

# Unemployment in the Post-revolutionary Arab World

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Abstract: *Complete text of this article (pdf) at*

<http://www.paecon.net/PAERreview/issue59/Kadri59.pdf>

For more than a decade prior to the uprisings of 2011, the official unemployment rate in the Arab region was among the highest globally and around half the Arab population subsisted on less than two dollars a day. When unemployment is measured by imputing a minimum historically-determined level of subsistence into it, the effective unemployment rate would rise to nearly fifty percent.

Armed with neoliberal ideology, the Western-backed comprador class squandered resources either by expropriating the working population or by surrendering them to capital at prices that were set by a global power structure from which working people in the Arab world were excluded. In this essay, I argue that the retention of resources and their redeployment within the national economy are indispensable conditions for development and job creation. Employment policies are best set subject to social efficiency criteria distinct from the salient neoclassical productivity ones. It is highly unlikely, in view of the sheer smallness to which industry and the productive economy have shrunk under neoliberalism, that it would be possible to reemploy the massive redundant labour force on the basis of expanding private-sector expansion and productivity gains. A criterion valuing and remunerating social work may be costly in the short term, but the social returns will reimburse initial expenses over the long term. Notwithstanding the reductionist nature of the neoclassical criterion of efficiency, equity, in an Arab context of war and oil, must precede any received criteria for efficiency.

More egalitarian rent, land and resource distributions redressing the dispossession of the working population during the neoliberal age represent the necessary conditions for effective demand enhancement and a successful development strategy. In practical terms, the state has to act as the employer of last resort (Minsky's ELR) creating socially relevant and public sector employment. Increasing-returns industry and a granting of preferential status to regional capital and labour are also required. In view of the instability besetting capital accumulation, a regional security arrangement bolstered by working class security and substantiating autonomy over policy can underwrite long-term employment generating investment.

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