

Quote in 7Days: Experts say huge hurdles hindering private job creation in Arab World

[The [article](#) below originally appeared in 7Days on April 24, 2013]

Banks that don't lend to small businesses, an outdated education system and discrimination against women are just some of the factors hobbling budding entrepreneurs in the Arab world in a region that must create as many as 60 million new jobs by 2020.

That was the stark message delivered by two big-hitters closely involved in the UAE's start-up scene at an event organised by the Young Arab Leaders in Dubai.

Fadi Ghandour, founder of regional logistics giant Aramex, and Nasser Saidi, former chief economist at Dubai International Financial Centre (DIFC), told a savvy audience of entrepreneurs that the region has many obstacles to clear before it can fully harness their creativity.

"Here's the bottom line – if you are going to be creating jobs, you have got to create them in the private sector," Saidi told the entrepreneurial event at The Capital Club in Dubai. Instead a "bloated" public sector is "killing" the private sector in the region, he said, and on top of that many small and medium enterprises (SMEs) are struggling to get financing. "Only eight per cent of the bank loans in the region go to SMEs and, therefore, young entrepreneurs and growth companies. Only eight per cent. In the UAE it is embarrassing. It is only four per cent. It is the lowest in the Arab world," Saidi said.

That rate of lending to small firms is comparable to Sub-Saharan Africa, he said, adding: "And I don't think you really want to be comparing yourself to Sub-Saharan Africa." The former DIFC official said simply: "Our banks don't lend to our young people". He added: "It's even worse for women – because in many countries they can't even get a bank account unless somebody – ie a man – says they can get a bank account."

Meanwhile, entrepreneurial success story Ghandour took aim at the region's education system, saying that "the jobs of the future are not those being taught today". Despite a mismatch between what is being taught in schools and the kind of jobs the region needs, the Aramex founder said business was not being consulted about education reform. But he had tough words for business too, which he said had been counting profits instead of playing an "activist" role in developing the region.

"The private sector has been asleep and abdicating its role of development in the countries that we live in totally to government. We are just lazy," he said.