Delivering long-term sustainable growth through investment in young people - Saudi Arabia

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Abstract
Sustainable expansion in any nation depends on the presence of an energetic workforce. The Schultz model indicates that national income is sum total of human capital and physical capital. Given that the national income of Saudi Arabia is disproportionately largely derived from oil wealth rather than human resources, the government has embarked on providing appropriate education to its young people. Funding for education has increased over the years. Primary, secondary, and tertiary institutions have been receiving fairly adequate funding to offer standard education to learners. Moreover, the government has implemented focused programs, such as KASP to and Hafiz to circumvent some of the shortcomings in the educational sector. In spite of the government’s efforts, the lack of the right curriculum to ensure performance in the labor force, job discrimination among Saudis, lack of ICT infrastructure, and reluctance of women to join the workforce alongside men hinder the development of a vibrant human capital. Education of the young population is an invaluable investment in the realm of the Arab nation, not only to ensure perpetuation of a strong economy after the end of the oil age, but also to supplement the income that is generated from oil exports at the present.

1. Background
The Kingdom of Saudi Arabia (KSA) is a fast growing economy due to the boom of oil trade internationally. The population largely depends on the income obtained from oil exports. According to the IMF (2013) Saudi Arabia is the leading oil exporter in the world as it produces 78 billion oil barrels annually, amounting to about 13% of the total global supply (Alfawaz, Hilal & Alghannam, 2014, p. 24). The KSA has invested heavily in extraction, manufacture, marketing, and shipping of petroleum products and natural gas through national companies such as Saudi ARAMCO. The oil sector contributes to close to 40% of the total GDP and 90% of the total exports (Corneo, 2011, p. 1). The voluminous oil reserves that are available for Saudi Arabia to exploit are likely to last for a few more generations. The oil resources are delivering a type of development that is unsustainable once the oil runs dry. Therefore, income from the oil resources should be harnessed in the present to build a strong human and alternative physical capital for prosperity.

The income from oil exports plays a critical role of sustaining the economy. For instance, the money is used to pay salaries of civil servants. However, the country’s prospects for future development are confounded by the bulging young population. By 2010, about half of the total population was comprised of people aged between 15-24 years, with about 28.4% among them being unemployed (Almobaireek & Manolova, 2012, p. 4029). The population is projected to grow, meaning that the number of people who depend on the government is going to increase over the years. According to researchers and demographers, the expanding youth populations in Arab countries pose economic, political, and social challenges to their respective governments (Murphy, 2011, p.1). The worst case scenarios were witnessed when youths from several countries, who were frustrated by poor political, economic and social conditions participated in the ouster of governments during the Arab Spring. The KSA government must therefore address the challenge of possible overexploitation of the resources that is posed by the youths. It is
certain that the revenues obtained from oil exports will be inadequate in the future, probably tempting the government to accelerate the rate of extracting oil. In any case, with oil being unsustainable natural resource in the long-run, the vast oil deposits that Saudi Arabia thrives on presently are expected to wane gradually, leading to a complete slowdown in the economy. This will certainly be the consequence if the country does not prudently invest on the young people to deliver sustainable growth in the long-run. Saudi Arabia is bedeviled by various challenges that derail the probability of having prosperity delivered by the young people. These challenges are: high unemployment rates among the young people, overdependence on foreign workers, and disparity between the Saudi curriculum and the needs of the global market (Alfawaz, et al., 2014, p. 25). Understanding of how the dependence on natural resources and foreign workers came to be in the nation is critical to the quest for a solution.

Apparently, when the oil boom occurred in the 1970’s and 1980’s, there was lack of well educated workforce to take on jobs that came up in the expanding economy, forcing the government to recruit highly qualified foreign workers (Alfawaz, et al., 2014, p. 25). Over the years, in spite of high number of Saudi students graduating from institutions of higher learning, the problem of reliance on foreign workers in the oil driven economy has remained highly persistent. By 2000, a mismatch of the education of fresh graduates and the needs in the nation’s workforce was cited as the cause of the continued recruitment of foreign workers (Alfawaz, et al., 2014, p. 25). It follows that what delays the transition of the nation from dependence on oil is not lack of education, but rather the unfocused nature of the education. To counter the challenges associated with dependence on oil and the attendant inactivity of the Saudi population in economic matters, well focused education is seen as the most appropriate solution. This type of education is a critical factor to make the young Saudi population into a dependable human resource in the future. Human resource, which is the basic component of any enterprise, is considered as the most precious wealth as it is normally involved directly in the process of nation building and in commercial and non-commercial activities (Qureshi, 2014, p. 144). The role of an educated population in promoting faster economic growth is well known.

The link between education and national development has been clearly seen since the beginning of mass schooling (Wiseman, Sadaawi & Alromi, 2008, p. 1). Indeed, the financial reports and fiscal budget reports of the KSA indicate that education is the alternative which can deliver a stable economy (Alfawaz, et al., 2014, p. 25). With education, the young generation will be the backbone of the economy in the future. The part played by education in facilitating the economical development of the KSA can be justified using the theoretical model developed by Schultz in 1961 and which is accepted among members of the scholarly community up to the present day. Under Schultz’s model $Y=KHL$, where national income $Y$, is a sum of physical capital $K$, human capital $H$, and Labor $L$ (Rizvi, 2014, p. 10). Figure 1 below illustrates the relationship between education and growth.

![Figure 1. Illustrates the relationship between education and growth](source: Rizvi (2014))
The desire to improve education is captured in the millennium development goals (MDGs) that the Arab nation pledged to achieve in the year 2000. Two of the targets that the country set to achieve under the MDGs were to achieve an all inclusive primary education, where the target is to offer complete full course primary education to all boys and girls across the nation by 2015, and to promote equality of the genders and empower women by eliminating gender inconsistency in education at primary and secondary levels by 2005, and at all education levels before 2015 (AlMunajjed, 2009, p. 2). To attain the targets of the MDGs, the country has been including plans for educational expansion in its five year development plans. Trends of development in highly educated societies have encouraged the KSA administrators to invest more in the education sector. In the wider gulf region, investment in education and educated workforce has resulted in direct increase on GDP growth (Rizvi, 2014, p. 14). The general economy is bound to get better as the years go by.

2. **Investment in the Educational Sector**

Saudi Arabia’s government has recognized the need to educate the young generation properly for the sake of future economic prosperity. In the fiscal year ended 2012, the government allocated 24% of its total budget expenditure to education, with an aim of increasing the number of highly educated citizens to support a future knowledge-based Saudi economy and to support penetration in to the private sector through the Saudiasation replacement program (Alfawaz, et al., 2014, p. 27). The government is fairly optimistic in its quest to oversee the transformation from a laid back population to a highly active society. A knowledge-based society is characterized by reliance on science and technology education, technological innovation, and scientific research, in place of reliance on traditional drivers of economic growth (Baqutayan, 2011, p. 166). The government relentlessly spent increased amounts of money on education in the last decade. As per figure 2 below, the allocation to the education sector rose consistently from 12.5 billion in 2002 to 32.5 billion US dollars in 2009 (AlMunajjed, 2009, p. 3).

![Figure 2. Government Expenditure on Education, 2002-2009.](source: Ministry of Education)

The contribution of oil in the establishment of education facilities to support stable human capital hence the long-term prosperity of Saudi Arabia cannot be underestimated. Between 1997 and 2007, every one dollar increase in oil revenue was accompanied by about 8 cents increase of the funds spent on education (Khatib, 2011, p. 75). The significant increment in spending on education shows that the government clearly prioritizes education, especially since 2000. Prior to 2000, there were observations that the government concentrated on funding other areas, such as reinvestment in oil production and defense, while obviously ignoring the education sector (Khatib, 2011, p. 74). The government wishes to continue the trend by allocating...
more resources to the educational sector. In 2014, the US$ 56 billion was set aside for education and training, representing 25% of the total budget (U.S.-Saudi Arabian Business Council, 2014).

The government undertakes to provide the Ministry of Education with the necessary resources to provide quality education across the country. A lot of expansion of schools has happened in country to provide universal education as per the MDGs. Caution must be exercised not to sacrifice quality as the quantifiable expansion is made. Essentially, the ministry has a responsibility of building new schools while maintaining old ones, developing and providing curricula, introducing training programs to serving teachers, and offering special education for students with disabilities (Alquraini, 2010, p. 140). Some of the pertinent areas where interventions to improve quality can be made are curriculum development, teacher training and special education. The system of education is meant to produce graduates who are authentic citizens and as well capable to enhance the economy. In general, the education is intended satisfy the society’s needs while also promoting its cultural values, ideology and beliefs (Wiseman, Sadaawi & Alromi, 2008, p.3). As a result, the invaluable cultural heritage of the Saudi people is not at all compromised in the course of the education provided.

The gradual improvements in the educational sector are suitable for realistic GDP increase in the long-run. In a study on the growth of non-oil GDP in KSA, Joharji and Starr discovered that recurrent expenditure in growth promoting projects, alongside provision of managerial incentives, promotes returns on public investment (2010, p. 13). Better education clearly increases the non-oil productive capacity in the country. Funds are allocated to improving the existent educational facilities each fiscal year according to manageable growth projections, meaning that the viability of the economy is not compromised at all.

In line with the need to promote prosperity through education, the government has sponsored the King Abdulla overseas scholarship Program (KASP). The program, which was started in 2005, is used to sponsor qualified Saudi students to study for a bachelor, master, or PHD degrees and medical fellowships in the best universities in the world (Alfawaz, et al., 2014, p. 27). Students are sponsored to pursue degree courses that fall in line with the current needs in the Saudi Arabia workforce. Accordingly, some of the disciplines available under the sponsorship programs are medicine, engineering, computer science, law, e-commerce, and pure sciences. Under this program, beneficiaries are obligated to return to Saudi Arabia upon completion of studies, but they are free to choose either to work in the public or the private sector (Alfawaz, et al., 2014, p. 29). Effective engagement of well trained manpower in either sector within the nation is beneficial to the economy. The government earns a lot of revenue through taxation of private companies. Moreover, given its limited employment slots, the government encourages the KASP students join the private firms. KASP basically produces many graduates who can replace the foreign workers in the private and public sector.

The government has been facilitating students by funding other supplementary programs such as Hafiz and the Nitaqat (Saudiasation) programs, which promote the probability of employment of the graduates. Under the Hafiz program, young and unemployed Saudis are given a monthly stipend of $600 on the condition that they are searching for work and/or they are involved in training courses for a period of one year (Alfawaz, et al., 2014, p. 29). The training courses that are offered under this program are aimed at correcting the mismatch between the Saudi courses and the job market. The training program comes in handy in equipping the graduates with practical skills that are required by employers. Nonetheless, the financial assistance while searching for a job encourages the graduates to intensively search for work in the year it is offered. Another praiseworthy initiative by the Saudi government at the university level has been the preparatory year before entrance to university. Students who enroll
in this preparatory year undergo intensive training in courses such as mathematics, English, communication and computer sciences (AlMunajjed, 2009, p. 20).

The reforms being introduced should cover all levels of education, beginning with the lower ones, where the foundation of educational achievement is laid. Much emphasis seems to have been made in institutions of higher learning, while assuming lower level education is appropriate. A Trends in International Mathematics and Science Study (TIMSS) that was conducted in 2003, among primary and secondary schools indicated that Saudi Arabia lags behind compared to other nations, highlighting the need for political, financial, and policy interventions as has happened in higher education (Wiseman, Sadaawi & Alromi, 2008, p.10).

3. Education that Fosters Employability

From an early age, the population should be prepared to take on jobs that are meaningful to the Saudi society. By making appropriate changes in the educational system, students should be able to pursue courses that are work-integrated in vocational centers, colleges and universities. A work-integrated model, which focuses on individual and contextual factors that are critical in developing experience and translating it to immediate results of work-based knowledge, attitudes, skills, and motivation, as well as further outcomes like performance is very effective (Alfawaz, et al., 2014, p. 33). Education that is guided by what is expected in the job market can save the nation the costs it suffers while offering extra training to make graduates suitable for the job market. For instance, with the right training, Saudi Arabia citizens can exploit the tourism industry and aid in the nation’s development. There have been efforts to provide training for young people intending to work in the tourism industry, especially through university degree programs and vocational training courses (Tayeh & Mustafa, 2011, p. 80). Any outdated courses should be scrapped from the curriculum of higher education institutions.

Higher education institutions are under pressure to operate within an updated system, which is in line with contemporary changes and trends, to play a critical role in sustainable creation of a knowledge society, and to achieve proper partnership with the society (Issa & Siddiek, 2012, 146). The relevance of the educational institutions depends highly on offering superior education to students. The students should also be encouraged to take science and technology subjects to meet the increasing demand. In spite of increased enrolment in universities in Saudi Arabia, there has been bias against science and technology subjects, with only 9% of graduates in the country having specialized in these areas in 2004 (Corneo, 2011, p. 5). Training in the elite institutions should surely be demand driven.

Higher education institutions should take the initiative of researching on what they need to produce graduates who can be directly employed. This should be seen as an exercise of helping them gain the capacity required to build a robust economy. Educators probably know what courses should be added to the curricula but they are reluctant to include them. In a study conducted on the wider Arab world, it was discovered that 65% of graduates from public and private universities who got employed had taken extra courses to learn specific skills in the course of the final year or after completion to be able to get a suitable job (Issa & Siddiek, 2012, p. 149). Clearly, the educators cannot be unaware of what extra courses these students had to undertake to get employed. Policymakers in the institutions have a responsibility of ensuring that the students are well prepared by the time they graduate, or alternatively offer apprenticeship programs where appropriate. Some positive efforts to offer experience have been undertaken for KASP students. In a program run by the Saudi embassy in the U.S., graduates from the KASP program are trained in large American companies for two years (Alfawaz, et al., 2014, p. 33). By doing this, the learning institutions shall effectively spent the money that
government allocates to them on an annual basis. There is no need to produce out cohorts of ill-trained graduates year after year, only to have them rejected by employers.

4. Investment in ICT

Across the globe, Information Communication and Technology (ICT) is a field which has undergone rapid progress in keeping with unprecedented technological innovations. ICT is clearly the avenue through which nations all over the world will attain development cost effectively. In particular, developing nations such as Saudi Arabia need to adopt ICT now to attain the desired level of development in the coming years. Besides being the pillar upon which the anticipated knowledge-based economy will be based, ICT will be crucial in ensuring that the needs of the growing population are sufficiently met (Al-Maliki, 2013, 4). Apparently, people can utilize technology to perform tasks easily and get more income. This is the kind of leveraging that is appropriate and which will certainly define the technology age in the developing nations.

The government of Saudi Arabia is focused on developing the ICT capacity in the nation by training students and installing the necessary infrastructure. The Saudi government does this by making investments in IT systems and telecommunications and by offering degrees in the field in Universities. For example, King Saud University, King Abdulaziz University, and King Fahad University of Petroleum and Minerals offer degrees in computer science, computer engineering, and information systems, among other related specializations (Al-Maliki, 2013, p. 3). There are a lot of gains that are accrued from ICT. The use of ICT helps firms cut down on expenses, increase productivity, and increase efficiency, leading to improved economic growth, while also causing positive ripple effects such as reduction of transaction costs, high productivity among knowledge workers, and increased rate of innovation (Al-Maliki, 2013, 2).

However, the general transition to science and technology education in Saudi Arabia has been a slow process that is derailed various barriers. Obstacles that have been identified are inadequacy of instructions, lack of adequate computer systems, financial limitations, untrained personnel, conflicting purchase decisions, and lack of support from institution administrators (Baqutayan, 2011, p. 167). These hindrances are acutely felt at the primary and secondary school levels, where information technology is not treated as a priority. Even at the level of universities, the availability and use of ICT is not adequate. The institutions have evidently not aligned themselves to the need to adapt the new technologies. According to Issa and Siddiek, the institutions for higher learning in Saudi Arabia have not attained the status of being incubators for technologists and scientific researchers to make technological and scientific changes (2012 p. 146). The extant lack of preparedness in the institutions should be addressed urgently so that all the students learn in them get tech savvy.

ICT mastery among the young generation should be promoted through educational avenues. The government should increasingly integrate ICT into modern educational programs and plans as well as by enhancing the capability and capacity of institutions of higher learning to develop first-rate science and technology courses (Al-Maliki, 2013, 13). Facilitation by the Ministry of Education will play a significant role in the quest for a generation that is well versed with technology. Students should access adequately equipped science and technology classrooms and laboratories, while their teachers should be technologically literate (Baqutayan, 2011, p. 169). Implementation of ICT plans means that the young people of Saudi Arabia will be transformed from being a sloppy lot to a highly productive workforce.

Labor force that is well versed with the skills that are necessary to innovate new technologies or to effectively use technologies developed elsewhere is critical for economic growth. Evidently, a population that has command of ICT is capable of creating or at least
utilizing technologies for the optimum performance of the economy. In general, technological innovations that are facilitated by education improve the quality of human capital available for the nation. There is a chain of economic benefits derived from ICT education since technology savvy workers are not only productive but they create tools or systems that facilitate the effectiveness of other tasks. While investing in infrastructure leads to growth due to increase in the quantity of the production factors, investment in education leads to marginal improvement in the productivity of human capital (Joharji & Starr, 2010, p. 3).

5. Driving Attitude Change among Young People

There is need for the government to intervene to instill the right attitude among the Saudi youths about the right work ethic. The relatively high unemployment rate in the nation is not caused by lack of employment opportunities rather it is due to the choosy nature of the population in the area of employment. Saudis prefer to work in the education sector or in administrative positions, especially in the private sector, despite the efforts the government has been making to ensure that they get employment in the private companies (Alfawaz, et al., 2014, p. 26). Notably, since 2000, the government has been implementing a concept referred to as Nitaqat or “Saudiasation”, which is primarily aimed at replacing the foreign workforce with Saudi workforce in all places of work. Under Nitaqat, the government has imposed employment quotas for citizens in private companies to ensure the young people get employment, while reducing the dependence on foreigners, through a strategy of inducements and punishments (Ramady, 2013, p. 1). However, young Saudis do not take the thousands of opportunities that are available in the private sector, as they prefer white collar jobs in the public sector (Alfawaz, et al., 2014, p. 26). The majority of the jobs that are left vacant due to the reduction of foreign workers, such as waiters, transport operators, and cashiers, are deemed to be socially demeaning by many Saudis (Ramady, 2013, p. 2). Generally, Saudis believe that private sector jobs are demeaning due to the lower prestige and social status, less stability, job insecurity, higher productivity demand in comparison with the public sector. The Saudi population notably eschews jobs that do not have status, while they cannot perform in some professions like IT due to lack of required skills. For instance, only 20% of the employees in the tourism industry are Saudis, who are majorly employed in managerial and clerical positions, while professional positions, like consulting, accounting, legal personnel, and information technology, as well as the positions of supervisors and service staff are occupied by non-Saudis (Tayeh & Mustafa, 2011, p. 82).

Notably, the reluctance of the young Saudis to work for the private sector employers is an adverse effect of the government policy which privileges nationals in the labor market. The government for a long time has guaranteed public sector positions for its citizens, something which makes the young Saudis think that having a higher living standard than foreigners is an inalienable right, while taking the government to be a universal benefactor of the citizens (Ramady, 2013, p. 4). Internalizing the attitude that the government is responsible for one’s welfare is detrimental to initiative taking. In an attempt to correct the mindset of depending on the government, the authorities are currently popularizing a new policy that citizens will get employed on merit, based on education, skill, and productivity (Ramady, 2013, p. 4).

The negative work ethic plays a critical role in jeopardizing the likelihood of transforming Saudi Arabia from dependence on oil to a knowledge-based economy. Saudi graduates linger in unemployment due to their high expectations, whereby they prefer to work for the big companies such as Saudi ARAMCO, while dismissing other medium or small firms and as well rejecting offers for jobs that are below the level of management (Alfawaz, et al., 2014, p. 31). Moreover, the KASP strategy seems to augment rather than reverse the negative opinion
that the Saudis have towards employment in the private sector. Although 70% of KASP graduates prefer private sector jobs, they do so because of the high remunerations compared to what they are offered by the government at entry positions (Alfawaz, et al., 2014, p. 35). They prefer to remain jobless than to work for the private sector for less than what the government can offer.

6. Promoting Entrepreneurship

With proper facilitation through empowerment and motivation, the young people in the KSA can spearhead the development in the future, and ultimately relieve the government the burden of catering for unemployed young people. Entrepreneurship endeavors among university students can be instrumental in alleviating unemployment and by creating many job opportunities in the industry and service sectors (Almobaireek & Manolova, 2012, p. 4029). There are certain attitudes that the authorities should endeavor to nurture among the young people to get the youths more involved in entrepreneurship. In a study on the effect of desirability, feasibility, and social support on the intentions to become entrepreneurs among Saudi university youth, Almobaireek and Manolova discovered that perceived desirability and feasibility are positive correlated to entrepreneurial objectives, while social support did not have any significant impact (2012, p. 4037).

The government should continue in its efforts of empowering scholars in the institutions of higher learning to embrace entrepreneurship through training and by introducing targeted training towards this end. Since students who had been trained to start an enterprise were two times more likely to express entrepreneurial intentions compared to those who had not received such training, it is incumbent for the government through the Ministry of Education to introduce targeted entrepreneurship schemes, internships, and other initiatives that yield practicable experience, besides establishing wide ranging public-private collaboration in university research and the formation of business incubators (Almobaireek & Manolova, 2012, p. 4039). The resultant private enterprises would further create employment opportunities and foster more change of attitudes.

7. Creating Equal Opportunities for Women

There has been significant but inadequate progress in the area of empowering women to participate in the economy at the same level with men. The initiative to promote gender equality within government was demonstrated when it consented to the convention for elimination of discrimination against women (CEDAW) in September 2000 (AlMunajjed, 2009, p. 4). The effort towards gender equality is reflected in the almost equal enrolment of boys and girls evident in figure 3 below.

![Figure 3. Enrolment of boys and girls in schools.](source: Ministry of Education)

However, in spite of the laudable initiatives that the government has taken to ensure that girls are educated, there are still many constraints that hinder the transformation of the female students to productive workforce. Intransigent local customs, beliefs, and principles arising from
the patriarchal social system exert a lot of influence in the lives of female students, undoing their chances to join and remain in school (AlMunajjed, 2009, p. 8). In addition, experts seem to concur that there are many shortcomings in the education offered to girls in Saudi Arabia in relation to the requirements of the workplace. It follows that the government has over the years been investing heavily on the public education system, but without significant increase in the productivity of women in the workforce (AlMunajjed, 2009, p. 1). Most of the gains of educational investment in the nation today are felt in the social realm, where fertility and mortality rates have dropped, and in other areas such as health and nutrition. The demand for the productive involvement of women in the society can be overcome through providing girls with quality education, with specific specializations and skills as desired in the market.

The problem of women unemployment is a threat to the future development of Saudi Arabia. Apparently, over 70 percent of the unemployed Saudi women are bachelor degree holders (Alfawaz, et al., 2014, p. 27). This implies that there is need to find ways through which graduating female students can be absorbed in the labor market. The Hafiz program is a strategy that the government has adopted with a view of increasing the number of women who get employed. Remarkably, 80% of the citizens who are registered under the Hafiz program are female, particularly those who have high school and bachelor degrees (Alfawaz, et al., 2014, p. 29). The government has also extended affirmative action to women in the province of employment. The government stipulated that a third of all its jobs will be reserved for women beginning from the year 2007 (Qureshi, 2014, p. 150).

Past research has indicated that there are lesser intentions among women, compared to men, to get involved in entrepreneurial ventures. For instance, Almobaireek and Manolova, in a study conducted using the theory of planed behavior and the social learning theory found out that women majorly confine themselves to the traditional roles of marriage and motherhood responsibilities, while remaining invisible to the outside world (2012, p. 4038). This is evident by taking a random look at the statistics. By 2005, women owned only about 30% of all the businesses in Saudi Arabia (Qureshi, 2014, p. 149). The relative restraint exercised by women in relation to venturing out of the domestic sphere is the reason why there is very little women participation in the labor force, and why the majority of them are employed in the education sector. Figure 4 reveals that women leave some courses for men.

![Figure 4. Female Education](Source: AlMunajjed, 2009.)

Normally, the lack of entrepreneurial interest among Saudi women arises out of their decision to conform to the social norms, something which tends to hold them back. Remarkably, the model woman in the new Saudi state is a pious, modest, virtuous, educated, financially
capable, and devoted to family (Almobaireek & Manolova, 2012, p. 4038). As a result, gender segregation is not completely attributable to imposed male dominance; rather it is due to the preferences among the women to embrace disparity as a result of deep respect for religious teachings (Qureshi, 2014, p. 147). Moreover, Saudi women show lower levels of self-confidence and as well as lower levels of self-efficacy. It is therefore important that policymakers should specifically target to remove the barriers that make women less likely to indulge in entrepreneurial activities. Targeted training for female students is the most effective way of doing this. There are ongoing government programs that may make young women to involve themselves in entrepreneurial ventures and to get more involved in the labor force in spite of religious traditions. Under the 9th 5 year development plan that runs from 2010 to 2014, the government allocated US$ 195 billion to HR development, with special focus on activating the women labor force and enterprise (Qureshi, 2014, p. 148).

Young women should be encouraged to take advantage of the government’s goodwill and participate fully in the labor force and entrepreneurship. It is remarkable that Saudi Universities Law, the Labor and Workers Law, and The Civil Service Law treat men and women equally regarding considerations of grade, salary, employment, and training (AlMunajjed, 2009, p. 8). However, the young women in the country are at risk of not utilizing their lawful right to participate fully in the nation’s growth if they are restrained by local customs and traditions.

8. Investing In Teaching English as a Foreign Language

The Saudi community and the Ministry of Education in particular appreciate the role that English language currently plays as an international language. English is preferred over other foreign languages since it is widely used in diplomacy, international cooperation, international trade, higher studies, economy and contracts, peace talks and international aviation (Liton, 2012, p. 130). EFL education in Saudi Arabia bolsters the nation’s economy by exposing it to the positive elements of foreign cultures. The Saudi education policy states that EFL is aimed to furnish students with a language other than their original language, to make them able to obtain knowledge and scientific information from other societies and to play a role in the service of Islam and fellow men (Liton, 2012, p. 131). Nonetheless, there are various things that ought to be introduced in the EFL teaching to make the venture successful. The motivation of the students to learn can be improved through the introduction of language labs that are well equipped with technological instruments like audio visual aids, while easier understanding can be facilitated by redesigning the authentic EFL texts by including lots of writing exercises, vocabulary acquisition, and contextualizing the content to suit the Saudi setting (Liton, 2012, p. 148).

9. Involving Students with Disabilities

Educational attainment among students with disabilities has been affected by lack of proper investment in their education. This is very detrimental to nation since the capabilities of the disabled students remain unutilized in the society’s development. Disabled people have the capacity to perform exceptionally if they are properly facilitated. Currently, the individual education programs (IEPs), which are supposed to meet the specific learning needs of a student are based on the general curriculum, hence they do not meet the given students’ needs (Alquraini, 2010, p. 141). In addition, the students are unable to develop communication, physical and other skills due to the lack of the services of occupational, physical, and language pathologists in their institutes. To address these matters, the Ministry of Education should invest in the development of IEPs for disabled students, provide them with necessary aids for learning, and train and motivate special education teachers.
10. Promoting Non-Cognitive Skills

Besides cognitive skills that are acquired through formal education, non-cognitive skills are important in molding productive workforce. The generous investment in formal education in Saudi Arabia may not be adequate to deliver the expected human capital due to the lack of complementary attitudes, such as intrinsic motivation for initiative, learning, working, and perseverance (Corneo, 2011, p. 2). Non-cognitive skills mean the character of a person. In Saudi Arabia, the disharmony between the education and development needs of the nation are is not only manifested through the poor knowledge and skills levels, but also in the poor behavior and work values among most graduates (Issa & Siddiek, 2012, p. 147). A significant level of investment is required to be made at the family level, where non-cognitive skills are passed from one generation to another. Within families, parents transmit a thirst of knowledge, sense of purpose, a work ethic, sense of responsibility, and discipline, thereby shaping their children’s character (Corneo, 2011, p. 6). The instilling of ethos related to learning and working are therefore very fundamental for the knowledge based economy to thrive.

11. Education and Sustainable Growth

A well grounded educational sector is positively correlated to higher economic performance of any given country. In a study in which he explored the relation between expenditure on education and economic growth, Kevin (2000) found that such expenditure is positively associated with long-term economic growth, while the immediate effect was negative (Ageli, 2013, p. 3). The effects of education essentially take time to be felt. For instance, it takes close to twenty years for a child to make it through the formal education, from kindergarten to college. Regardless of the time taken, education fosters higher productivity and creates other social and economic conditions that create room for growth. Education enhances social responsibility and civic engagement of citizens (Rizvi, 2014, p. 14). Well educated workers are very productive and the high output levels are linked to higher growth rates of the economy. Moreover, these educated people are rewarded with high earnings by employers. It follows that people with disposable are likely to invest in the nation and accelerate the creation of wealth. According to Ageli, there was a gaping lack of private capital for economic development in Saudi Arabia in the past (2013, p. 8). The situation has already improved greatly following the presence of increased numbers of educated Saudis.

Saudi Arabia is clearly on the right path to a future of sustainable growth facilitated by a well educated population, at least going by the efforts it is making. The policymakers in the nation ought to seriously tackle the factors that can derail the whole process. The first key thing to beware of is low quality education that does not deliver the knowledge that is required to capitalize on new technologies. Second, they should avoid unequal distribution of education that would make the poorly educated actually become dependent on the economy rather than contribute to its growth. Finally, the educated workers should not stay idle waiting for employment by the government in the public sector rather they should be encouraged to get jobs in the private sector as well or to start businesses to utilize their skills. The initiative of the young citizens is required to capitalize on the opportunity availed by education and oil wealth. Evidently, a unidirectional positive contribution to the growth of the economy due to education and oil wealth has been noted. While, Saudi Arabia’s fiscal policy of spending on education is the engine of economic development and growth, the revenues it raises from oil wealth is the major contributing factor in its economic and social development, through generation of employment and expansion of the economy (Ageli, 2013, p. 8).

The Schultz model has over the years come into play in Saudi Arabia’s economic performance, considering the contribution of the private sector compared to the oil sector. There
has been a trend of slowdown in the oil sector as the non-oil sector grows. The non-oil industrial sectors that contribute to the GDP, such as construction, transportation, businesses, real estate, among others increased by 4.72% in 2013, contributing about 59% of the $301.6 billion total GDP (U.S.-Saudi Arabian Business Council, 2014). This occurred as oil production slowed by 0.61%. Future projection is that national income will continue to grow due to more growth in the industrial sector and probably less income from oil revenues. Given that the industrial sector’s contribution is influenced by the higher educational levels in the nation, and assuming that the rate of investment in education remains constant, the 4.74% increase of the sector’s contribution will be maintained in the long-term. Therefore, in relation to Schultz’s model, the total national income will continue to rise, as human capital and labor improve, with a little reduction of physical income.

Saudi Arabia is currently in a position to map out its destiny, depending on the interventions targeted at the young people. Murphy asserts that the young people of Saudi Arabia will determine the extent to which the kingdom will transform into a globally integrated, competitive economy in addition to becoming a creative dynamic society that can prosper in the turbulent 21st century (2011, p. 8). It is therefore the role of the government to act fast to make the required investments that would guarantee that the young people are nurtured to become productive workforce as well as trustworthy stewards of the Saudi economy. A stable human capital is a sustainable resource that can complement the oil wealth in facilitating the growth of the economy. With a well established human capital, the KSA can thrive even without oil. According to Corneo, human capital contributes 80% of the total wealth in high-income countries and it is the major driver of economic growth (2011, p. 2). Consequently, investing in the young people is extremely important for sustainable growth in the future.

References


