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DUBAI SCHOOL OF GOVERNMENT

Social Media, Employment and Entrepreneurship

New Frontiers for the Economic Empowerment of Arab Youth?



Produced by the Dubai School of Government's Governance and Innovation Program

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In Partnership with



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About the Authors

The Report is produced by Dubai School of Government's Governance and Innovation Program, and co-authored by **Racha Mourtada** and **Fadi Salem**:

Fadi Salem is Director of the Governance and Innovation Program in the Dubai School of Government.

Racha Mourtada is a Research Associate in the Governance and Innovation Program in the Dubai School of Government

To contact the authors please direct emails to:
Fadi.Salem@dsg.ac.ae; Racha.Mourtada@dsg.ac.ae

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Executive Summary

Since the spark of the popular movements across the Arab world, the critical debate about Arab youth's political empowerment and the innovative uses of social media has been ongoing in policy and academic circles. Meanwhile, the Arab world continues to witness exponential growth in social media usage, merging online and offline identities among a significant percentage of young Arabs; this continues to play a critical role in shaping new dynamics in Arab societies. Almost two years later, many more questions beyond the impact on political empowerment of Arabs are increasingly being asked by policy makers and business leaders; the most critical of which is: Can this same phenomena also play a similar role in the economic empowerment of the most active group in society, the Arab youth?

The Governance and Innovation Program (GIP) at the Dubai School of Government, in partnership with SAP MENA, conducted a regional eight country survey to measure perceptions on the impact of social media usage on economic empowerment, employment and entrepreneurship in Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Saudi Arabia and the UAE. The report aims to provide decision and policy makers as well as businesses leaders with better understanding of the emerging opportunities and risks related to these changes; and explore the impact on policy making, business development and ultimately economic growth in the Arab region. More specifically, this exploratory field study aims to address the following key themes:

A New Horizon? - *What is the impact of social media growth on job creation, economic growth and support for entrepreneurship in the Arab region?*

The Policy Structure - *How can governments adapt their developmental policies to this growth to better contribute to economic empowerment, citizen satisfaction and social inclusion?*

A New Wave of Innovation? - *Can the emerging generation of empowered Arab youth translate into a sustainable culture of innovation?*

Ultimately, this report is intended to provoke thought leadership discussions in private and public sector decisions making circles in the surveyed countries, and the wider Arab region which shares many similarities on the cultural, economic and societal levels. Key findings of this survey provide evidence confirming that changes in the sense of empowerment is taking place within large segments in Arab societies.

According to the survey findings, the following are the key conclusions on based on regional perceptions on the potential role for social media in these transformations:

- **Impact on Employment Preferences:** The economic and political instability throughout 2011 and 2012, and the related growth of social media usage in the region, clearly had an impact on the employment preferences of people in the

¹ According to the Arab Social Media Report Series produced by DSG's Governance and innovation Program in 2011/2012: <http://www.ArabSocialMediaReport.com>

Future Prospects: Creative technological solutions based on data-mining and social media have the potential to unleash the innovative ways to solve many of the growing unemployment problems in the region. Some of them are:

o **The Virtual Job Market:** Social media is facilitating access to customized information about jobs and employment opportunities. In fact, 71% of survey respondents in the region state that they would rely on social media to find their next job.

o **Up-skilling:** Social media can help young people bridge the gap between their qualifications and job market demands, and acquire the required skills for different positions. 84% of survey respondents said that social media can support acquiring entrepreneurial skills, specifically for students. 80% said that educational reform should include the integration of social networking technologies in the classroom.

o **SME Creation and Empowerment:** In the absence of available jobs, young people, with the help of social media, now have more opportunities to create their own enterprise. 86% of respondents agreed that social media is a key tool today for start-ups.

o **Social Media-Based Trend Measurement and 'Sentiment Analysis':** With the growth of social media usage, and with help of sentiment analysis techniques, governments in the region are now better positioned to utilize a wealth of information which can enable them to tackle youth unemployment, and larger social issues.

region, and their readiness to pursue entrepreneurial opportunities. While no clear majority emerged in terms of preferences for a specific sector, a significant percentage of respondents stated that the events of the past year had affected their employment preference.

- **Value for Businesses, Start-ups and Social Entrepreneurs:** Social media is overwhelmingly perceived as an important tool for businesses in general, and specifically for start-ups and social enterprises. Moreover, it is a tool that is actively used by entrepreneurs in the Arab region.
- **Perceptions of Key Benefits:** Across the region, the most beneficial aspect of social media for businesses is deemed to be its promotional and outreach capacity.
- **Social Enterprises:** Social media is seen as an important tool for social enterprises by an overwhelming majority of respondents across the region (89%).
- **Social media and Education:** Beyond its benefits for businesses and enterprise, social media is perceived as a necessary and even transformational tool for education.
- **Social media as an Equalizer:** Social media continues to be an equalizer across different gender and age groups, with majority of respondents –regardless of their gender- seem to have the same perceptions about social media with regards to its potential for job creation, its benefits and drawbacks for business and enterprise.
- **Drawbacks for Business:** Negative connotations attributed to social media use in business largely center on concerns

regarding the legal and regulatory environment surrounding social media.

- **The Policy and Regulatory Structures:** In the absence of the required laws and regulations, people and businesses in the region do not feel secure enough to lead entrepreneurial initiatives enabled by social media. Businesses and start-ups in the region generally suffer from a similar lack of regulation.
- **Societal Participation in Policy Making:** Perception of the role social media can play in engaging citizens in creating policies by governments and regulators for the benefit of businesses and start-ups are overwhelmingly positive.
- **Future Prospects:** Given the wealth of information held by organizations, institutions and stakeholders involved in job creation for youth (government agencies, private sector institutions, educational and training institutions, etc.), and the ease of access and interaction provided to youth by social media, creative technological solutions based on data-mining and social media have the potential to unleash innovative approaches to solve many of the growing unemployment problem in the region. Some of them are:
 - **The Virtual Job Market:** for those seeking employment, social media is viewed as a facilitator to access customized information about jobs and employment opportunities; information which otherwise job seekers would have no way of learning about - 71% of respondents in the region state that they would rely on social media to find their next job.
 - **Up-skilling:** Even if job opportunities are available, there is often a mismatch of necessary skills. Social media is perceived as a facilitator for young talent to bridge the gap and improve attaining the required skills for different positions - 84% of respondents believe that social media can support acquiring entrepreneurial skills, specifically for students.
 - **SME Creation and Empowerment:** In the absence of available jobs, the youth, with the help of social media, now have the opportunity to create their own enterprise, harnessing large customer bases and minimizing costs and risks of starting business -86% of respondents view social media as a key tool today for start-ups.

With the growth of social media usage, and until more formal and structured channels of information flows are established within Arab societies, policy makers in many countries in the region are now better positioned to plan and formulate policies based on citizens' perceptions, market trends and societal realities in real-time. With better ICT utilization and through sentiment analysis techniques, this wealth of information can enable policy makers to use social media to tackle youth unemployment problem, as well as larger social problems in society. Additionally, the strong endorsement of social media as an enabler of social entrepreneurship according to the regional findings in this research, coupled with the exponential growth in social media usage, is an indicator that the '3rd sector' will continue to witness a healthy growth, potentially contributing to rejuvenating a real-life civil society in the Arab region, not just virtually through social media channels.

About the Survey: Sample and Approach

To explore regional perceptions on the critical questions highlighted in this report, a combination of structured, Web-based questionnaires and focus group meetings were administered in eight Arab countries (Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Saudi Arabia and the UAE). The survey specifically examined the usage of social media and, specifically, perceptions about its impact on job creation, employment and entrepreneurship in the region.

The survey was conducted between March and May 2012, and included 4,754 respondents (of which 331 (or 7%) identified themselves as entrepreneurs). The average survey response rate was 86.4 percent..

The survey respondents were chosen among Internet users according to a specific profile, which mirrored the demographic makeup of each country. Consequently, the typical respondent profile was a young professional (60% of respondents were between the ages of 18 and 30), primarily in the private sector (42% of respondents). The public sector (16%), the third sector (3%) and enterprise owners (7%) were also represented, along with university students (13%) and the unemployed (20%). The gender split was approximately 40/60 (female/male).

The samples were, to a certain extent, proportionally distributed with regards to population size throughout the eight countries. As such, there were 150 respondents from Bahrain; 1575 from Egypt; 541 from Jordan; 270 from Kuwait; 246 from Lebanon; 179 from Oman; 1235 from Saudi Arabia; and 558 from the UAE.

Academic attainment of respondents varied, with 56% holding undergraduate degrees, 16% holding a master's degree or higher and 28% holding a technical/high school diploma or a lower-level degree. While the respondents were given the option to answer the survey questions in Arabic or English, the majority chose to respond in English, although this varied among the countries surveyed.

Additionally focus groups were conducted in Egypt, Kuwait and the UAE for further in-depth exploration of survey responses in these countries. These meetings contributed to clarifying and contextualizing the overall picture, and adding anecdotal evidence to our findings.

Introduction

Innovative uses of social technologies across the Arab world contributed to disrupting 'governance as usual' models in many countries in the Arab region, putting citizen participation and youth engagement on top of policy makers' agendas. Increasingly, these changes are also bringing about the promise to change 'business as usual' models and shape new developmental and economic horizons. This study², a first of its kind in the region, explores developmental and policy perspectives on these societal changes on the regional level. Through a regional eight-country survey, the Dubai School of Government, in partnership with SAP MENA conducted a regional eight country survey to measure perceptions on the impact of social media usage on economic empowerment, employment and entrepreneurship in Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Saudi Arabia and the UAE. The report aims to provide businesses leaders and policy makers with better understanding of the emerging opportunities and risks related to these changes; and explore the impact on policy making, business development and ultimately economic growth in the Arab region.

The Growing Unemployed 'Youth Bulge' in the Arab region

Even before the spark of the 'Arab spring' and the accompanying economic turmoil, labor market estimates over the period between 2006 to 2010 indicate that Arab countries - with the exception of the UAE and Saudi Arabia- suffered from high unemployment rates³. More alarming, the region reported some of the highest youth unemployment rates in the world. Divergences along gender lines further exacerbated the problem, with unemployment rates among young women, in some countries, double or triple those among young men, and five to nine times higher than for the total unemployed population (ILO, 2011).

From economic and developmental perspectives, the impact of the political instability that continues to accompany the popular movements in the region has been negative on employment and job creation. For example, North Africa saw a spike in youth unemployment rates after the popular movements there, which went up 4.9 percent between 2010 and 2011. By 2012, Youth unemployment stands at 26.5 percent in the Middle East and at 27.9 per cent in North Africa on average. Alarming, the Middle East and North Africa region stands out as the only region in the world where unemployment exceeded 10% for people aged 15 and over in 2011, and is only one of two regions where youth unemployment rose again from 2009 after declining between 2008 and 2009. Moreover, the ratios of youth-to-adult unemployment rates continue to be high, at 4.0 in the Middle East and at 3.9 in North Africa (ILO, 2012).

'By 2012, Youth unemployment stands at 26.5 percent in the Middle East and at 27.9 per cent in North Africa on average.'

- ILO'

² This survey is conducted in collaboration between The Dubai School of Government's Governance and Innovation Program and SAP Middle East and North Africa

³ According to the United Nation International Labor Organization's MENA employment statistics in the Arab region

With these bleak realities in mind, policy makers in the region came to realize, by the end of the past decade, that providing youth with decent jobs and sustainable employment is the biggest challenge of ensuring stability and prosperity in the Arab region. More recently, promoting entrepreneurship has been largely recognized as key for economic growth and the creation of jobs. Policy makers and business leaders in Middle East and North Africa (MENA) region have no more critical a goal than ensuring stability and prosperity through the long-term employment and deployment of youth (Naqvi, 2011). In fact, few would disagree that much of the underlying causes of the popular protests of the past two years were instigated by a frustrated youth, with little chance of job opportunities, rising to overcome the devastating social implications of rising unemployment.

Finding a suitable job is a top priority for youth in the region, and the traditional public and private sectors are not offering or creating the job opportunities needed to satisfy a fast growing population. Entrepreneurs and small and medium enterprises (SMEs), on the other hand are increasingly viewed as the key providers of the much-needed jobs in the region. With few functioning governments that can provide jobs; and even fewer stable economies in the region, the most active part of the Arab population; the youth, is increasingly feeling empowered and taking matters into its own hands on the political and societal levels. Today, with close to 50 million Arabs actively using social media technologies primarily to influence major change in their nations, the ultimate question this research seeks to answer is: Can the well-connected population and the fast-growing virtual Arab civil society capitalize on this moment of empowerment and lead to sustainable economic growth; and eventually restoring political stability?

Social Media, Employment and Entrepreneurship – Global Trends:

Entrepreneurship and Job Growth

When it comes to job growth, it is claimed that “start-ups aren’t everything... They’re the only thing” (Kane, 2010). On a global scale, according to a World Bank survey of over 47,000 firms conducted in 99 countries between 2006 and 2010, it was clear that across the board, SMEs are the biggest contributors to employment (Ayyagari et al., 2011). Small firms (less than 100 employees) and young firms (less than 2 years old), have the largest employment growth rates. They not only create more jobs than bigger and more mature firms do; they additionally “contribute disproportionately to net growth”. In developing countries, specifically, small firms contribute the largest share to job creation, and even during times of job loss in the economy as a whole they are the only firms to have job gains. This is especially significant in developing countries where there are often barriers to the creation of small firms and enterprises. In the U.S., start-ups, defined as small firms less than a year old, contribute exclusively to the net growth of jobs (over 3 million a year), while firms of all other ages are net ‘job destroyers’. Moreover, during times of recession and instability, start-ups continue to

‘In developing countries, specifically, small firms contribute the largest share to job creation, and even during times of job loss in the economy as a whole they are the only firms to have job gains

– Kauffman Foundation’

create jobs, while established firms exhibit job losses. As such, more policymakers today appreciate and leverage the contribution start-ups make to job creation and growth and factor that into policies promoting employment growth (Kane, 2010).

In order to promote a sustainable growth of a culture of entrepreneurship, one must acknowledge and nurture the different entrepreneurship phases and their particularities and the needs of people within each country and economy. Factors measuring whether or not people venture into creating their own enterprises in 54 economies were highlighted by The Global Entrepreneurship Report, including two Arab countries (Algeria and the UAE). These factors include 'fear of failure', 'entrepreneurial intentions'⁴ and the perception of entrepreneurship as a good career choice. Interestingly, the UAE exhibits one of the highest rates of fear of failure, among these economies, and one of the lowest rates of entrepreneurial intention. Generally, it was found that both 'entrepreneurial intention' and the percentage of respondents who think entrepreneurship represents a good career choice decrease as the economic development level of a country goes up - this being highest in factor-driven economies, decreasing in efficiency-driven economies, and even more so in innovation-driven economies such as the UAE. Moreover, it was found that entrepreneurial activity level drops steeply within countries from low to high economic levels, indicating that startups and enterprises are more abundant in developing countries and more directly linked to economic growth (Kelley et al., 2011).

Clearly, entrepreneurship is a driver of economic development, but the incentive behind entrepreneurial endeavors in rich and medium-income countries differs. In contrast to rich countries, entrepreneurship in medium-income countries is driven by need, rather than a desire for independence or more income, which refers to need-driven vs. opportunity/improvement-driven entrepreneurship (Szirmai et al., 2011). This is illustrated in the examples of Algeria and the UAE in the Global Entrepreneurship Report. In the former, 'needs-driven' entrepreneurial activity constitutes 36.5% of total entrepreneurial activity while improvement driven' entrepreneurial activity constitutes, 46.4%. In the latter country, the split is 14.4% (needs- driven) and 67.4%' (improvement-driven).

Youth and Entrepreneurship

When it comes to youth, specifically, the UN World Youth Report (UNDESA, 2011), which was based on an e-discussion with youth across the globe, highlighted several issues of importance and concern to them. Jobs and decent employment were clearly identified as a priority; in 2010, the global youth unemployment rate was 12.6, almost triple the adult unemployment rate of 4.8%. Youth are, unfortunately, often 'last in' and 'first out' when it comes to hiring and firing.

The youth who participated in this e-discussion said their formal education left them ill-prepared for work, and they found informal education often useful to fill that skill gap. They claimed that ICT and social media provided valuable sources of career guidance as

⁴ The percentage of respondents who intend to start an enterprise within 3 years

well as potential for new employment fields and opportunities. They also identified creating enterprises as a way of addressing the unemployment problem, creating better working conditions and even ensuring job security. One encouraging point that emerged was young people's preference to go out actively pursue and create job opportunities, rather than 'sit around' and wait for opportunities to arise.

Social Media and Entrepreneurship

Social media and mobile internet use is quickly catching on as a trend for both established businesses and start-ups in developed countries such as the US and the UK. Such countries have fostered a healthy entrepreneurial culture and are now turning to communication tools and technologies, such as social media and mobile Internet, as a way to facilitate and enhance the entrepreneurial process, especially for tech start-ups.

Technological advances and the convergence of social media, the 'cloud'⁵ and smartphones/devices are all essential drivers for tech start-ups today. 'The cloud', specifically, is helping to bypass several tech start-up hurdles. For instance, the ability to rent high-speed, powerful services/platforms is speeding up the business process and enhancing competition by allowing more entrants into the market, with substantially fewer investments. From a financial point of view, backers are eager to invest in tech startups, many of which have exhibited great success because of their ease of use and distribution. This interest is helping to fund entrepreneurs, as are the new crowd-funding⁶ models through social networking tools (Economist, 2011a).

Social media tools are primarily being used either as promotional tools, for marketing, PR or advertising; or as the foundation for a tech start-up. Crowd-sourcing, crowd-funding, sourcing volunteers and freelancers is another growing use in the region, though not as common yet. For forward-looking businesses and enterprises, social media use is not just limited to the workplace; it is being used in the classroom and in workplace training to promote collaborative learning and entrepreneurial skills. Moreover, on the graduate level, master's degrees and MBAs on social media now available and being taught as a business model. The impact of growth of social media usage on enabling business opportunities and innovative flow of information is acknowledged by the private sector, academia and more than ever before, by policy makers.

Social Entrepreneurship:

Social entrepreneurship -which applies entrepreneurial principles with a primary objective of influencing social change values the social impact and social good that an enterprise generates - as much as it does financial returns- is a form of entrepreneurship that has benefited from the growth of social media. Over the past decade, policy makers and international organizations, such as the World Bank, have emphasized the potential of social

⁵ Cloud computing refers to the delivery of computing and storage capacity as a service, which can be accessed through a web browser, allowing for faster applications, more manageability and less maintenance

⁶ Crowd-funding consists of soliciting small amounts of money through a website or online applications to raise funds in support of a project or enterprise.

' There is no shortage in capital available from investors who are vested in funding enterprises with a positive social impact

- WEF '

entrepreneurship as a viable option for creating jobs and ultimately providing much-needed social goods and services that governments and the market place in developing countries are in no position to provide (WEF, 2011b).

Social entrepreneurship evangelists continue to convincingly argue that promoting social entrepreneurship contributes to overall social and economic development, and primarily helps in the fight against poverty. There is no shortage in capital available from investors who are vested in funding enterprises with a positive social impact (WEF, 2011b). Perhaps more than any enterprise, social entrepreneurship has benefited from social media tools and their potential for facilitating outreach, awareness, mobilization and crowd-sourcing funds and volunteers.

Moreover, the online connections and networks forged by these social entrepreneurs and civic-minded citizens have in many cases effectively created a 'virtual civil society' that can contribute to the enhancement of social capital (which is linked to the social connections that foster civic activity). It is up for debate, however, whether these virtual civil societies can have a positive effect on the creation and cultivation of social capital, similar to traditional civil society. The virtual connections made on the Internet, and the ensuing flow of information and social connections made are believed to encourage good citizenship; and it is also posited that 'time spent on the Internet (can) contribute to increased (civic) participation'. On the other hand some studies show that the cyber-skills acquired on the Internet increase participation and engagement online but not necessarily in real life. Generally, it was found that virtual activity is positively linked to active participation and citizenship (in the U.S.), and that it has the potential to enhance social capital (Kittilson and Dalton, 2011).

Knowledge Economy, Employment and Job Creation in the Arab Region – Perspective of International Organizations:

Many Arab countries have been planning to move towards knowledge-based economic development over the past decade. Outcomes have been mixed with relative success in few countries. Regardless of the levels of success, the evolution towards knowledge-based development has brought significant changes and investments in job creation, economic diversification and human development. Moreover, in several Arab countries, entrepreneurship promotion is today explicitly recognized as a human development objectives (UNDP, 2011). What is further encouraging for Arab countries is that in emerging and developing countries, entrepreneurship stimulus and growth occurs at even faster pace than it does in more developed countries like the U.S. (Naqvi, 2011).

'In several Arab countries, entrepreneurship promotion is today explicitly recognized as a human development objectives

- UNDP'

According to the Arab Knowledge Report, the emergence of entrepreneurs in Arab societies could help achieve economic and political integration with the global community, and could also help address 'public good' and social and cultural development in the region. 'The Prosperity Index', highlighted in the report for Arab countries, lists 'Entrepreneurship and Opportunity' as one of its indicators.⁷ Arab countries as a whole do not figure highly in the prosperity index, or in the entrepreneurship indicator, with the UAE and Kuwait ranking the highest among Arab countries for the latter, at 24 and 31 out of 110 countries, respectively; and Syria and Yemen ranking the lowest at 92 and 106, respectively. One of the 'work axes' of the report for the evolution towards a knowledge society, is the creation of a supportive business and investment environment that would encourage innovation and creative initiatives. It advised that part of the process of establishing this environment should include building and nurturing a critical mass of entrepreneurs (UNDP, 2011).

As the issue of unemployment – and specifically youth unemployment – continues to loom as one of the main problems that need to be tackled in the Arab region, international organizations such as the World Economic Forum (WEF) and the International Labor Organization (ILO) have continued to work on strategies to promote job creation and economic growth, emphasizing among other things, the importance of entrepreneurship, an enabling business environment, and education reform, all of which can be facilitated through the use of technology and social media

The World Economic Forum, outlined an action plan for addressing unemployment in 2012 that focused on promoting entrepreneurship, encouraging GCC and foreign direct investment in the region, as well as implementing a trade free zone (WEF, 2011a). Additionally, the plan recommended creating a business friendly environment for enterprises and implementing educational reform. Regarding the former issue specifically, regulatory changes are needed, and safety nets provided; registering a business in the region is complicated and expensive, and start-ups suffer from lack of legal protection and highly personal liability. In terms of the latter issue, education, learning in the region is still rote and does not provide students with skills needed for the workplace. Developing skills (including creativity, problem solving, critical thinking, risk-taking) through schools and university, and aligning curriculum with market needs are all key to addressing youth unemployment problems.

Tackling the education problem specifically, WEF's 'Entrepreneurship Education Report' outlined a manifesto for creating jobs in the MENA through entrepreneurship and '21st century skills' (WEF and GEI, 2010). Transforming education through integrating 21st century skills and entrepreneurship, and using interactive tools to develop students' creativity, innovation and 'thinking outside the box' is key. Moreover, making changes across all levels of education, including life-long education is important.

In terms of policy, a commitment to creating an enabling entrepreneurial environment is vital. Less restrictive regulations need to be introduced, bankruptcy laws revised, and more support given of entrepreneurship programs in universities. Additionally, greater awareness

⁷ Remaining indicators are: Education, Economy, Governance, Health, Safety and Security, Personal Freedom and Social Capital.

about entrepreneurship and its success stories are important to motivate young people. Technology (and social media specifically) can be used to create such awareness and broaden networks and partnerships.

In the latest update from the ILO – which periodically reports on global youth employment trends, including those on the Arab region, the organization highlighted the need to support young people through social protection systems, invest in education and training, subsidize employment of young people, and develop sectoral policies in order to alleviate unemployment (ILO, 2011). Government initiatives to combat this include: addressing skills mismatches, supporting labor market information systems, creating financial and macroeconomic policies; and addressing ‘slow job growth’ barriers (through job creation programs, and tax incentives for hiring long-term unemployed).

Youth and Entrepreneurship in the Arab Region

To address ‘post-Arab spring’ youth unemployment issues in the Arab region, priorities have been addressed as follows: skill development and vocational training; job information and career guidance; fostering youth entrepreneurship as a means of job creation; enabling small and medium enterprises; and promoting social innovation, primarily through the utilization of information and communication technologies (ICTs) among other methods. A key paradigm shift that needs to come about in the Arab region is within government, shifting their role from creating jobs to enabling job creation. Two years after the popular movements in the Arab region, governments are realizing that they cannot go it alone, and should develop policies that enable civil society and the private sector to be involved in job creation (WEF, 2012).

In 2010, one survey found that 15% of young Arabs in the region expressed a desire to start their own business within the next year, whereas only 4% of youth in the U.S expressed the same desire. Additionally, more young entrepreneurs in the region reported being employed (44%) than youth who had no intention of starting their own business (26%) (Silatech, 2010)⁸. In 2011, a follow-up survey indicated that the growth in access to the Internet and mobile technology among youth is being utilized in job creation initiatives and helping connect youth to employment opportunities. Youth in high-income countries said that while they believe governments are trying to deliver more high-quality jobs, they have not provided a friendly business environment that would encourage start-ups (Silatech, 2011).

Primarily most of the international organizations are calling for educational reform and up-skilling to close the gap between skills mismatch and current market skill demands. Their research is pushing entrepreneurship as a viable option for creating jobs for young people in the region, and they are advocating the need for governments to rethink policy and create an enabling regulatory environment for business and enterprise. Most importantly they are highlighting the importance of technology, and more recently social

⁸ ‘The Silatech Index’ is a report based on several surveys of country nationals aged 15-29 across the Arab region, gives indications of the progress and challenges across the region when it comes to job creation and entrepreneurship.

media specifically to help young people acquire these skills, create their own enterprises, and –beyond that – to source and create their own local and interactive content, connect with like-minded people and stakeholders, access labor market information, and spread awareness and success stories about entrepreneurship.

Social Media and Social Entrepreneurship in the Arab Region:

After the peak of the 'Arab Spring', many young people, empowered by political change they brought about with the help of social media tools, have decided to venture further and explore whether these social media tools and websites could yield jobs and employment opportunities, especially that the state is no longer stable or capable of providing for the short term. Many of the youth who led these revolutions have been predominantly middle class and well-educated, with the tech-savviness and passion to take the innovative uses of social media they had wielded for political participation and engagement, and extend them to the creation of economic opportunities and, on a larger scale, social change. In Egypt for example, civic-minded initiatives that emerged post-Arab spring included a website aimed at Arabic mothers, an app that allows people to share reports about traffic congestions, an app that can locate hospitals worldwide, and even a website that tracks the newly-elected President Mohammed Morsi's progress during his first 100 days in office (Seligson, 2011, Falk, 2012). Increasingly, creative uses of the wealth of information and social connections online are leading to a more mobilized civil society movements and empowered entrepreneurs.

Arab youth are realizing that creating startups and enterprises can be just as empowering as taking part in protests and demonstrations, not just for themselves but for their communities as well, in the shape of social change and economic development. Some young entrepreneurs believe that the political unrest of the past year may actually be beneficial for their businesses, creating product demand, encouraging investors to seek new opportunities beyond the large, established businesses that may be floundering post-'Arab spring', and making governments sympathetic to the needs of start-ups. In fact, investors from the region claim to be willing to provide up to \$500 million in seed money for new enterprises in Arab countries (Sweis, 2012, Sleiman, 2012).

Beyond merely creating job opportunities, the communities built around social media, the 'virtual civil societies' developed by these civic-minded youth, have the potential to bring about positive social change and development in the region. Social movement theorists posit that Internet communities can more or less serve the same purpose as civil society organizations – in that they bring together people with similar interests and goals – especially in countries where civil and political organizations may be repressed by the government, such as in the Arab region. Moreover, the complementary nature of online engagement and social movements on the ground can be 'very effective' (Dewey et al., 2012).

Social Media Pros and Cons for Business:

Although there is a lot of hype surrounding social media, utilizing it effectively requires an objective consideration of the pros and cons it can present for businesses and start-ups.

Generally, social media is argued to have several advantages for business, including: breaking down barriers between business and customers; disrupting and bypassing traditional hierarchical business models; allowing for more targeted marketing and outreach; and increasing inter-agency collaboration through internal social networking tools and most importantly, building on the power of the direct and cost-effective social connections. For tech startups, specifically, social media tools can create a new 'lean start-up' model, building no frills applications and distributing them quickly and widely with minimal cost. On the other hand, disadvantages include the time and financial resources needed to foster relationship with customers and social media, the fact that, should increased engagement with customers be attained, it does not necessarily translate into increased sales, as well as the reputational risk that usually accompanies the free flow of information within the communities of clients and customers on social networks (Economist, 2011b, Needleman, 2010).

When it comes to using social media specifically for skill-building and education, social media has repeatedly shown the advantage of creating a collaborative and creative learning environment that is conducive to fostering innovation and entrepreneurial skills. One drawback is the widely-held assumption that young people are all 'digital natives' and are equally comfortable using social media and other communication technologies, or have ready access to it. This is not always the case, especially in developing economies, and can require additional training, which should be taken into consideration in educational reform, as well as the provision of hardware/infrastructure/web services (Economist, 2010).

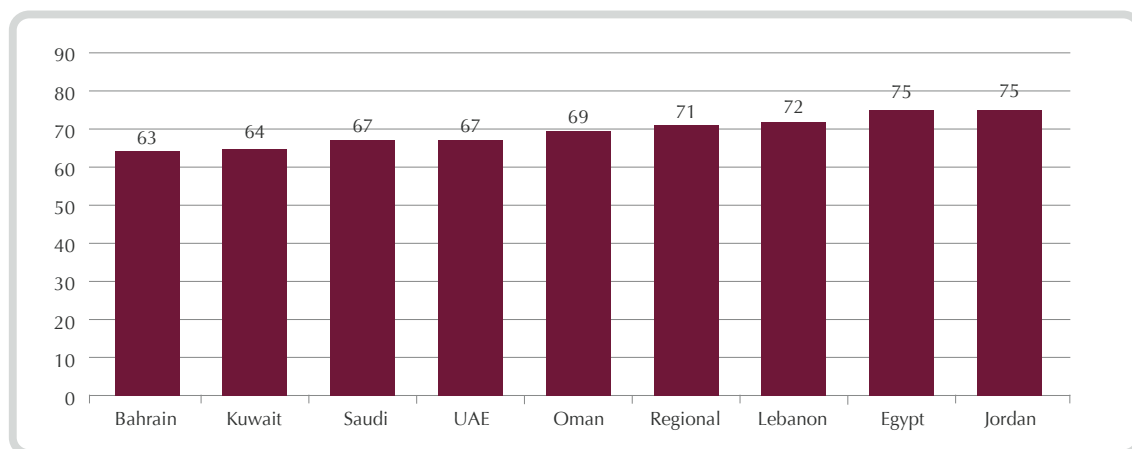
Regional Survey Findings

The research findings of a regional survey conducted in eight countries reveals diverse perceptions on the impact of social media usage on economic empowerment, employment and entrepreneurship in Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Saudi Arabia and the UAE. The findings presented here cover views of internet users in the eight countries on business, social entrepreneurship as well as the shifts in social media perceptions towards employment after the substantial growth in social media usage in the Arab world:

Social Media Uses in Business, Enterprise and Work Culture - Benefits, Risks and Drawbacks:

A large percentage (71%) of the survey respondents indicated that they would use social media to **find their next job (Figure 1)**. This varied across the eight countries surveyed, ranging from 63% to 75%, with the GCC countries displaying a slightly lesser tendency to use social media for job hunting.

Figure 1: Will you rely on social media tools to help find your next job?



Specifically, 80% of respondents felt that social media could help with job hunting by providing access to employment information. A smaller percentage (75%) felt that social media can help create networking opportunities that could lead to employment opportunities, and that social media could create a virtual job market. Meanwhile, 63% said that it could be useful for crowd-sourcing contributors and freelancers.

When it comes to **work culture**, a clear majority of respondents (78%-86%) felt that social media has a positive impact, whether through facilitating 'teamwork', enhancing 'customer satisfaction and engagement', promoting 'trust' and 'collaboration', 'encouraging innovation; or 'reducing business-related costs'. Interestingly, a study conducted by the Dubai School of Government in 2010, on trust and collaboration in the UAE public sector indicated that, in fact, there was a vast realization of the impact of Web 2.0 tools (a term previously used to refer to what is called today 'social media' or 'social networking' platforms), especially on internal

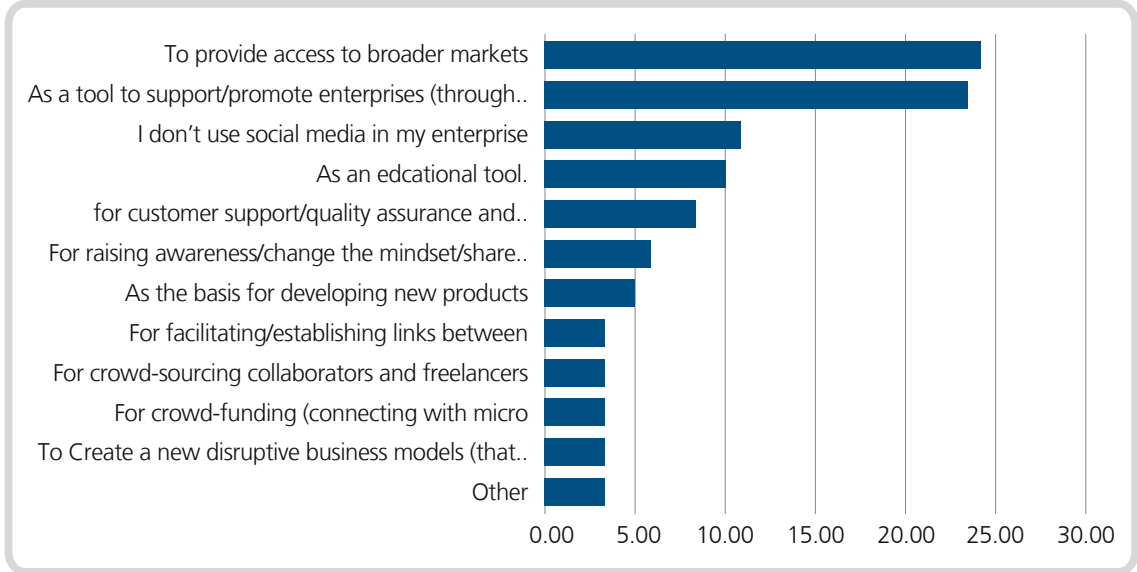
The overwhelming majority of people surveyed perceived social media to be primarily useful within a business as a promotional tool (90%), for tasks such as advertising and marketing, as well as an outreach tool (86%) to expand their reach to a larger customer base.

processes. In that survey of government officials, developing social networking sites for the workplace was cited as one of the main tools for fostering collaboration and trust within and between government agencies (Salem and Jarrar 2010).

The overwhelming majority of people surveyed perceived social media to be primarily **useful within a business** as a promotional tool (90%), for tasks such as advertising and marketing, as well as an outreach tool (86%) to expand their reach to a larger customer base. Moreover, outreach was also seen by a large percentage of respondents (85%) as a key benefit social media could provide for **start-ups**, followed by –in descending order- cost reducing applications; time-saving services; the facilitation of mentorship through networking and connections; and enhanced product/service quality through increased competition and entrants into the market, (with responses ranging from 71% - 83%).

The perception of outreach as the top-ranking benefit of social media for **enterprises** held true both in terms of the entire survey sample’s perceptions, as well as in the experience of the smaller group of entrepreneurs within the sample (about 8% of all respondents surveyed) regarding their own enterprises. This was validated by several focus groups held in Egypt, Kuwait, Oman and the UAE, all of which stated the usefulness and benefits of social media for business and enterprise, especially in a promotional capacity. **Figure 2** shows the main usage by respondents who identified themselves as entrepreneurs for social media within their enterprises.

Figure 2: The primary use of social media within your enterprise is: (percentage of respondents)



Social media was deemed an important tool for start-ups, with 86% of respondents on a regional level agreeing on this with some variations across the eight surveyed countries.

Only a small percentage (between 2% and 3%) of entrepreneurs indicated that using social media for crowd-sourcing and crowd-funding was the top priority **within their enterprises**. This was mirrored to a certain extent in the full sample, where using social media for crowd-funding and crowd-sourcing was not perceived to be as useful to businesses as other benefits, with only 61-67% of people finding it beneficial for those purposes. Interestingly, using social media to 'create disruptive business models' was the least common use within enterprises, but it ranked higher with larger, established businesses (with 73% of respondents saying they would use social media for this purpose).

Generally, however, social media was deemed an important tool for start-ups, with 86% of respondents on a regional level agreeing on this with some variations across the eight surveyed countries, ranging from 78% in the UAE, to 90% in Lebanon. When it comes to the entrepreneurs surveyed, a majority across all countries agreed to the importance of social media for a start-up. While still high, the lowest percentage of agreement was among UAE entrepreneurs (78%). Table 1 compares the perceived importance of social media for a start-up within a country, to the World Bank's 'Ease of Doing Business' and 'Starting a Business' rankings with a country. It's interesting to note several countries with the highest percentage of agreement, such as Lebanon and Egypt, have some of the lowest rankings among the Arab countries for 'Ease of Doing Business', while the UAE and Saudi Arabia, with some of the lowest degrees of agreement on the importance of social media for businesses actually

Table 1. Perceived importance of social media for start-ups compared to World Bank's "Ease of Doing Business" 2011 Rankings for Arab Region

Country (ranked within the Arab region according to 'Ease of Doing Business') ⁹	Ease of Doing Business Ranking	Starting a Business Ranking	Percentage of respondents agreed that social media is an important tool for a start-up ¹⁰	
			General Sample	Entrepreneurs
Saudi Arabia	1	1	83	80
United Arab Emirates	2	3	78	78
Bahrain	4	8	87	80
Oman	6	7	89	100
Kuwait	7	14	84	100
Jordan	9	10	89	86
Lebanon	11	11	90	95
Egypt, Arab Rep.	12	2	89	91

⁹ The World Bank 'Doing Business 2011' report

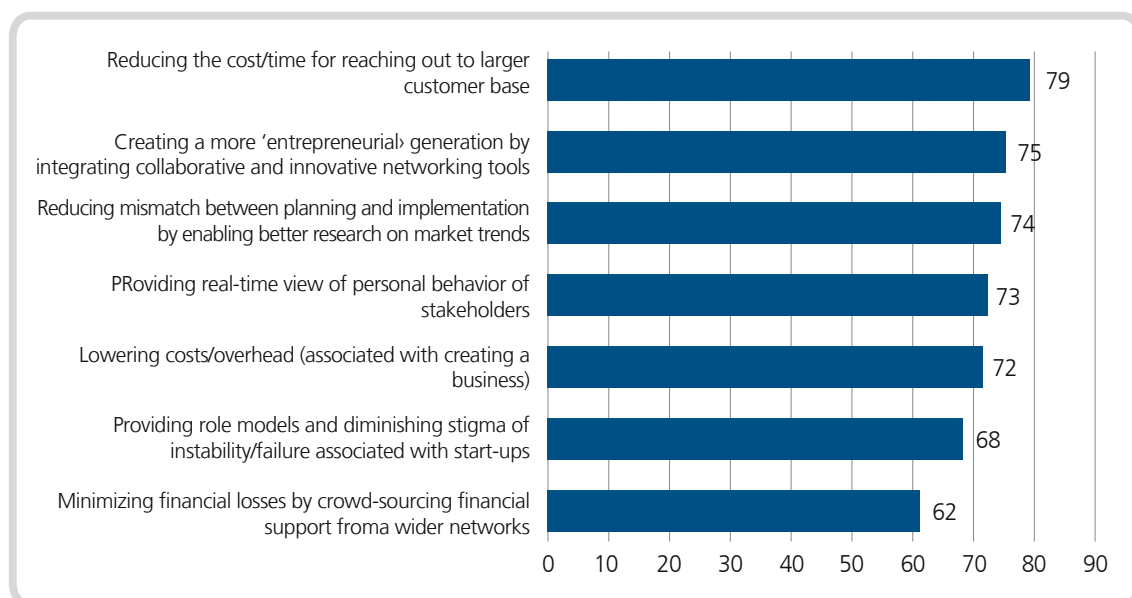
¹⁰ Percentage of respondents for this survey across the eight countries

'The top drawbacks to using social media in business were seen as lack of clarity in government regulations and the legal infrastructure related to the social media industry... Interestingly, social media's perceived potential for wasting time and productivity, an excuse commonly used by companies and employers to block social media websites, is seen as the lowest-ranking drawback'

rank 2nd and 1st among Arab countries for 'Ease of Doing Business', indicating that there is an inverse relationship between the 'ease of doing business' in a country, where established formal channels of doing business are in place, and the perceived importance of social media to a start-up. (World_Bank and IFC, 2011)

When it comes to **minimizing risks associated with business**, the 'outreach' aspect of social media was again perceived to be most useful in minimizing the time and cost related to reaching a large customer base (79% of respondents). Other risks perceived to be reduced through social media (with responses ranging from 62% - 75%) are illustrated in **Figure 3**.

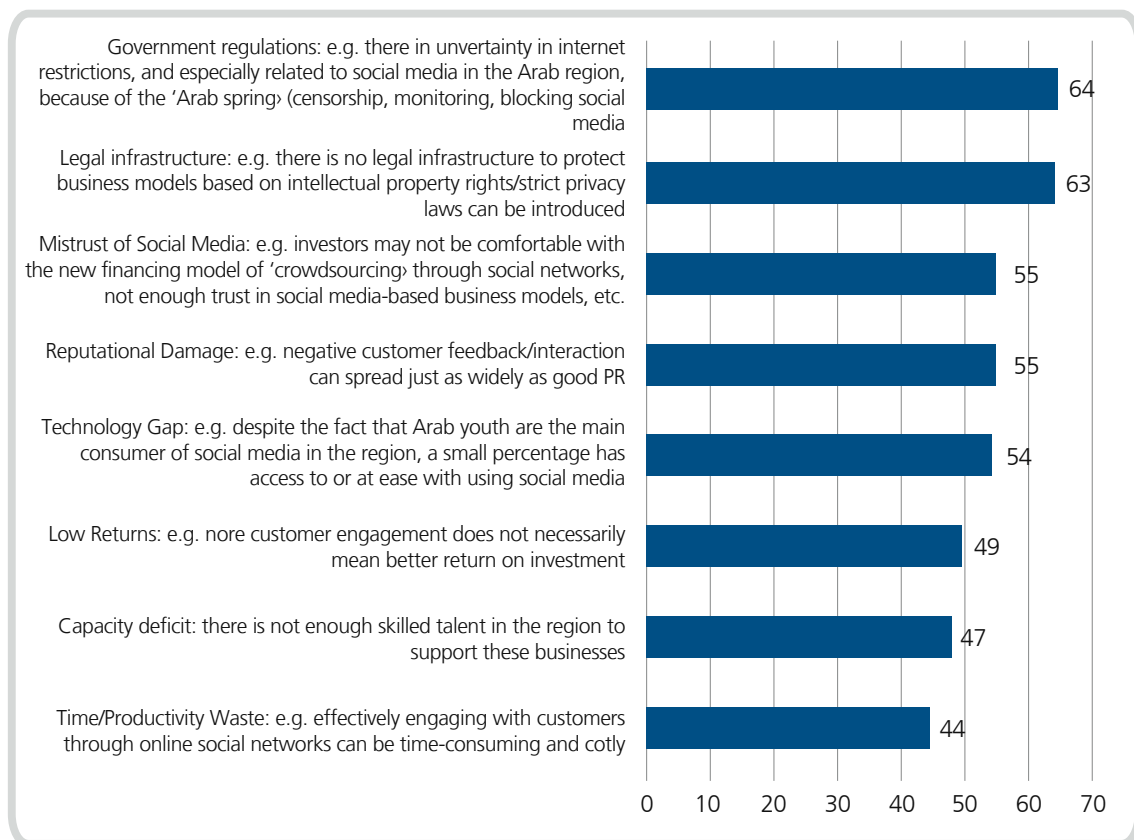
Figure 3: Social media can reduce risks associated with entrepreneurship through: (percentage of respondents)



The top **drawbacks to using social media in business** were seen as lack of clarity in government regulations and the legal infrastructure related to the social media industry. Uncertainties surrounding internet restrictions, issues of privacy, government monitoring and censorship, as well as the scarcity of enforceable laws pertaining to copyright and intellectual property rights (IPR) when it comes to social media content are the biggest cause for concern. Other perceived drawbacks to social media use in business included its capacity for causing 'reputational damage' and people's distrust of social media. Several comments from respondents

highlighted the latter, noting that because of the anonymity provided by social media, they don't necessarily trust the people they're interacting with on it, and they question their credibility and their motives. These factors are all primarily 'environmental'; 'personal' factors such as a possible 'capacity deficit' of talented people, or a 'technology gap' due to a shortage in technology aptitude and skills were not as high on the list of drawbacks. Interestingly, social media's perceived potential for wasting time and productivity, an excuse commonly used by companies and employers to block social media websites, is seen as the lowest-ranking drawback. **Figure 4** illustrates the rankings of drawbacks social media may have for businesses:

Figure 4: Social media can have the following drawbacks for business: (percentage of respondents)



The **impact of social media¹¹ on specific industry sectors** was also explored, with 80% of respondents indicating that they felt social media had a specifically positive impact on the telecoms sector, while 66% felt it had a positive impact on the financial sector (**Figure 5**). Only half the respondents perceived social media to have a positive impact on information and content-related regulation or the business environment in general, and although it did not represent a large percentage (16%), the most negative impact¹² social media

¹¹ Generally, respondents tend to choose 'no impact' when it comes to assessing government performance, rather than being critical.

¹² Interestingly, several comments from respondents indicated that perhaps there isn't as much of a negative impact of social media on certain sectors, as there is a mismanagement of these tools and improper training /awareness on how to use them. Fadi Salem

Social media was perceived to have a negative impact on the flow of information, whether because of censorship and monitoring issues or the lack of an appropriate regulatory infrastructure to protect privacy, copyright and intellectual property

was perceived to have was on the flow of content and information, whether because of censorship and monitoring issues or the lack of an appropriate regulatory infrastructure to protect privacy, copyright and intellectual property. While running a focus group in Kuwait to contextualize the findings, a slightly different opinion emerged. Use of social media was not seen to have a negative effect on information flow. As government entities and businesses were active on these sites, government-enforced censorship was deemed rare, although self-censorship seemed to be common. This sentiment was echoed in several comments made by survey respondents as well; they stated that while social media has encouraged freedom of expression, it has also been accompanied by self-censorship and a heightened awareness of what content is or is not appropriate for social media sites.

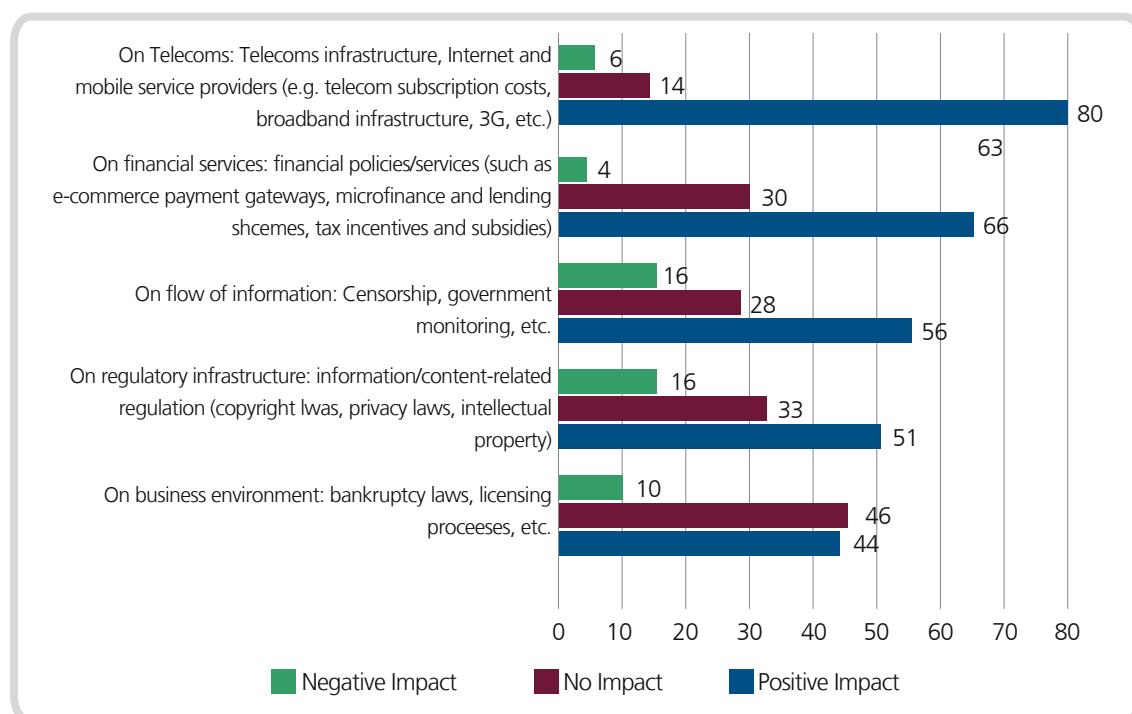
Comments from survey respondents also pinpointed other sectors impacted by social media. One respondent felt that the film/theatre/arts industry in general could be negatively affected or neglected due to growth of use of social media. Sectors that could benefit from social media were identified as the education sector, tourism, and government services.

Given these concerns, it was not surprising that respondents welcomed the idea of governments introducing social media-related **policies and regulations**. Around 80% of those surveyed agreed that having social media policies and guidelines would facilitate better use of social media for businesses and enterprises. They also agreed that governments engaging with the public through social media would be a good way to collaboratively create such policies for enterprises and start-ups. This grassroots approach to policy making presents a possible solution to one of the main barriers to e-government in the region – the lack of uptake of government e-services – as identified in a 2007 study conducted by the Dubai School of Government (Salem 2007).

80% of those surveyed agreed that having social media policies and guidelines would facilitate better use of social media for businesses and enterprises.

Social media is seen as an important tool for social enterprises by 89% of respondents.

Figure 5: Do you think the impact of growth of social media was positive or negative on the following: (percentage of respondents)



Social Media, Social Entrepreneurship and Education

Social media is seen as an important tool for social enterprises by 89% of respondents. Similarly to their perceptions about the benefits of social media for enterprises in general, the majority of respondents (83%) also indicated that ‘outreach’ was the top perceived benefit of using social media in a social enterprise, followed by collaboration/brainstorming, increasing impact of social objectives, crowd-sourcing and crowd-funding.

When it comes to the use of social media as educational tools to cultivate entrepreneurial skills, the majority of respondents (84%) agreed that entrepreneurial skills should be integrated into schools’ curriculum, and that social media can help students acquire these skills. In fact, 80% of respondents said that educational reform at a national level should include the integration of social networking technologies in the classroom. Previous research published by the Governance and Innovation Program at the Dubai School of Government in 2010 highlights the awareness in the UAE of the importance of ICT tools (including social media) to create an entrepreneurial culture among youth, and the need for a national strategy on e-learning (Mourtada, 2010).

80% of respondents said that educational reform at a national level should include the integration of social networking technologies in the classroom.

And while only about half of the respondents said they received any kind of professional training to enhance their entrepreneurial skills, a large percentage (80%) said their education (whether school or university) supported their entrepreneurial skills. Upon closer inspection of this last statistic, an interesting breakdown along demographic lines emerged. While 80% of 18-29 year olds do actually contend that their education enhanced their entrepreneurial skills, only 60% of adults over 30 claim this.

Extending to the experience of those who identified themselves as entrepreneurs within our sample, they do agree as well that **social media can help cultivate the skills necessary for entrepreneurship**,— starting with the ones that would most benefit from social media use – as: networking, communication, innovation, creativity, and being a team player.

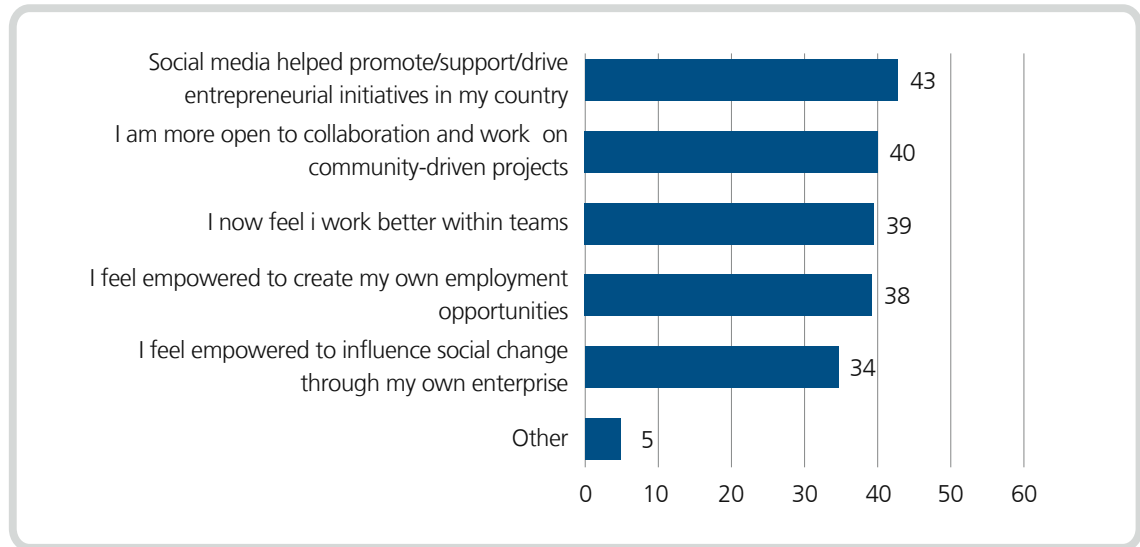
Shifting Employment Preferences Since 2011: Impact of Political and Economic Instability on Social Media, Employment, Entrepreneurship and Society

The year 2011 was impacted by several political and economic upheavals that affected the Arab region as a whole. These events have created both a surge in social media use, and a shift in the type of usage that has gone beyond impacting political events associated with the Arab spring. The Arab Social Media Report Series -a recurring publications published by the DSG's Governance and Innovation Program- has highlighted and analyzed this growth over the past two years, chronicling, for example, a 300% growth in Facebook users in the region during that time, and a shift towards using social media for civic and political mobilization across the region. Additionally, this survey has revealed the propensity of social media use towards **influencing different facets of work, entrepreneurship and society**. For example, between 34%-40% of respondents said that social media made them feel more empowered to create their own employment opportunities, or to influence social change through their own enterprise. **Figure 6** highlights the rankings of ways social media influenced change within people's work and entrepreneurship culture as perceived by the survey respondents. Not surprisingly, very different views on this topic were expressed in our Egypt and Kuwait focus groups. The latter –a country with a vibrant social media user base-is highly commended for its social media use and its effect on bringing people and communities together, while the former group (Egypt) at the time of conducting the survey noted a different effect of social media on society, a divisive and polarizing one that highlighted people's differences rather than similarities and common causes. Several comments made by respondents in the region also echoed this opinion of the potential divisive effect of social media on communities.

¹³ Dubai School of Government, Arab Social Media Report. <http://www.arabsocialmediareport.com>

35% of respondents claimed that the political and financial instability of the past year has held them back from pursuing entrepreneurial opportunities, while 26% of them said that instead it had pushed them to create their own entrepreneurial opportunities.

Figure 6. How have the civil movements & uprisings in the region impacted your perspective on social media, employment and entrepreneurship culture?



The popular movements and historical changes taking place across the region of the past two years have, then, created an upsurge in social media users and enthusiasts in the region. These users, in turn - beyond the change in their social media habits and consumption driven by the civic movements and political instabilities of the past year - have also experienced other effects, such as changes in their employment preferences and their readiness to create their own entrepreneurial opportunities in times of political and financial instability. For example, 35% of respondents claimed that the political and financial instability of the past year has held them back from pursuing entrepreneurial opportunities, while 26% of them said that instead it had pushed them to create their own entrepreneurial opportunities.

Interestingly, this effect differed along gender lines, with 33% of women stating that the instability held them back, in comparison with 56% of men who said the same (Figure 7). Demographically, 28% of youth between 18 and 29 said the events pushed them to create entrepreneurial opportunities while only 18% of adults over 30 claimed that. Delving further into differences among nationalities, figure 8 highlights the differences between the effect of political and economic instability on expatriates compared to nationals in Kuwait, Saudi Arabia and the UAE (all three countries have large expatriates groups). More expatriates than nationals in Saudi Arabia, UAE and Kuwait felt that they were held back from pursuing entrepreneurial opportunities because of these events, opting instead for the security of one's salaried job.

Figure 7: Effect of political/financial instability on entrepreneurship (gender and demographic breakdown)

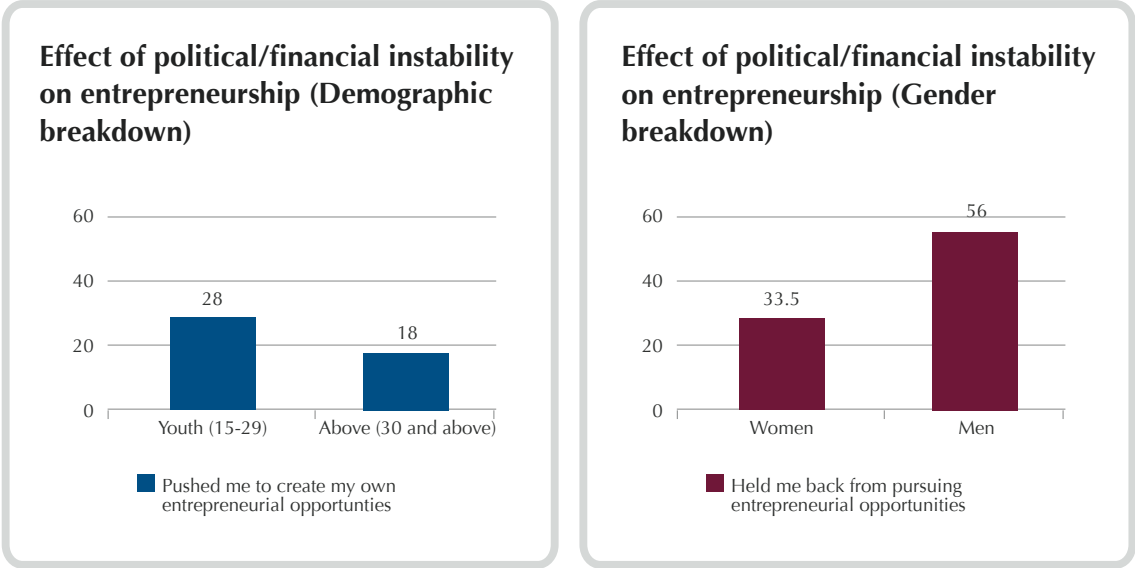
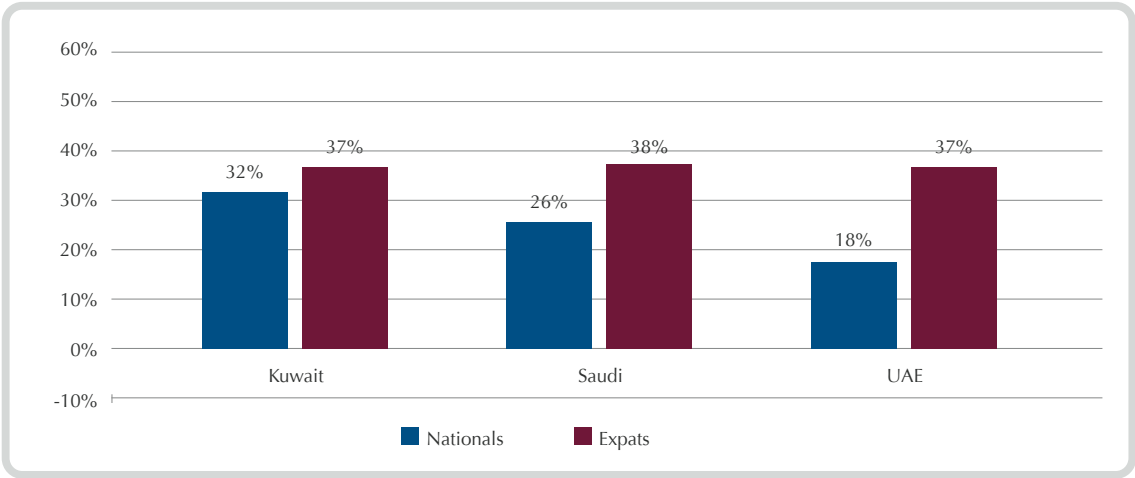


Figure 8. Percentage of national vs. expats who felt economic/political instability ‘held me back from pursuing entrepreneurial opportunities’



Employment Preferences in the ‘New Arab world’

Preferences regarding employment varied across the eight countries surveyed. On a regional level, 33% of respondents who claimed they had always wanted to work in public sector no longer wished to do so after the events of the ‘Arab spring’, while a slightly higher percentage (36.5%) of people who stated that they never wanted to work in the public sector now claim that they do. On a country level, **figures (9 & 10)** illustrate the effect the ‘Arab spring’ had on changing the minds of people regarding their preference (or non-preference for working in the public sector).

Figure 9. Percentage of people who never wanted to work in public sector, who changed their mind after the ‘Arab spring’

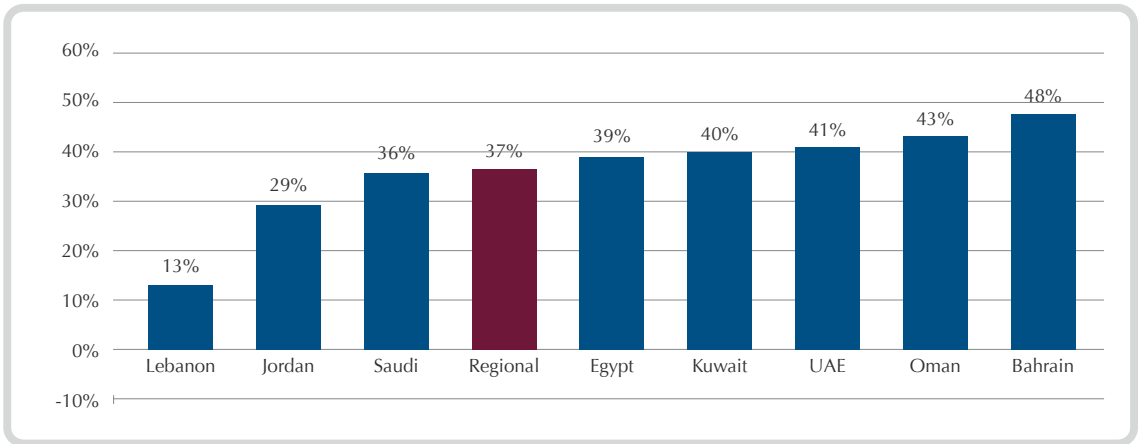


Figure 10. Percentage of people who always wanted to work in public sector, who changed their mind after the ‘Arab spring’

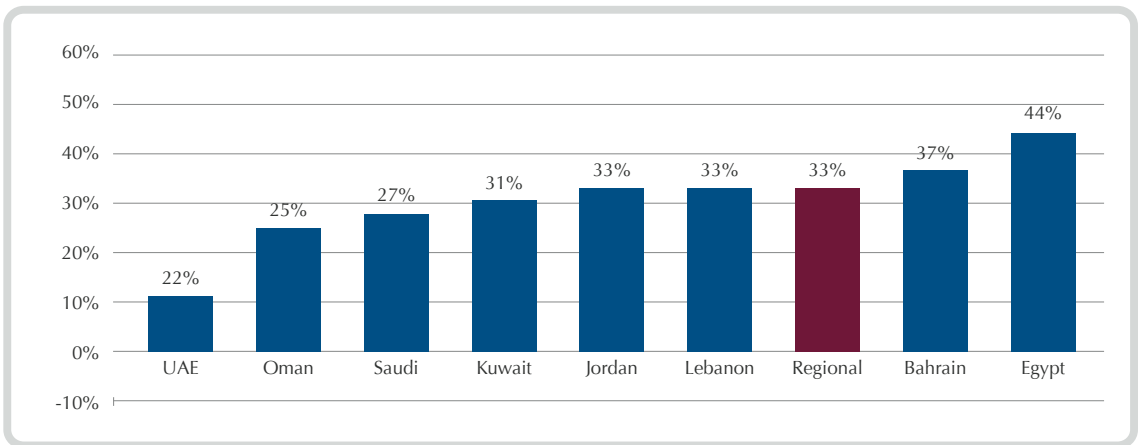
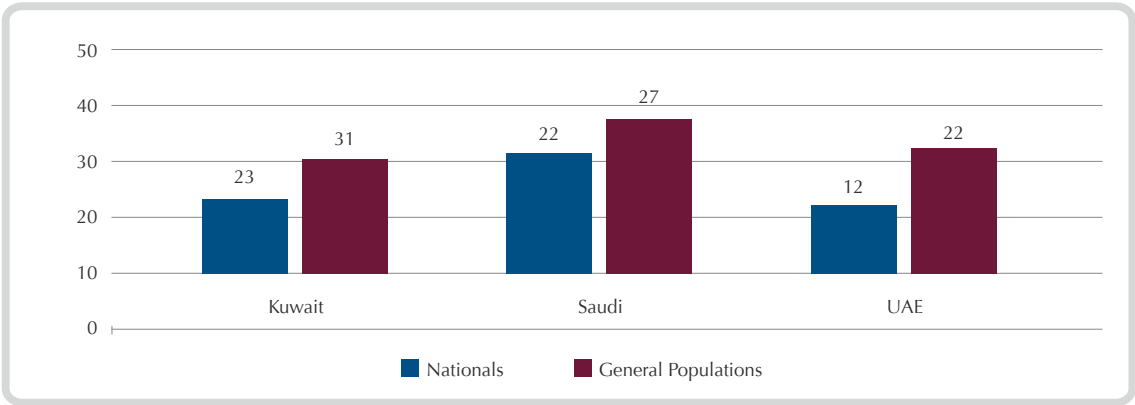


Figure 11 further explores the employment preferences of nationals, specifically in Kuwait, Saudi Arabia and the UAE, suggesting that nationals had a lower tendency than the general population to be influenced by the instability of the past year into changing their mind about working in the public sector.

Figure 11. Percentage of respondents who always wanted to work in public sector, who changed their mind after the ‘Arab spring’ (nationals vs. general population)



Figures (12 & 13) give a broader picture of the overall percentage of respondents who always wanted to work in the public sector, and those who never did. So for example, while Egypt has the largest percentage of respondents (44%) who changed their mind about working in the public sector after the revolution there (towards not wanting a job in the public sector), it also had the smallest overall percentage of people who always wanted to work in the public sector to begin with (39%) among our sample. Interestingly, Egypt also has a similar number of respondents (39%) who claim to now want to work in the public sector, despite never having wanted to before the ‘Arab spring’. This was corroborated in discussions with a focus group of Egyptians, who said that the public sector in Egypt today was in fact a safer and more stable option for youth than the private sector, given the political and financial unrest the country was going through. Similarly, Bahrain has the largest percentage of respondents (48%) who changed their mind about working in the public sector after the Arab Spring (towards wanting a job in the public sector), it also has the smallest overall percentage of people who never wanted to work in the public sector (33%).

Figure 12. Overall percentage of people who never wanted to work in the public sector (including those who changed their mind after the ‘Arab Spring’)

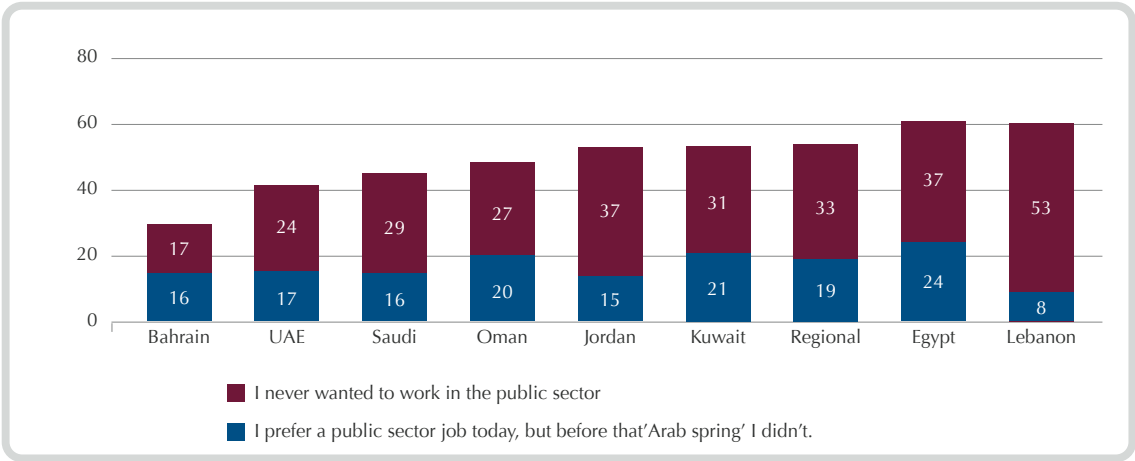
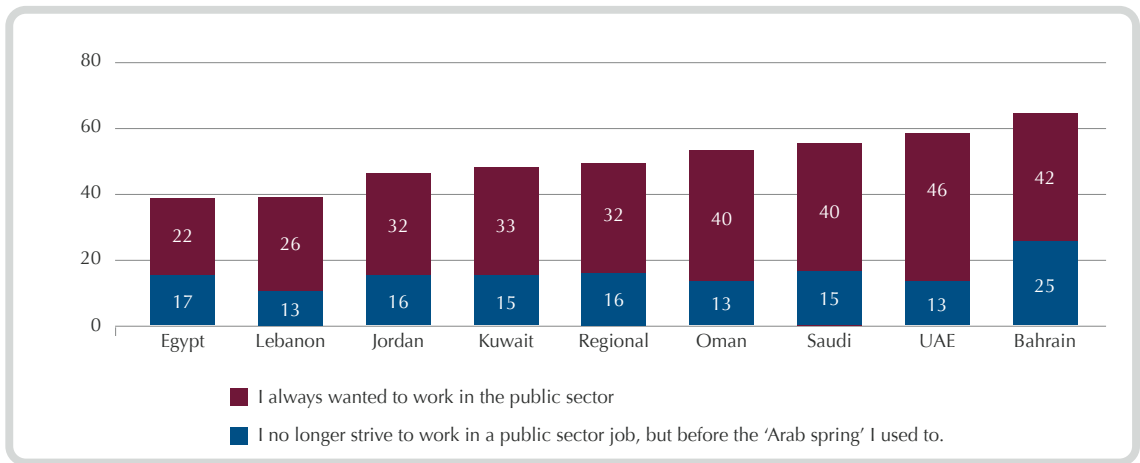


Figure 13. Overall percentage of people who never always wanted to work in the public sector (including those who changed their mind after the 'Arab Spring')



Conclusions: Exploring New Frontiers for Economic Empowerment in the Arab World

Youth unemployment is arguably one of the major factors pushing young people in the Arab region to engage with and challenge their governments, in many cases using social media effectively. Having managed to impact social change and challenge norms in their countries through this medium, the next step is to ask whether - beyond the revolutionary aspects – Arab youth can see themselves using social media for entrepreneurial and developmental efforts, and what 'revolutionary' use of social media can teach them about the business/entrepreneurial side.

Use of social media in the region as a whole has risen because of these young tech-savvy users, who are utilizing it for several purposes, whether towards political, social or commercial ends (Booz&Company, 2012, Mourtada and Salem, 2011). While businesses and the private sector in the region are fast catching up on to the advantages of using social media, governments -beyond a small number of successful examples- are still slow and reactive, rather than proactive. In order to reach this large constituent of tech-savvy youth many are adjusting their strategies to be able to deliver services to their citizens and engage with them to address their needs.

This report presents a first-of-its-kind exploratory research building on multi-country regional survey to explore such ongoing transformations in the region. Essentially the research provides policy makers with quantitative analysis of the emerging opportunities and risks related to these themes; and explores the impact on policy making, business development and ultimately economic growth in the Arab region.

According to the survey findings, the perceptions on the role social media in these changes can be summarized as follows:

- **Impact on Employment Preferences:** The economic and political instability throughout 2011 and 2012, and the related growth of social media usage in the region, clearly had an impact on the employment preferences of people in the region, and their readiness to pursue entrepreneurial opportunities. While no clear majority emerged in terms of preferences for a specific sector, a significant percentage of respondents stated that the events of the past year had affected their employment preference, implying potential role for social media in that shift. This also indicates a need for further research into the link between economic and political stability and the preference for a certain job sector.
- **Social media as an Equalizer:** Social media continues to be an equalizer across different gender and age groups. The majority of respondents seem to have the same perceptions about social media with regards to its potential for job creation, its benefits and drawbacks for business and enterprise, and its influence on society and social change. Given that unemployment is differentiated along gender lines in the region – with women experiencing the brunt of the unemployment problems – the seemingly gender-neutralizing effect of social media could help address this imbalance.

Future Prospects: Creative technological solutions based on data-mining and social media have the potential to unleash the innovative ways to solve many of the growing unemployment problems in the region. Some of them are:

o **The Virtual Job Market:** Social media is facilitating access to customized information about jobs and employment opportunities. In fact, 71% of survey respondents in the region state that they would rely on social media to find their next job.

o **Up-skilling:** Social media can help young people bridge the gap between their qualifications and job market demands, and acquire the required skills for different positions. 84% of survey respondents said that social media can support acquiring entrepreneurial skills, specifically for students. 80% said that educational reform should include the integration of social networking technologies in the classroom.

o **SME Creation and Empowerment:** In the absence of available jobs, young people, with the help of social media, now have more opportunities to create their own enterprise. 86% of respondents agreed that social media is a key tool today for start-ups.

o **Social Media-Based Trend Measurement and 'Sentiment Analysis':** With the growth of social media usage, and with help of sentiment analysis techniques, governments in the region are now better positioned to utilize a wealth of information which can enable them to tackle youth unemployment, and larger social issues.

- **Value of Social media for Businesses, Start-ups and Social Entrepreneurs:** Social media is overwhelmingly perceived as an important tool for businesses in general, and specifically for start-ups and social enterprises. Moreover, it is a tool that is actively used by entrepreneurs in the Arab region within their enterprises.
- **Perceptions of Key Benefits:** Across the region, the most beneficial aspect of social media for businesses is deemed to be its promotional and outreach capacity, with respondents citing its uses for marketing, advertising and increasing customer reach. This holds true for regional perceptions and for entrepreneurs' actual experiences with using social media in their own enterprises. Other uses such as crowd-sourcing and crowd-funding ranked lower, indicating that people are still favoring the 'media' and marketing aspect of social media at this point, over the more collaborative aspects such as crowd-sourcing and crowd-funding, indicating potential for growth in social media economic usage. Sectors that could benefit from social media were identified by some respondents as the 'education' sector, 'tourism', and 'government services'.
- **Social media and Education:** Beyond its benefits for businesses and enterprise, social media is perceived as a necessary and even transformational tool for education, with respondents indicating that the integration of social networking tools in the classroom and the curriculum should be part of educational reform at the national level.
- **Drawbacks on Business:** Negative connotations attributed to social media use in business largely center on concerns

regarding the legal and regulatory environment surrounding social media. Most countries lack a regulatory framework for social media-related content, and there is general ambiguity regarding government regulations and attitudes towards social media in the Arab region. This extends towards perceptions of the negative impact social media could have not just on the information/content industry but on the flow of information in general.

- **The Policy and Regulatory Structures:** In the absence of the required laws and regulations people and businesses in the region do not feel protected. Such regulations include those related intellectual property, privacy, and copyright - and in a broader sense for business – the lack of flexible bankruptcy laws and licensing procedure to streamline and reduce the risk in start-up processes.
- **Societal Participation in Policy Making:** Perception on the role social media can play in engaging citizens in creating policies by governments and regulators for the benefit of businesses and start-ups are overwhelmingly positive.
- **Future Prospects:** Given the wealth of information held by organizations, institutes and stakeholders involved in job creation for youth (government agencies, banks and financial institutions, educational and training institutions, etc.), and the ease of access and interaction provided to youth by social media, creative technological solutions based on data-mining and social media have the potential to unleash the innovative ways to solve many of the growing unemployment problem in the region. Some of them are:
 - **The Virtual Job Market:** for those seeking employment, social media is facilitating access to customized information about jobs and employment opportunities, otherwise would have no way of learning about. As a strong indication from the survey of the growing impact of social media, 71% of respondents in the region state that they would rely on social media to find their next job.
 - **Up-skilling:** Even if job opportunities are available, there is often a mismatch of necessary skills. Social media can help young people bridge the gap and improve attaining the required skills for different positions. Additionally, there is a strong agreement among respondents (84% regionally) that social media can support acquiring entrepreneurial skills, specifically for students.
 - **SME Creation and Empowerment:** In the absence of available jobs, young people, with the help of social media, now have the more opportunities to create their own enterprise. A large majority (86% of respondents) agreed that social media is a key tool today for start-ups.
 - **Social Media based Trend Measurement and 'Sentiment Analysis':** With the growth of social media usage; and until more formal and structured channels of information flows are established in Arab societies, governments in the region are now better positioned to further learn about citizens' perceptions, market trends and policy

implications in real-time. With better ICT utilization and through sentiment analysis techniques, this wealth of information can enable policy makers to use social media to tackle youth unemployment problem, as well as larger social problems in society.

This report is intended to provoke thought leadership discussions in private and public sector decisions making circles in the surveyed countries, and the wider Arab region which shares many similarities on the cultural, economic and societal levels. Key findings of this survey provide evidence confirming that critical shifts in the sense of economic empowerment is taking place within large segments in Arab societies. What the Arab world is witnessing today is a critical mass of Arab social media users creatively using an arsenal of tools and resources at its disposal, enabling better access to information and the ability to mobilize and build economic opportunities. This is coupled with an emerging active Arab civil society, online and offline, working tirelessly towards filling increased number of gaps, the 'troubled' Arab state is unable to fill.

The pressing question remains: Can the emerging generation of empowered Arab youth translate into a culture of innovation, leading to sustainable economic growth? Evidence provided in this research from eight Arab countries show that a fast growing part of the active population in the region holds positive perceptions on the future prospects for economic empowerment. A foundation for such transformation

is emerging regardless of the traditional social controls and barriers. It would be a waste of historical magnitude if policy makers -and more specifically business leaders- do not manage to grasp this rare moment in history and adapt to the ongoing transformation among Arab youth.

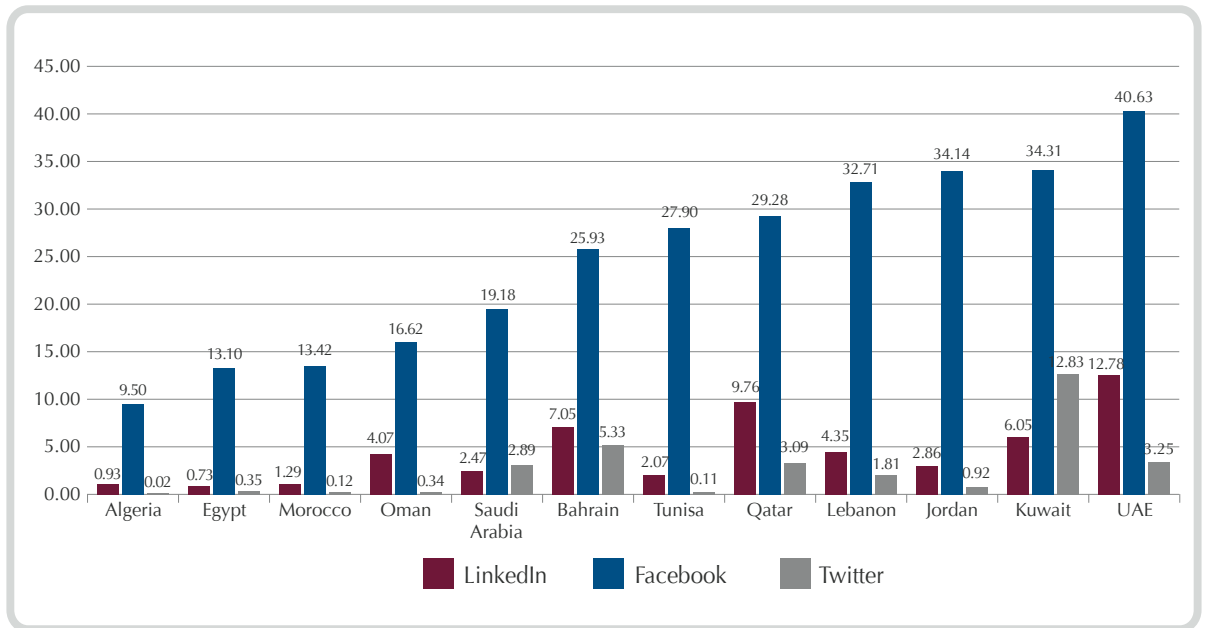
Annex 1

Key Findings of the 4th Arab Social Media Report¹⁴

The *Arab Social Media Report Series* is periodical report produced by the Governance and Innovation Program at the Dubai School of Government; and aims to inform a better understanding of the impact of social media on thematic topics with regards to development and growth in the Arab region by exploring the following questions:

- What are the penetration trends of social networking services in the Arab region?
- What is the growth rate, and what is the demographic and gender breakdown?
- What factors affect the adoption of these platforms in different Arab countries (e.g., income, youth population, digital access, Internet freedom, etc.)?
- What is the impact of these phenomena on citizen engagement and social inclusion?
- What is the impact of the new social dynamics influenced by social media on innovation and entrepreneurship in Arab societies?

Figure 14: Penetration of Social Media Sites in Select Arab Countries - June 2012



¹⁴ The findings presented here are from the 4th edition of the Arab Social Media Report, produced in July 2012 by the Governance and Innovation Program at the Dubai School of Government.

Facebook in the Arab World: A Snapshot

- The total number of Facebook users in the Arab world stands at **45,194,452 (as of end June, 2012)**, up from **37,390,837** at the beginning of the year (**January 3, 2012**), **having increased by about 50% since the same time last year (29,845,871 in end June 2011)**.
- By the end of June 2012, the country average for Facebook user penetration in the Arab region **was just over 12%, up from 10%** at the beginning of the year, **and up from 8% in June 2011**.
- The number of Facebook users in the Arab world **has approximately tripled in the last 2 years** (June 2010 – June 2012), increasing from 16 million users to 45 million users.
- The percentage of **female users** remains almost static, having fluctuated slightly between 33.5% and 34% in the past year (**33.7% as of June 2012**). This is still significantly lower than the global trend, where women constitute **roughly half** of Facebook users.
- **Youth** (between the ages of 15 and 29) continue to make up **around 70% of Facebook users** in the Arab region, a number that has been holding steady since April 2011.
- **GCC countries** dominate the top five Arab Facebook users as percentage of population. The UAE remains at the top of the Arab region, followed by Kuwait, while Qatar has found its way back into the top five. Lebanon and Jordan take up the remaining spots.
- Egypt still constitutes about a **quarter** of total Facebook users in the Arab region, and has added more users in the past year than any Arab country, at over 1.6 million new Facebook users between January and June 2012.
- English, Arabic and French are the dominant languages on Facebook, and **Arabic is now the fastest growing language on Facebook** in the region, with an increase in the number of Facebook users who predominantly use the Arabic interface.

Twitter in the Arab World: A Snapshot

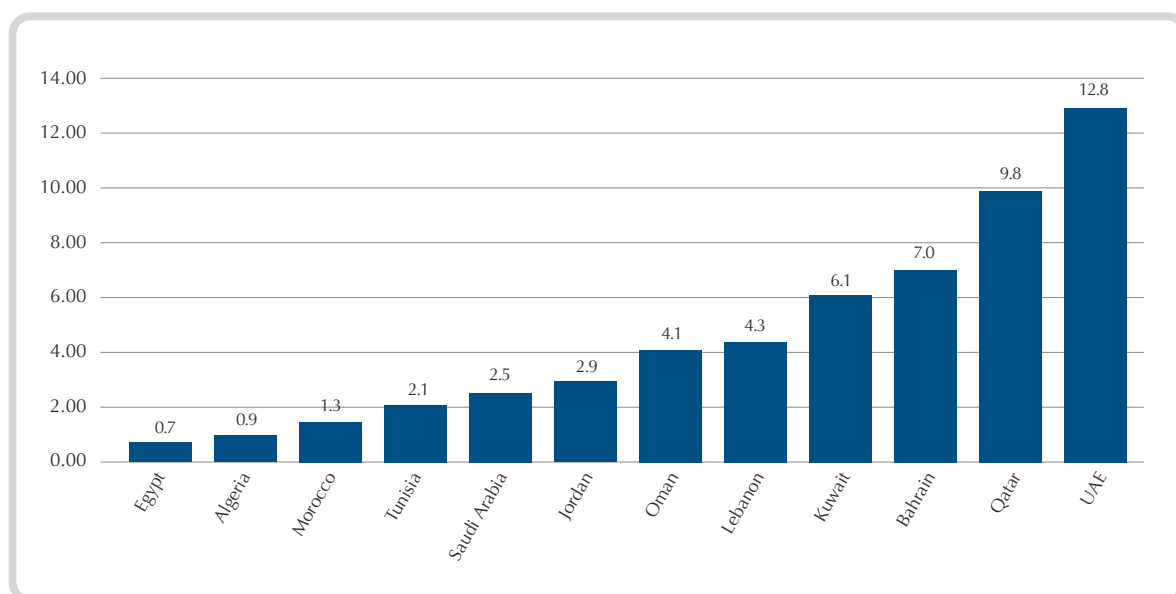
- The estimated number of active Twitter users in the Arab region at the end of June 2012 was **2,099,706**.
- The estimated number of tweets generated in the Arab region in **March 2012** by “active users” was **172,511,590** tweets. The estimated number of daily tweets is **5,750,386 tweets per day**, or **3993 tweets a minute**, or **roughly 67 tweets every second**.
- The most popular trending hashtags across the Arab region in **March 2012** were **#bahrain** (with 2.8 million mentions in the tweets generated during this period) followed by **سوريا** (Arabic for Syria) with 1.5 million mentions, **بحرين** (Arabic for Bahrain) with 1.48 million mentions, **#syria** (with 1.3 million mentions) and **#egypt** (with 900,000 mentions), and **#kuwait** (with 860,000 mentions)

- English and Arabic are the dominant languages for Twitter users in the Arab region, with **Arabic tweets numbering almost double those in English** through March 2012 (62.1% and 32.6% respectively)

LinkedIn in the Arab World: A Snapshot

- The total number of LinkedIn users in the Arab world^[1] stands at **4,294,484 (as of end June, 2012)**, up from **3,588,215** at the beginning of the February.
- By the end of June 2012, the country average for LinkedIn user penetration in the Arab region **was approximately 2%**.
- The number of LinkedIn users in the Arab world^[1] **has grown by 20% between** February and June 2012).
- Similarly to Facebook, the percentage of **female users** is lower than that of the men, at **28%**. This is also significantly lower than the global trend, where women constitute **43%** of LinkedIn users.
- Young people** (between the ages of 18 and 34) make up **around 70% of LinkedIn users**, and similarly to Facebook, seem to be the driving force behind the growth of LinkedIn. Interestingly, of this segment, the university students and fresh graduates make up a much smaller percentage than young people who are more established in their careers

Figure 15: LinkedIn Penetration in Select Arab Countries – June 2012



^[1] Algeria, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia and the UAE.

Annex 2

Case Study:

Taghreedat - Driving social media communities to promote online content production in Arabic

Taghreedat (“tweets” in Arabic) is a regional Arabic e-content community building initiative. Effectively, Taghreedat is a social entrepreneurship initiative primarily aimed at building an active Arabic e-content creation community that contributes directly to increasing the quality and quantity of Arabic e-content. Lack of Arabic e-content has been repeatedly identified by international organizations, such as the United Nations, as a key barrier to better delivery of several key developmental goals, such as increasing ICT penetration, increased participation by citizens and better service delivery by governments.

Starting on May 31, 2011 on the influential social media networking platform Twitter, a couple of young volunteers launched a call to action to increase the quality and quantity of Arabic e-content on Twitter, Taghreedat successfully created a community of Arabic e-content enthusiasts from all parts of the Arab world, through its account on Twitter: @Taghreedat. Today, Taghreedat has a strong following base of over 103,000 followers on Twitter and a community of over 4,500 Arab volunteers residing in 31 countries around the world, of which are 20 Arab countries.

The Twitter Arabization Project

The first of Taghreedat’s projects, the Twitter Arabization project gathered a large community of volunteers to Arabize over 190 Twitter glossary terms from English to Arabic, to be then applied on a fully Arabic interface for one of the world’s most powerful social networking website to date.

After Arabic became the fastest growing language on Twitter, Taghreedat managed to create a direct link with the social media giant Twitter. Taghreedat has since worked directly with Twitter on the first project to translate Twitter interface into Arabic to meet the growing user base. This made Taghreedat one of the few successful crowd-sourced Arabic e-content community building projects in the region.

Impact

Taghreedat community driven initiative supported creating a culture of Arabic content production rather than consumption. The initiative effectively drove a large online community to produce Arabic content as well as to volunteer in relevant Arabic e-content projects. This culture of volunteerism contributed to increasing Arabic content online harnessing the growing number of Arabic language users of social networking platforms.

According to a recent Klout study (a social media measurement tool), Taghreedat’s Twitter account now ranks among the top 5 most influential Arabic ‘brands’ on Twitter. With frequent, ongoing calls to Arabic language users to increasingly tweet in Arabic, arguably, Taghreedat contributed substantially to the boom of Arabic language on Twitter since 2011 (Figures 16 & 17). The heavy reliance on social networking technologies during the ‘Arab spring’; and the increasing presence of influential Arab politicians, leaders, intellectuals and public figures on Twitter have undoubtedly been the key contributor to the increase of Twitter Arabic user-base, but initiatives such as Taghreedat have further fostered awareness of the importance of tweeting in Arabic, increasing Arabic content online, and have infused a culture of volunteerism and sense of community among the fast growing community of Arabic Internet users.

Figure 16. Percentage of Tweets in the Arab Region by Language (Sep. 2011 and Mar. 2012)

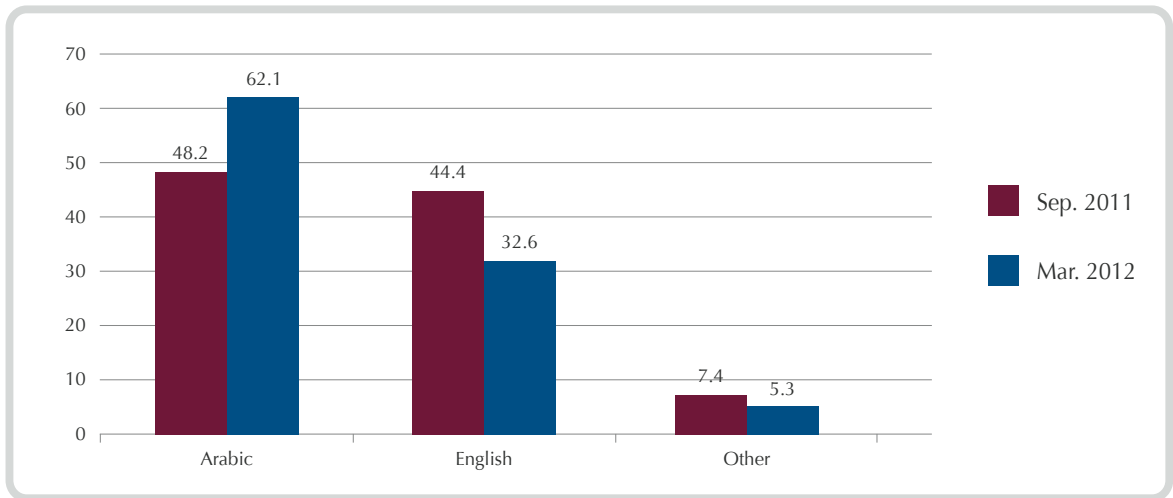
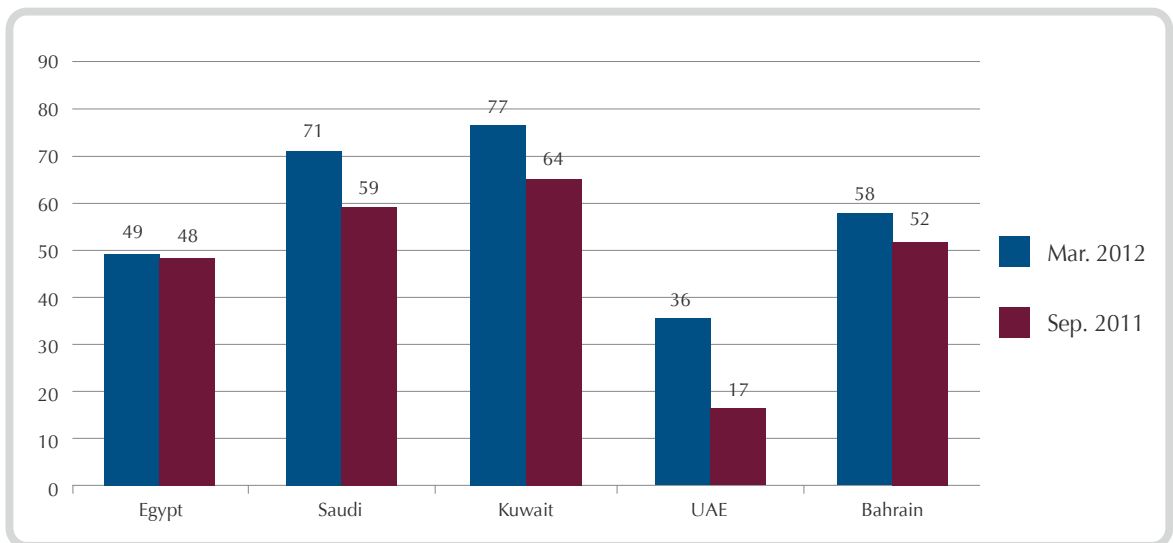


Figure 17. Percentage of Tweets in Arabic – Top 5 Twitter Populations in the Arab Region (Sep. 2011 and Mar. 2012)



About this report

In March 2012, the Governance and Innovation Program at the Dubai School of Government in partnership with SAP MENA conducted a regional survey exploring the critical developmental and policy perspectives of an emerging phenomenon – the innovative uses of social technologies for economic empowerment. Through a regional eight-country survey, the authors conducted a regional eight country survey to measure perceptions on the impact of social media usage on economic empowerment, employment and entrepreneurship in Bahrain, Egypt, Jordan, Kuwait, Lebanon, Oman, Saudi Arabia and the UAE. The report aims to provide decision and policy makers as well as businesses leaders with better understanding of the emerging opportunities and risks related to these changes; and explore the impact on policy making, business development and ultimately economic growth in the Arab region. Ultimately, this study aims to contribute to a better understanding of the emerging opportunities and risks for businesses decision makers and policy makers. It also assesses their impact on policy, business development and ultimately economic growth in the Arab region. The study addresses the following main themes: assessing social media's contribution to job creation, economic growth and support for entrepreneurship in the Arab region; adapting government developmental policies to contribute to citizen satisfaction, trust in government and social inclusion; and transforming the emerging generation of empowered youth into a sustainable culture of innovation and economic empowerment.

About the Governance and Innovation Program

The Governance and Innovation Program at DSG conducts research and programmatic activities focusing on policies for government innovation and development through information technologies in the Arab states. The objectives of the program are aligned with regional objectives towards nurturing a culture of innovation in society, promoting participatory, inclusive and transparent government models; and enabling more responsive and efficient governance through effective adoption of information technologies.

The program works on three tracks:

- **Policy and Scholarly Research:** Conducting research focusing on government policies and societal transformation through technological innovation in the Arab region.
- **Policy Advisory:** The ultimate objective of the Program is to inform present and future Arab policy makers in assessing the impact of the ongoing transformations in their societies and governments; and to help develop locally fitting policies for future governance initiatives.
- **Regional Development Activities:** The Program brings together regional and international networks of practitioners and scholars working in related areas through programmatic and educational activities, in order to encourage proactive regional knowledge sharing and bridge the gap between policy and research.

About SAP MENA

As market leader in enterprise application software, SAP (NYSE: SAP) helps companies of all sizes and industries run better. Founded in 1972, SAP (which stands for “Systems, Applications and Products in Data Processing”) has a rich history of innovation and growth as a true industry leader. Today, SAP has sales and development locations in more than 50 countries worldwide. SAP applications and services enable more than 183,000 customers worldwide to operate profitably, adapt continuously and grow sustainably.

From back office to boardroom, warehouse to storefront, desktop to mobile device, SAP empowers people and organizations to work together more efficiently and use business insight more effectively to stay ahead of the competition. We do this by extending the availability of software across on-premise installations, on- demand deployments and mobile devices.

About the Dubai School of Government

The Dubai School of Government (DSG) is a research and teaching institution focusing on public policy in the Arab world. Established in 2005 under the patronage of HH Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai, in cooperation with the Harvard Kennedy School, DSG aims to promote good governance through enhancing the region’s capacity for effective public policy.

Toward this goal, the Dubai School of Government also collaborates with regional and global institutions in its research and training programs. In addition, the School organizes policy forums and international conferences to facilitate the exchange of ideas and promote critical debate on public policy in the Arab world. The School is committed to the creation of knowledge, the dissemination of best practice and the training of policy makers in the Arab world. To achieve this mission, the School is developing strong capabilities to support research and teaching programs including:

- applied research in public policy and management;
- master’s degrees in public policy and public administration;
- executive education for senior officials and executives; and,
- knowledge forums for scholars and policy makers.

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كلية دبي للإدارة الحكومية
DUBAI SCHOOL OF GOVERNMENT

13th Floor, Convention Tower | Dubai World Trade Centre
P.O. Box 72229 Dubai | United Arab Emirates
Tel: +971 4 329-3290 | Fax: +971 4 329-3291
E-mail: info@dsg.ac.ae | Web: www.dsg.ae