientation, ethnicity, and language, which can all lead to less favorable economic circumstances when compared to ingroup peers.<sup>44</sup>

There are a variety of methods and policies being implemented around the world focused on combating income inequality. Some of these policies include increased government spending on education, health, social protection, and tax reform.<sup>45</sup> Such policies are typically the fulcrum of political debate around the world, with the majority of the world implementing at least some policies in favor of income equality such as minimum wages and other protections for workers.<sup>46</sup> Some countries that have been particularly effective at creating policies to combat income inequality include the Nordic states, which have created incredibly effective universal welfare systems that allow for remarkable levels of income mobility,<sup>47</sup> Canada, which heavily subsidizes

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<sup>43</sup> Qureshi, Z. (2023, May 16). Rising inequality: A major issue of our time. Brookings Institution. <https://www.brookings.edu/articles/rising-inequality-a-major-issue-of-our-time/>

<sup>44</sup> United Nations. (n.d.). Inequality: Bridging the Divide. <https://www.un.org/en/un75/inequality-bridging-divide>

<sup>45</sup> Amaglobeli, D., & Thevenot, C. (March 2022). Tackling inequality on all fronts. International Monetary Fund (IMF). <https://www.imf.org/en/Publications/fandd/issues/2022/03/Tackling-inequality-on-all-fronts-Amaglobeli-Thevenot#:~:text=To%20tackle%20inequality%2C%20policies%20need,redistribution%20through%20taxes%20and%20transfers.>

<sup>46</sup> How Many Countries Have a Minimum Wage?. (2023). International Labour Organization. [https://www.ilo.org/global/topics/wages/minimum-wages/definition/WCMS\\_439073/lang--en/index.htm](https://www.ilo.org/global/topics/wages/minimum-wages/definition/WCMS_439073/lang--en/index.htm)

<sup>47</sup> Gärtner, S., & Prado, S. (2016). Unlocking the Social Trap: Inequality, Trust and the Scandinavian Welfare State. *Social Science History*, 40(1), 33-62. doi:10.1017/ssh.2015.80

its healthcare and education systems,<sup>48</sup> and Japan, which has iron-clad protections in favor of collective bargaining through workers unions.<sup>49</sup>

## B. History in the Arab World

Rates of income inequality in the MENA region are among the highest in the world, and they have been for quite some time. There are several reasons behind this, among them are somewhat higher levels of corruption and bureaucratic inefficiency,<sup>50</sup> the prevalence of rentier economic systems<sup>51</sup>, and prolific rates of informal work.<sup>52</sup> All of these issues allow the rich to exploit the poor with little to no legal recourse.

Corruption in the MENA region exhibits itself in several ways and inhibits economic development which disproportionately impacts members of society with lower incomes. It has the added effect of diminishing the benefits of foreign direct investment (FDI) due to increased inefficiency from government and business officials siphoning money away from the investments for personal use and directing funds only towards projects they personally deem favorable.<sup>53</sup> In addition, due to the fact that many industries in the MENA region are nationalized, the expansion of business ventures and FDI must pass through several layers of red tape, creating an immense amount of bureaucratic inefficiency. These factors tend to discourage FDI to the MENA region, and thus increase difficulties for business expansion and intragenerational mobility.<sup>54</sup>

The aforementioned problems are exacerbated in MENA nations classified as “rentier states” (countries where fossil fuel rents constitute more than 40% of national revenue). MENA states classified as rentier economies have typically included Saudi Arabia, United Arab Emirates, Iraq, Iran, Kuwait, Qatar, Libya, and Algeria. Though it does seem that the percentage of GDP derived from oil revenues is on a downward trend in all of these countries, the percentage is still remarkably high and leaves them vulnerable to the negative effects associated

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<sup>48</sup> McLeod, C. B., Lavis, J.N., Mustard, C.A., & Stoddart, G.L.. (2003) Income Inequality, Household Income, and Health Status in Canada: A Prospective Cohort Study. *American Journal of Public Health*, 93, (1287-1293). <https://doi.org/10.2105/AJPH.93.8.1287>

<sup>49</sup> Jung, L. (2023). National Labour Law Profile: Japan. International Labour Organization. [https://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS\\_158904/lang--en/index.htm](https://www.ilo.org/ifpdial/information-resources/national-labour-law-profiles/WCMS_158904/lang--en/index.htm)

<sup>50</sup> Hakimi, A. and Hamdi, H. (2017). Does corruption limit FDI and economic growth? Evidence from MENA countries. *International Journal of Emerging Markets*, 12(3), pp. 550-571. <https://doi.org/10.1108/IJoEM-06-2015-0118>

<sup>51</sup> Ahmet T. Kuru, Authoritarianism and Democracy in Muslim Countries: Rentier States and Regional Diffusion, *Political Science Quarterly*, Volume 129, Issue 3, Fall 2014, Pages 399–427, <https://doi.org/10.1002/polq.12215>

<sup>52</sup> Cardarelli, R., Balima, H. W., Maggi, C., Alter, A., Vacher, J., Gaertner, M., Bizimana, O., Abdulkarim, A., Badr, K., Arzoumanian, S., Harb, M., Khatat, M. E. H., Muthoora, P. S., & Belgacem, A. (June 9, 2022). Informality, Development, and the Business Cycle in North Africa. International Monetary Fund (IMF). <https://www.imf.org/en/Publications/Departmental-Papers-Policy-Papers/Issues/2022/05/31/Informality-Development-and-the-Business-Cycle-in-North-Africa-464859>

<sup>53</sup> Ibid

<sup>54</sup> Onyeiwu, S., (2004). “Analysis of FDI flows in developing countries: Is the MENA region different?” Selected Published Papers from the Tenth Annual Conference of the Economic Research Forum, Cairo, Egypt, pp. 165–182, <http://www.mafhoum.com/press6/172E11.pdf>.

with rentier economies. In many of these states, the wealth accumulated from the extraction of energy resources is concentrated in the hands of a few rulers who tend to form political systems resembling oligarchies. The rulers of rentier states typically stifle innovation and entrepreneurship by means of using their power and influence to eliminate competition and instead permit allied groups and individuals to establish monopolies throughout the nation, continuing the cycle of extraction throughout the country. While the benefactors of rentier systems throughout the MENA region use some methods to appease the masses, such as heavily subsidizing basic services such as food and healthcare, this is no replacement for a better distribution of wealth necessary for sustainable economic growth and greater income equality.<sup>55</sup>

Another factor leading to greater income inequality throughout the MENA region is the prevalence of informal work. Approximately two-thirds of workers in North Africa and a large share of firms work informally, leading to approximately 30% of the region's GDP being derived from such informal work. Such informal work is also prevalent in other regions, with countries such as Lebanon, Jordan, and Syria having informal workers constitute approximately 65% of their labor force. For workers, this means they do not pay taxes, are not subject to labor legislation, and do not receive any social protections. For businesses and institutions, this means they typically do not report their earnings to tax administrations, produce financial statements, or register with social security. This informality is frequently the result of overly burdensome regulatory and tax structures, as businesses and workers find the costs of working through proper channels to be too high to justify the benefits. It also means that it is incredibly easy for businesses to take advantage of their workers by giving them far lower wages and fewer worker benefits, thus allowing for income inequality to remain stagnant despite regulatory efforts.<sup>56</sup>

Finally, another major contributing factor to income inequality throughout the Arab League is a lack of financial literacy and access to financial systems. In 2017, a World Bank study showed that an estimated 47% of respondents in the MENA region had an account with a financial institution, and only 37% owned a debit or credit card. Only 33% reported saving any money for the future.<sup>57</sup> These figures reflect a remarkable lack of utilization of financial services and demonstrate that the majority of the population either doesn't have access to financial institutions or doesn't know how to access them in the first place.

### **C. Finding a Solution to the Problem: Past, Present, Future**

One method in particular that has gained traction in use worldwide by governmental and non-governmental organizations (NGOs) in order to decrease income inequality is expanding access to financial technology. Experts argue that there is more than enough room to grow in the financial technology sectors of many developing countries, and that such investment in the developing world could not only turn into a lucrative venture for enterprising companies but also

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<sup>55</sup> Hameed, S. (2020). Political Economy of Rentierism in the Middle East and Disruptions from the Digital Space. *Contemporary Review of the Middle East*, 7(1), 54–89. <https://doi.org/10.1177/2347798919889782>

<sup>56</sup> Ibid

<sup>57</sup> World Bank (2021). The Global Findex Database. <https://www.worldbank.org/en/publication/globalfindex/Data>



improve economic efficiency in rural, developing communities.<sup>58</sup> As previously stated, this is particularly true for MENA states. Developments in financial technology would allow MENA residents a better chance at accessing financial tools beneficial for upward mobility.<sup>59</sup> In addition to improvements in access to financial institutions, programs focused on developing financial literacy throughout the MENA region are likely necessary.<sup>60</sup>

It will be impossible to properly combat income inequality in the Arab League without addressing the need to combat corruption in member states' governments. As stated in the prior section, many rentier states and corrupt administrations create a social contract of sorts by satisfying the public through subsidies of essential goods and services in exchange for the continuation of extractive practices, but this alone is not a sustainable model of governance.<sup>61</sup> Delegates should consider policies that will create meaningful economic growth and allow citizens to harness their creativity and innovative spirit without being bogged down by excessive bureaucratic red tape. Finding ways to eliminate corrupt and extractive practices is essential to developing greater income equality in the MENA region.

In addition to eliminating corrupt practices, delegates should also consider ways to eliminate bureaucratic inefficiencies. No policy in favor of decreasing income inequality will ever work if it becomes too cumbersome to implement. In some cases, it may be necessary for governments to repeal certain regulations in order for businesses and workers to register with legitimate government entities and guarantee at least some basic forms of worker protection. Delegates should distinguish between policies that are essential and those that are simply good but unnecessary for the long-term goal of decreasing income inequality.

Finally, as delegates seek ways to decrease income inequality in the MENA region, it will be important for them to look to the examples of other states that have been successful in their fight against the same issue. Evaluate whether or not the style of government support for better housing, healthcare, education, and labor protections found elsewhere would be effective in your country or in other of the Arab League member-states, and find ways to implement them appropriately given the differing circumstances of each nation.

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<sup>58</sup> Buckley, R. P., & Webster, S. (2016, June 1). FinTech in Developing Countries: Charting New Customer Journeys. *Journal of Financial Transformation*, 44.

[https://clmr.unsw.edu.au/sites/default/files/attached\\_files/charting\\_new\\_customer\\_journeys\\_in\\_developing\\_countries\\_-\\_buckley\\_webster\\_-\\_oct\\_6.pdf](https://clmr.unsw.edu.au/sites/default/files/attached_files/charting_new_customer_journeys_in_developing_countries_-_buckley_webster_-_oct_6.pdf)

<sup>59</sup> Neaime, S., & Gaysset, I. (2018). Financial inclusion and stability in MENA: Evidence from poverty and inequality. *Finance Research Letters*, 24, 230-237.

[https://www.sciencedirect.com/science/article/pii/S1544612317302520?casa\\_token=V9eHivmVkJcAAAAA:J4ifjp\\_mzmHUZialjucedz5-UJu5mjAijuEAnhMBtAB0inNiXFUcM0qFMr5ZzJ\\_dKR3wc53JmudE#sec0004](https://www.sciencedirect.com/science/article/pii/S1544612317302520?casa_token=V9eHivmVkJcAAAAA:J4ifjp_mzmHUZialjucedz5-UJu5mjAijuEAnhMBtAB0inNiXFUcM0qFMr5ZzJ_dKR3wc53JmudE#sec0004)

<sup>60</sup> Al-Smadi, M. (March, 2023). Examining the relationship between digital finance and financial inclusion: Evidence from MENA countries. *Borsa Istanbul Review*, 23(2) 464-472.

<https://www.sciencedirect.com/science/article/pii/S2214845022001181#sec5>

<sup>61</sup> Ibid

## II. Questions to Consider in Your Research

- What methods does your country currently employ in order to decrease income inequality?
- Does your country suffer from having too much regulation over the private sector? If so, what are some ways your country could remove this red tape?
- Does your country have an inefficient bureaucracy? What are some steps your country has taken to decrease these inefficiencies?
- What is the state of financial services in your country? Is it easy for citizens of your country to access these services?

## III. Questions a Resolution Might Answer

- Is the best way to improve income inequality throughout the League by introducing more policies and regulations, or by removing them?
- What can the Arab League do to improve access to financial services and promote financial literacy?
- What does greater redistribution of wealth in a rentier state look like?
- Should Arab League member-states provide assistance to each other as they try to decrease income inequality, or should they focus more on their own domestic policy?

## IV. Additional Resources

### [Inequality - Bridging the Divide](#)

*This United Nations brief describes global trends and causes in income inequality and provides key factors to bear in mind when creating policy aimed at mitigating the issue.*

### [Income Inequality in the Middle East](#)

*This comprehensive brief published in 2022 by the World Inequality Lab provides statistics and specific information about the evolution of income inequality in the MENA region from 1990 to 2021.*

### [Middle East Needs Fairer Taxes to Aid Growth and Ease Inequality](#)

*This article from the IMF describes several policy methods for decreasing income inequality which could be effective throughout the MENA region.*

### [Causes and Consequences of Income Inequality](#)

*A highly cited scholarly article describing specific causes of income inequality and how they can be adequately addressed.*

### [Why Nations Fail](#)

*This controversial book by Acemoglu and Robinson may have its flaws and criticisms, but it serves as an excellent introduction to the causes of economic inequality throughout the world and could provide plenty of food for thought for the particularly curious delegate.*

## **Topic IV: Examining labor supply shortages and barriers to combat skilled worker emigration and youth unemployment.**

### **I. Introduction to the Topic**

#### **A. General Background**

As the world rushes to fully recover from the effects of the COVID-19 pandemic, the push to create more jobs and create rapid economic growth has created a new challenge for the global economy: a labor supply shortage. Simply put, a labor supply shortage is when the demand for workers outmatches the number of workers available. For instance, in the United States, there were 11 million job vacancies but only 6.5 million unemployed workers as of 2022. In the same time period, Europe struggled to fill 1.2 million job vacancies.<sup>62</sup>

There are a variety of factors that led to this labor shortage. The pandemic killed millions and left millions more with long-lasting health problems that influenced their ability to work. A decrease in migration around the world has left many countries reliant on migrant work with millions of unfilled positions. The onset of global inflation has also driven a push for higher salaries and wages making lower-paid positions increasingly less feasible and desirable for workers to take on.<sup>63</sup>

The increased leverage gained by highly skilled workers in developing countries over employers has also exacerbated human capital flight issues, also known as the ‘brain drain’. ‘Brain drain’ can have immense detrimental effects on a nation’s economy, as highly skilled workers take their knowledge and expertise to countries with higher standards of living and greater pay. Not only does losing highly skilled professionals impact the industry, but it also impacts consumer spending as these individuals typically have higher salaries than their peers. When experienced on a large scale, ‘brain drain’ has the potential to completely cripple a developing economy.<sup>64</sup>

#### **B. History in the Arab World**

While the rest of the world experiences severe labor shortages, the MENA region continues to experience the opposite problem: widespread unemployment, particularly for youth and women. As of 2019, one-third of MENA youth were classified as not in employment, education, or training (NEET), which is far higher than the global average of 22%. The MENA youth unemployment rate at 26% is the highest in the world and has consistently been so for the past 20 years. However, the youth are far from the most disadvantaged in the MENA labor market. At an abysmal 20%, the female labor force participation rate of the MENA region is the

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<sup>62</sup> Randstad (18 May 2022). Why is there a global labor shortage?  
<https://www.randstad.com/workforce-insights/talent-acquisition/why-there-a-global-labor-shortage/>

<sup>63</sup> Ibid

<sup>64</sup> Young, J. (30 April, 2023). Brain Drain: Definition, Causes, Effects, and Examples. Investopedia.  
[https://www.investopedia.com/terms/b/brain\\_drain.asp](https://www.investopedia.com/terms/b/brain_drain.asp)

lowest in the world, despite the fact that women in this region are 8% more likely to have a college degree than men. These statistics demonstrate the fact that there are clearly immense barriers to those trying to break into the job market for the first time, particularly for those who must also overcome gender norms and stereotypes as well.<sup>65</sup>

Even if one does overcome the odds and is able to successfully find employment, further disadvantages await. In most MENA states, informal jobs constitute the majority of the labor market, which typically offer lower pay, less favorable conditions, and fewer benefits and protections. If one is able to secure a formal job in the private or public sector, it is highly likely that it is a “middle-skill” job that doesn’t utilize any skills gained from tertiary education and is highly at risk of automation.<sup>66</sup> Compounding all of these issues are the large populations of high-skill expats that seek employment in the Arab world, particularly in the Gulf states, which can oftentimes crowd out local workers from high-skill jobs.<sup>67</sup>

Given the circumstances, it should come as no surprise that the MENA region is currently undergoing a drastic brain drain. While most MENA residents who desire to move abroad are young males,<sup>68</sup> incredibly low employment numbers, low wages, and discriminatory workplace practices have all facilitated a push for MENA women to emigrate and find work abroad as well.<sup>69</sup> Workers who leave the region typically emigrate to European and North American countries, where wages are higher, worker protections are stronger, and skilled employment opportunities are more abundant. Furthermore, the draw to emigrate is much stronger for those who obtained tertiary education abroad, as they may have already developed strong networks and ties to the nations in which they studied.<sup>70</sup>

### **C. Finding a Solution to the Problem: Past, Present, Future**

Spurred on by continually poor statistics, many MENA countries have implemented policies aimed at combating youth unemployment and skilled worker emigration with some success. Many nations across the MENA region have established employment quotas for women in the private and public sectors.<sup>71</sup> Some have developed shared programs between prestigious foreign universities and local universities so students don’t feel the need to travel abroad to seek their education and can acclimate to the economy of their home country better.<sup>72</sup> Despite these

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<sup>65</sup> Islam, A., Moosa, D., Saliola, F. (2022). Jobs Undone. World Bank.

<https://openknowledge.worldbank.org/server/api/core/bitstreams/6208c7c8-8f6a-59a3-b545-23612b2ce712/content>

<sup>66</sup> Ibid

<sup>67</sup> Ibid

<sup>68</sup> Abufalgha, M. (July 2022). Public Views of Migration in MENA. Arab Barometer.

[https://www.arabbarometer.org/wp-content/uploads/ABVII\\_Migration\\_Report-EN.pdf](https://www.arabbarometer.org/wp-content/uploads/ABVII_Migration_Report-EN.pdf)

<sup>69</sup> Gronemeyer, B. (May 5 2023). There’s a gendered brain drain in MENA. It’s because women are unrecognized and underestimated. Atlantic Council.

<https://www.atlanticcouncil.org/blogs/menasource/theres-a-gendered-brain-drain-in-mena-its-because-women-are-unrecognized-and-underestimated/>

<sup>70</sup> Ibid

<sup>71</sup> Welbourne, B. C. (2010). The Strategic use of Gender Quotas in the Arab World. IFES Fellowship in Democracy Studies. <https://aceproject.org/ero-en/regions/africa/MZ/ifes-the-strategic-use-of-gender-quotas-in-the>

<sup>72</sup> Musette, M. S. (2022). Brain Drain in South Mediterranean Countries. European Institute of the Mediterranean. <https://www.iemed.org/publication/brain-drain-in-south-mediterranean-countries/>

efforts, the data clearly indicates that there is much progress to be made in the fight against youth unemployment and the MENA region's brain drain.

Some possible solutions delegates could consider in regard to combating youth unemployment involve evaluating the effectiveness of current policies in favor of improving youth labor force participation. The implementation of quotas in favor of hiring more recent university graduates and younger people while discouraging the outsourcing of high-skill work to foreign expats could potentially turn fruitful. Greater efforts to promote gender equality in the workplace could do well to decrease the prolific female unemployment rate. Furthermore, a League-wide restructuring of tertiary education systems to better match economic needs would also likely be beneficial.

## **II. Questions to Consider in Your Research**

- What policies does my country have that promote/inhibit youth employment?
- Do the outcomes of my country's education system match the needs of my country's job market?
- Does my country have a quota system protecting marginalized groups in the workforce? Has it been effective?
- What is the rate of NEET individuals in my country? What explains this rate?

## **III. Questions a Resolution Might Answer**

- How can the Arab League as a whole create more incentives for highly skilled workers to stay in the MENA region?
- Is migration of highly skilled workers within the MENA region a good thing, or is it still mostly detrimental?
- Are there policies implemented by other international governing bodies that have effectively decreased skilled worker emigration, and would they work effectively in the Arab League?
- Are there specific markets the Arab League could foster that would employ more younger skilled workers than others?

## **IV. Additional Resources**

### [Labor Migration \(Arab States\)](#)

*This article contains key statistics on the labor market of the MENA region. This website also contains individual country profiles, which delegates may find useful.*

### [A Revolution in Education: What Lies Ahead for MENA](#)

*This article from the Middle East Institute describes the current state of educational systems throughout the Middle East, particularly in the context of post-COVID developments.*

### [Informality in the Middle East and North Africa](#)

*This report from the World Bank provides thorough information about the informal economy that pervades the Middle East.*

[Globalization, Brain Drain, and Development](#)

*This highly cited academic article provides an extensive review of economic literature regarding the brain drain phenomenon, as well as interesting perspectives on the consequences such migration patterns can have on any given country.*