

AI and the Arab Labor Market Strategic Considerations for GCC Leaders

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The rapid expansion of artificial intelligence across the Gulf is reshaping economic systems, productivity models, and the future of labor. While the GCC is rightly accelerating investment in AI infrastructure leveraging sovereign funds and launching innovation hubs, it must also approach this transformation with a regional lens. The Arab labor market is fragmented, diverse, and youth heavy. Egypt, Jordan, Morocco, and Palestine face high youth unemployment and limited job creation for educated youth. In contrast, the GCC benefits from capital, strong infrastructure, and a large expatriate workforce that fills essential functions across sectors.

AI will not replace this dynamic overnight. In the near term, blue-collar jobs and core public-sector operations across the Gulf will continue to depend heavily on labor migration. At the same time, we are witnessing a promising trend: highly educated Arab youth from Egypt, Palestine, Jordan, and Morocco coming to the GCC to launch startups, pilot AI-enabled services, and plug into world-class innovation ecosystems. That momentum must be nurtured.

To maximize the economic and social gains of AI while minimizing disruption, Gulf leadership should consider the following strategic priorities:

1. Women's Labor Force Participation

The MENA region has one of the highest rates of women attaining higher education globally, yet the lowest female labor force participation. This paradox must be central to AI adoption strategies. AI can open meaningful pathways for women to participate in the tech-driven economy, particularly through remote and flexible work models. Examples include roles in data science, data cleaning, data analysis, software testing, coding, and digital content services.

In the GCC's AI era, technology can bring jobs to women where social or logistical constraints may limit workplace access. This approach would close a significant gender gap in the labor market and unlock an underutilized pool of high-skill talent that can drive innovation and competitiveness across the region.



2. Treat AI as an efficiency enabler, not a replacement for human capital

AI adoption should focus on improving delivery of government and private-sector services, strengthening transparency, and accelerating productivity. The objective is not to displace regional talent, but to free human capacity for higher-value problem-solving roles where judgment and creativity matter. This means that workers must not only have the digital skills to incorporate AI into their roles but also the durable, human skills of communication, collaboration, and critical thinking.

3. Use AI capacity to advance regional stabilization and economic diplomacy

AI expertise developed in the GCC can become a core offering in supporting post-conflict and transition economies such as Gaza, Syria, and Libya. For example, remote technical training, digital workforce platforms, and soft-skills development programs could help millions of young people transition into meaningful employment and entrepreneurship. The GCC can lead by building scalable digital training models accessible across the Arab world.

4. Invest in Arabic-language data and AI training datasets

The Arab world has a unique linguistic, cultural, and demographic profile. High-quality Arabic training data is scarce, and most regional content online exists only in English despite a regional population of

over 500 million. GCC institutions are well-positioned to create structured Arabic datasets that will result in more accessible and tailored AI tools that produce better outcomes. This investment will drive future innovation and ensure global AI systems reflect Arab realities.

5. Reform education and workforce development to leverage AI, not resist it

Schools and universities must shift from memorization toward innovation, entrepreneurship, digital literacy, and ethical AI use. Youth must learn to use AI as a tool for creativity and productivity. Teachers and parents also require capacity building to embed AI-era skills and ethics across GCC society.



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6. Ensure ethics, data protection, and inclusion guide AI deployment

AI must be used with clear standards for privacy, responsible data use, and bias prevention. In a region with diverse expatriate communities and sensitive social dynamics, AI should serve as a bridge, not a barrier. Guardrails are essential to prevent discrimination, exclusion, and misinformation that could undermine social cohesion.

Conclusion

The GCC has a historic opportunity to lead the Arab world into the AI era, not only through capital and infrastructure, but by shaping talent, ethics, regional partnerships, and Arabic-first innovation. Done responsibly, AI can become a catalyst for prosperity, stability, and dignity for millions of young Arabs. The region's future competitiveness will depend not only on its technology, but on how effectively it prepares its people to use it.

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