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### CAUSES OF UNEMPLOYMENT IN JEDDAH

*Nawal Omar Khogeer<sup>1</sup>, Rozina Shaheen<sup>2</sup>*

<sup>1,2</sup> Effat College of Business Effat University, Qasr Khuzam St., Kilo. 2, Old Mecca Road.

P.O.BOX 34689, Jeddah 21478, Saudi Arabia

Email: [1nokhogeer@effat.edu.sa](mailto:nokhogeer@effat.edu.sa), [2roshaheen@effatuniversity.edu.sa](mailto:roshaheen@effatuniversity.edu.sa)

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#### **ABSTRACT**

In general, unemployment is the most popular issue faced by Saudi Arabia. Unemployment has led to a decrease in production and efficiency due to the low number of employees. It has a negative impact on society because it leads to an increase in poverty. Thus, this work was done to analyze of unemployment in Jeddah, Saudi Arabia. This work was carried out on the basis of a quantitative research method. For this work, the youths of Jeddah were the sample population. This work has used random sampling method. The overall sample size was 384. Primary data are obtained from a survey carried out using a questionnaire. Collected data was analyzed in terms of basic percentage statistics. Key findings of this work have shown that the primary cause of unemployment is the lack of availability of new jobs. In addition, job-seekers do not have enough interview opportunities to prove their value to prospective employers. Likewise, it takes at least six months to one year of job hunting to land an appropriate job. As a solution, the respondents have stressed the importance of creating new employment opportunities to address this issue.

#### **INTRODUCTION**

Unemployment or joblessness is defined as the lack of job opportunities for those who are able to work. Unemployment is one of the main causes of social exclusion, particularly in the group of long-term unemployed individuals [1]. Unemployment is divided into several categories, such elective unemployment and mandatory unemployment [2]. Elective unemployment occurs when a worker or employee leaves his or her job to find a better job elsewhere [2]. Mandatory unemployment is the case when the manager or organization dismisses the worker [2]. Furthermore, unemployment is identified as one of the most important economic issues that have hindered the lives of many people in recent times [2].

One of the main causes of unemployment is the general impression among the employers that foreigners are the most experienced in the field of work and, as a result, employers will dispense national workers and replace them with foreign nationals [3]. This increases the proportion of unemployed young people. Many countries are trying to reduce unemployment growth, which seems to be widespread across countries. The unemployment issue has a negative impact on economic, social and psychological aspects [4]. On the economic side, the gap between production and consumption is increasing. Unemployment also causes social difficulties, and most of the unemployed belong to the young age group [4].

The unemployment issue has a negative impact on economic, social and psychological aspects [5]. On the economic side, the gap between production and consumption is increasing. Unemployment also causes social difficulties, and most of the unemployed belong to the young age group [5]. There are many types of unemployment, such as structural, frictional, disguised, cyclical and seasonal [6]. Structural unemployment is the result of a change in the economic situation and is often due to the long-term presence of workers without a job in the field of work [6]. The second type, which is frictional unemployment, arises as a result of the change of job to another better job due to the nature of the economic transition [6]. Disguised or hidden unemployment, the term refers to a group of workers who work in a company without wages or wages. Cyclical unemployment is a key element in overall unemployment, which is influenced by the ups and downs of the economy [6].

Unemployment is one of the most widespread and most dangerous crises that threaten the stability of the communities. Saudi Arabia, the largest oil producer, has the world's second-largest oil reserves, but has a high unemployment rates among its young generations [7]. There are a number of reasons why unemployment appears and some of them are different from one society to another. The first cause is a population explosion that has led to an increase in the number of graduates who have lowered the level of planning and drawing up of general strategies [8]. The second reason is an increase in foreign labor; some companies believe that foreigners have better skills and experience than Saudis [9]. In addition, there are an increasing number of graduates with fewer jobs available and there are not enough suitable jobs for them [10].

Furthermore, another important cause of high unemployment is the replacement of human labor by a robot and an electronic system, which has led to a reduction in the cost of hiring employees [11]. In addition, some individuals are not willing to accept jobs that offer lower salaries [12]. Gender discrimination is another factor that has left women in the country behind men and is unable to contribute to the progress of the country [12]. Lack of experience is another problem that hinders the way for Saudi youth to get a job. Most companies are demanding at least 2-3 years of work experience that the Saudi youth are unable to gain due to unemployment [12]. Moreover, the lack of experience and training among young people is also a major reason for

unemployment, which is causing more harm to the employment opportunities of Saudi youth [13].

Unemployment in Saudi Arabia is a major issue for Saudi Arabia, as it has been reported that about 6% of its younger generation are unemployed across the country [14]. This is a sign of concern due to the higher number of young people in the country, as the impact of unemployment in Saudi Arabia on their society differs from that of other communities. Thus, this work was done to analyze the cause of unemployment in Jeddah, Saudi Arabia.

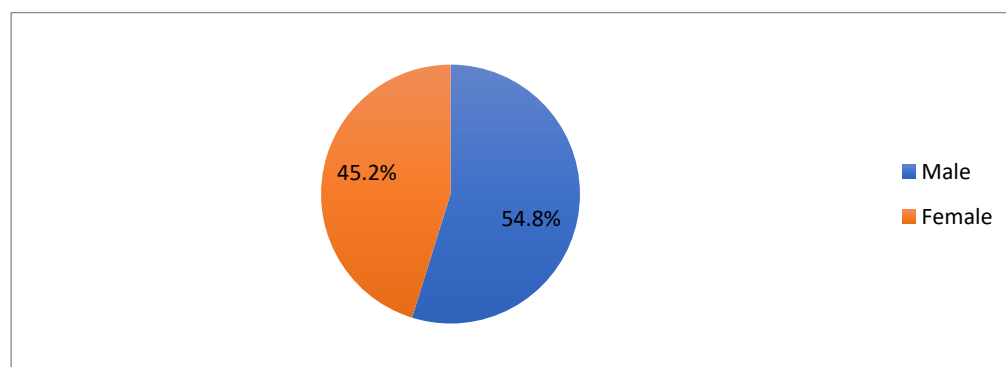
## METHODOLOGY

This work was done based on quantitative research method. The youth of Jeddah were the sample population for this work. They were selected at random. The total sample size was 384. Primary data were collected from a survey conducted using a questionnaire. The questionnaire included a number of questions related to the employment scenario, its requirements and its availability in the Saudi Arabian work environment. The questionnaires consisted of 20 questions. The first section were questions related to concern demographic information. The second set of questions relates to the choice of the respondent's job and his or her experience in the job market while looking for a job. The third set includes the preference of respondents in relation to relocation and whether they are in a position to find jobs commensurate with their level of education. The last set asks questions about the importance of training or further education on employability and how the problem of unemployment can be dealt with. The questionnaire was distributed using Google forms. All collected data were analyzed using basic statistics and were presented in graphical form.

## RESULT AND DISCUSSION

### *Demographic Characteristics*

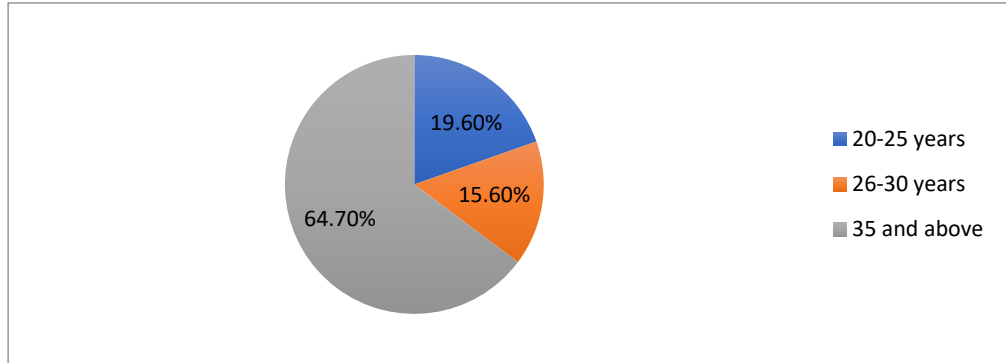
Based on Figure 1, there are 54.8% male and 45.2% female respondents for this study.



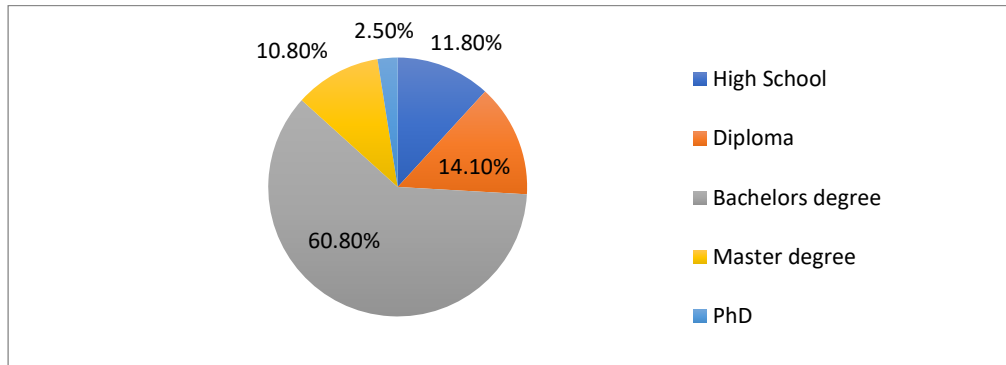
**Figure 1.** Gender

Based on Figure 2, the analysis result showed that 15.6 % of respondents were in the age group of 26 to 30 years. 19.6 % of participants were 20 to 25 years of age and 64.7 % were 35 years of age and above.

Based on Figure 3, 60.8% of the respondents had a bachelor’s degree. 11.8% merely completed school, 14.1 % were diploma holders,10.8% had master’s degree and a minuscule portion that is 2.5% of them were doctorates. The greater portion that is more than 70% of the respondents can be considered to be highly educated.



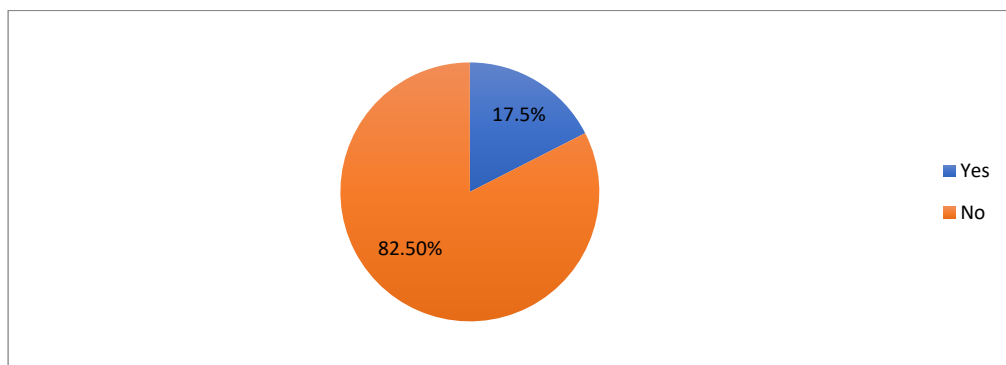
**Figure 2.** Age



**Figure 3.** Education level

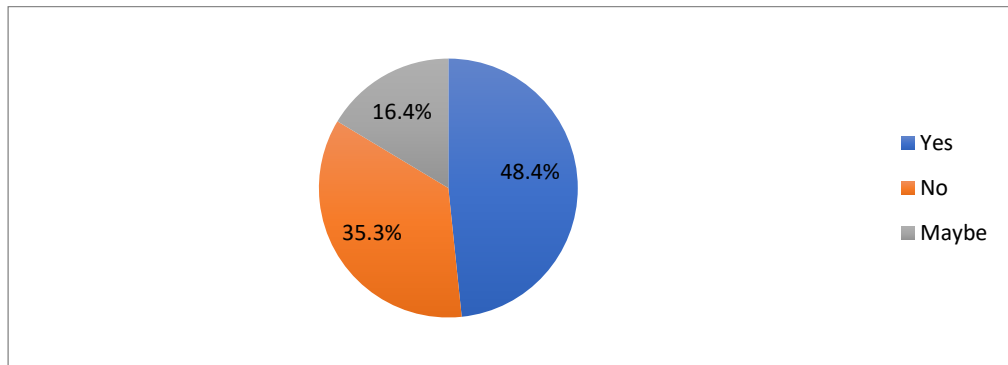
**Questionnaire Analysis**

Based on Figure 4, as far as the employment history of the participants are concerned, 82.5% have been employed before while 17.5% have not been employed.



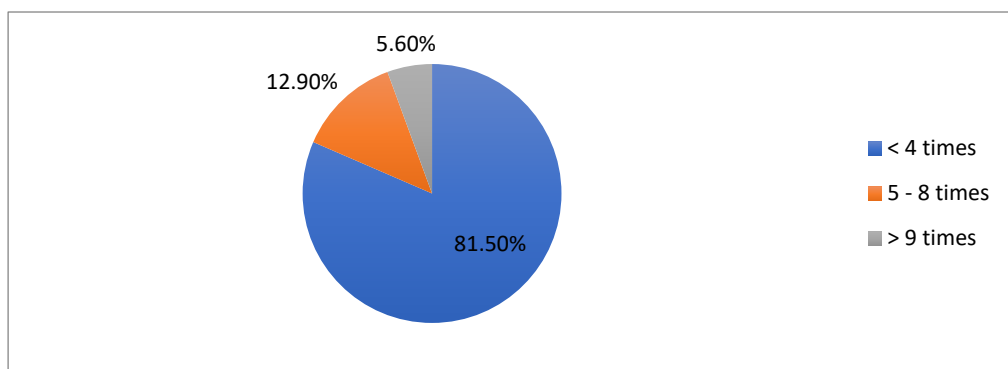
**Figure 4.** Employment history

Respondents were asked about their employment status through the question, "Are you looking for a job or trying to set up your own business?". The result showed that 48.4% were either looking for a job or willing to set up their own business. 35.8% were not doing either, which can be taken to mean they are already employed or engaged in a job. 16.4% said "may be." This group of people is in a state of transition. They have yet to decide what they want to do in their lives, or are discouraged by repeated attempts to find a job.



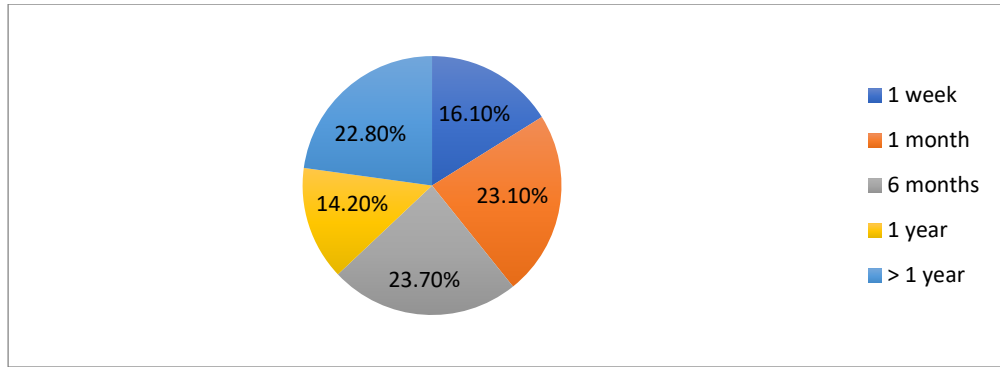
**Figure 4.** Employment status

In order to understand the eagerness of the respondents in looking for a job, a question was asked about the number of times they were interviewed. Based on Figure 5, the result showed that 81.5 % were interviewed less than four times. 12.9 % interviewed 5 to 8 times and 5.6 % were interviewed more than 9 times.



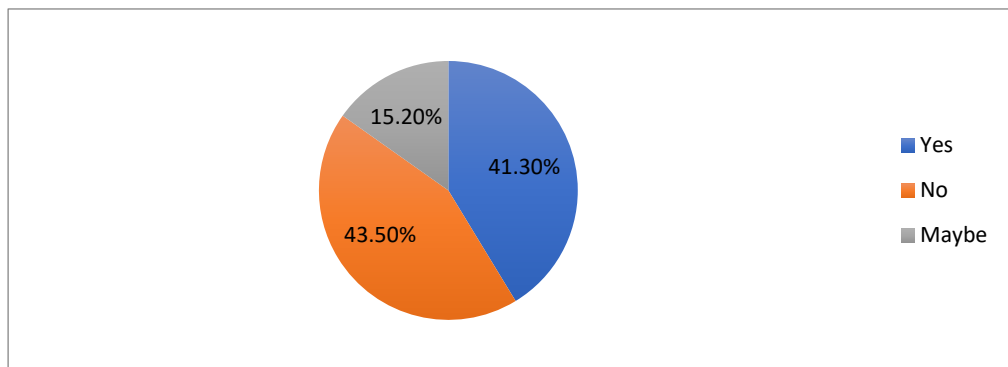
**Figure 5.** Number Of Interview Attended

The respondents were asked how long did it take them to land a job. Based on Figure 6, Interestingly, 16.1% said they had received a job offer in a week's time. 23.1 % got it in a month. Furthermore, the result showed that 23.7 % got a job within six months of searching, 14.2 % got it in a year and 22.8 % reported that it took them more than a year to find a job. The time taken for job searching is therefore quite varied.



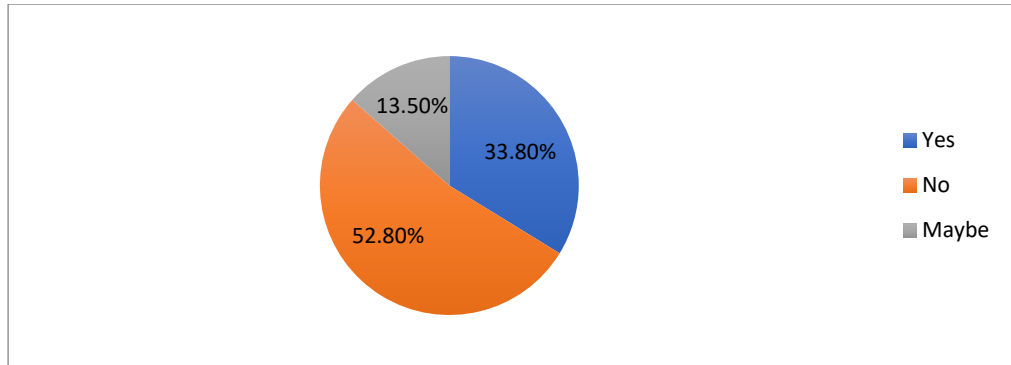
**Figure 6.** Time Taken To Find Job

Many people in the Kingdom of Saudi Arabia do not want to work in places they do not live in. They want jobs in the vicinity of their residential premises. Based on Figure 7, the result showed that 43.5 % of those who participated in the study feel that it is not a good move to work in areas outside their home environment. Another 41.3 % feel that they can work in areas outside where they live. 15.2 % feel that they may or may not work outside their residential areas and that they are open in any area as long as they meet their income needs.



**Figure 7.** Working Outside The City.

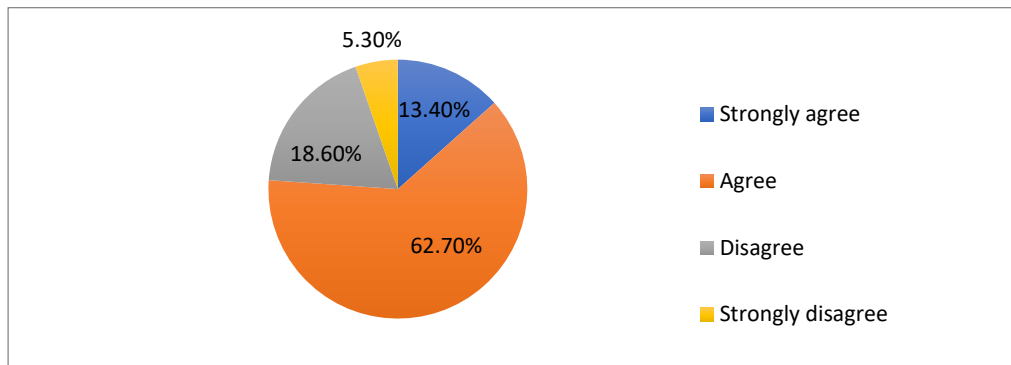
Based on Figure 8, when asked whether the respondents were willing to move to a new job, 52.8% responded negatively. Only 33.8% were positive about the option and 13.5% were uncertain. It can be said, therefore, that moving out of their comfort zone for the sake of work was certainly not a preferred choice for the Saudi Arabia youths.



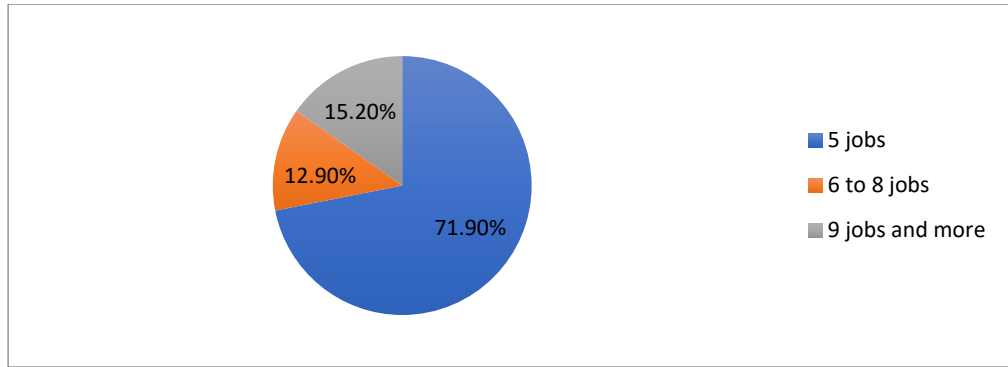
**Figure 8.** Relocation Preference

Many people in the Kingdom of Saudi Arabia feel that job opportunities are not suitable for their educational achievement. There are significant disparities in how the respondents responded to employment and educational attainment. Based on Figure 9, the results showed that 13.4% of study respondents agree that most employment opportunities do not match their educational achievement. Another 62.7% of respondents agree that job opportunities do not match their level of education. However, 18.6% feel that the employment opportunities available are commensurate with their level of education. A small proportion of them disagree that jobs do not match their educational achievement.

The respondents were asked “how many job did they apply for?”. Based on Figure 10, the results showed that 71.90 % of the respondents stated that they only applied for a maximum of 5 jobs. 15.20 % of the respondents indicated that they had only applied for 9 or more jobs, while 12.90 % had only managed 6 or more jobs.

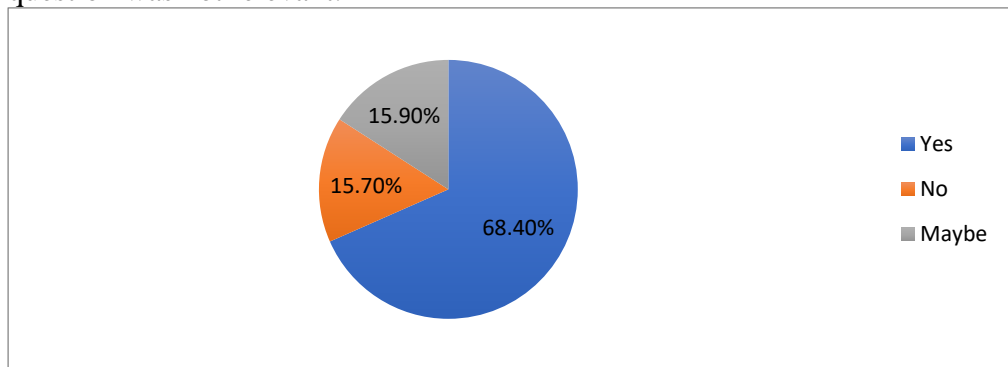


**Figure 9.** Job Opportunities And Education Achievement



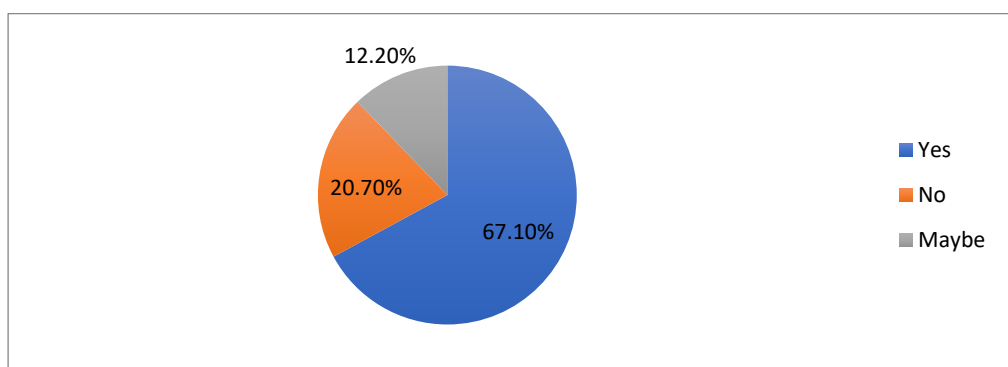
**Figure 10.** Number Of Jobs Applied

Based on Figure 11, the study found that for 68.4% of respondents stated that the jobs they had applied for were compatible with their work experiences. For 15.7% of the respondents, it was not matching and for another 15.9% the question was not relevant.



**Figure 11.** Job Compatibility With Work Experience

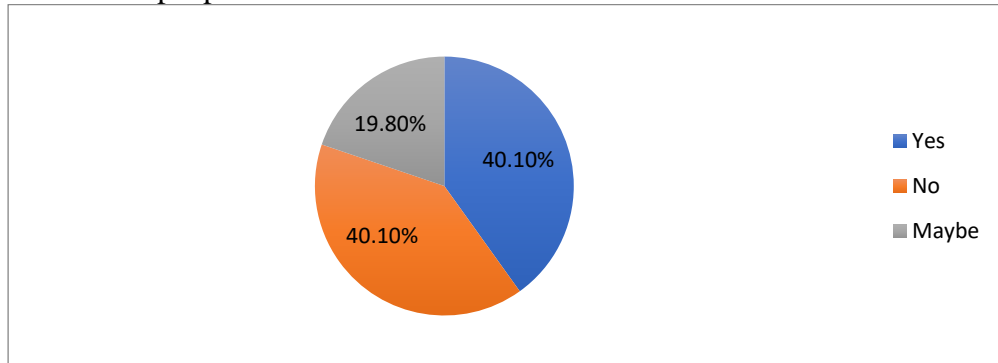
In Saudi Arabia, most people feel that the education and training they receive is suitable for their employment opportunities. Based on Figure 12, 67.1% of respondents believe that the education or training they have received in the past is useful in getting a job. Such people have confidence in the education system and can look for job opportunities because they know they have the right education. However, 20.7% of respondents feel that education and training are not useful for the job opportunities available on the market. In addition, 12.2% of respondents feel that they are not sure whether or not education is suitable for employment opportunities.





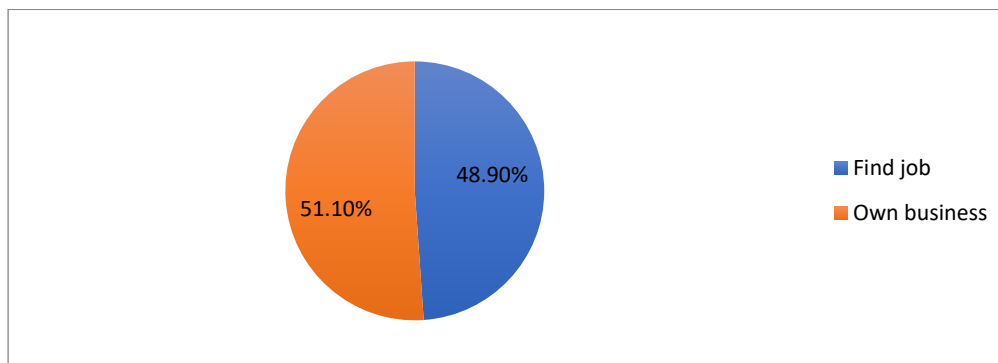
**Figure 12.** Education And Training Is Suitable For Employment Opportunities

The respondents were asked whether they are willing to change their current jobs in the near future. Based on Figure 13, 40.10 % said they were willing to change their current job in the near future. In addition, 40.10 % of respondents indicated that they were not willing to change their current job. Approximately 19.80 % of people were not sure of their choices.



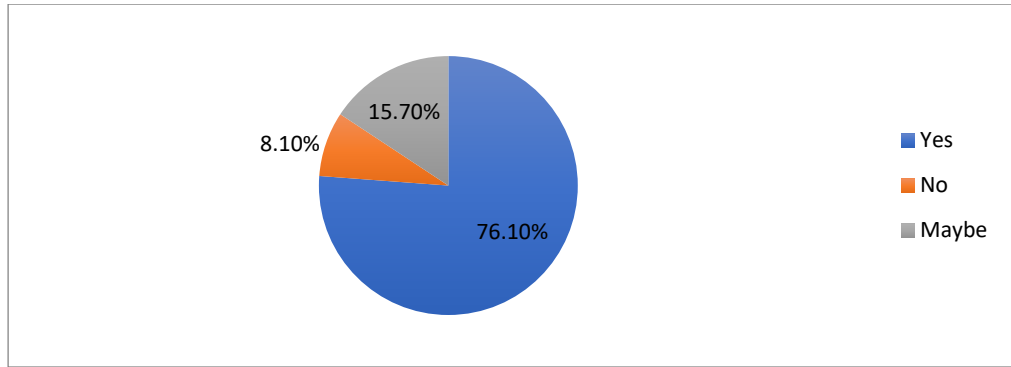
**Figure 13.** Changing Jobs

The respondents were asked “If they are unemployed, what will they do?”. Based on Figure 14, 51.10 % of the respondents will make efforts to establish their own business while 48.90 % of the respondents will look for jobs.



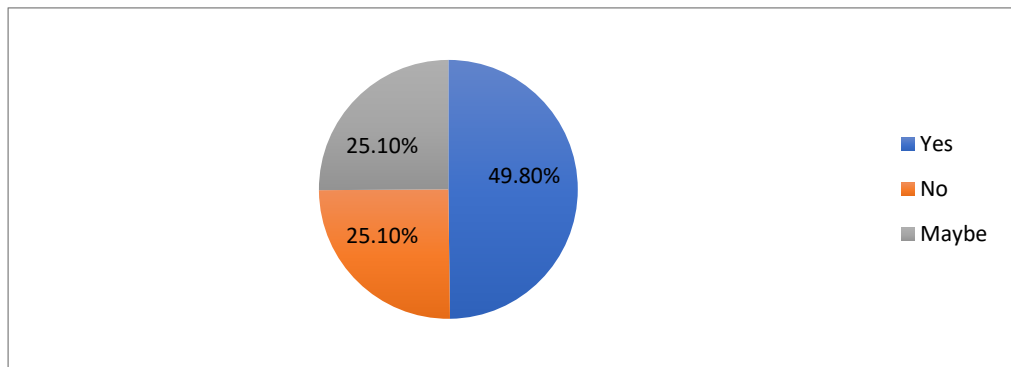
**Figure 14.** Preferred Choice Of Employment

The respondents were asked whether unemployment is a real issue in Saudi Arabia. Based on Figure 15, 76.1 % of respondents believe that unemployment is a real problem in Saudi Arabia, 15.7 % of respondents are not sure, and 8.1 % of respondents suggest that it is not a problem for the nation.



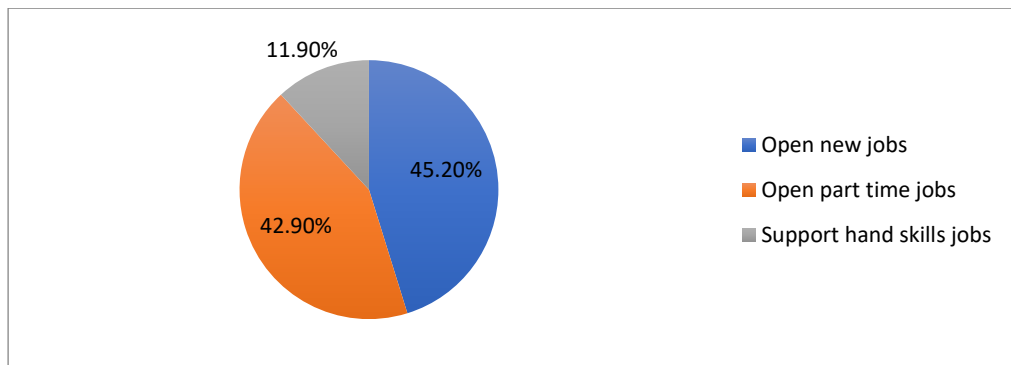
**Figure 15.** Opinion About Unemployment

The respondents were asked whether low salary is a reason for unemployment. Based on Figure 16, 49.9% agreed. 25.1% did not agree and another 25.1% were not sure about it.



**Figure 15.** Low Salary Is A Cause For Unemployment

Based on Figure 16, 45.20 % of respondents believe that new job opportunities should be created to address the unemployment problem in Saudi Arabia. 42.90 % of the respondents believe that more part-time job opportunities can be a likely solution to the problem, but 11.90 % insist on supporting hand skills to improve people's employability so that the unemployment problem can be resolved.



**Figure 16.** Solution For Unemployment

## OVERALL DISCUSSION

The study revealed some important facts about the state of unemployment in the Kingdom of Saudi Arabia (KSA). First, the KSA youth are educated. Most of them are either graduates or hold a diploma. Therefore, the problem KSA faces is the unemployment of educated young people. Second, the primary cause of unemployment stems from the lack of availability of new jobs. Furthermore, job seekers do not get interview opportunities to prove their value to prospective employers. It takes at least six months of job hunting to land an appropriate job. In addition, the duration of the job search may also extend to more than one year. These are indications that the growth of employment opportunities is slow and these findings are inline with the work of Alber [15]. Moreover, even if people get jobs, their salaries are not encouraging enough. Many have cited this as a major cause of unemployment and this finding is in according to the work of Ahmad [16] where it was reported that low salaries is a major factor of unemployment. Fourth, there seems to be reluctance among young people to move to a new job. They want to stay in their hometown and get a job. There may be a number of reasons for this. There may be a lack of availability of facilities and amenities in other cities or a high cost of living that is not supported by the salary or both as stated by the work of Evans[17]. In addition, when it comes to changing the current job, half of the sample population wants to do so, while the other half does not. This can be an indication that people are happy in their current job or are apprehensive that many new jobs are not as rewarding as this one, and therefore do not want a change. Moreover, low job opportunities may also be a reason for respondents not to attempt to change jobs.

Some positive indicators have also become apparent from this study. People in KSA are getting job opportunities corresponding to their work experience. This means that there is less likelihood of under-employment. Another positive aspect is that more and more people see business as a means of employment. They show enthusiasm for self-employment and entrepreneurship. This has two good sides. First, it will reduce the unemployment problem, and secondly, it will create more employment opportunities.

There is growing concern about the unemployment problem in the KSA. Most of the respondents consider it to be a major problem facing the country. Most of them have emphasized the importance of creating new employment opportunities to resolve this issue. In addition, training and skills programs are needed to improve the employability of young people through development. Likewise, increasing opportunities for part-time work can also solve the problem to some degree as reported by Bjørsted et al.[18].

## CONCLUSION

This work has analyzed the cause of unemployment in Jeddah, Saudi Arabia. Key findings have shown that there is growing concern about the unemployment problem in Saudi Arabia and have highlighted the significance of creating new employment opportunities to resolve this issue. In addition, the authors suggest funding small and entrepreneurial projects that will help to

provide many jobs for many young people, particularly students who are university graduates and have good skills.

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