MEKEI
Middle Eastern Knowledge Economy Institute

# Towards a Sustainable Knowledge-Based Economy in the Middle East and North Africa (MENA)

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## What is MENA?

- *Defining the territories of the MENA region is the first obstacle that most researchers will face when examining any affairs within the region.*
- The World Bank defines the MENA region as Algeria, Bahrain, Djibouti, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, West bank and Gaza and Yemen.
- Many other international institutions define MENA as extending from Morocco to Turkey along the southern and eastern shores of the Mediterranean and as far east as Iran and south to the Sudan, Saudi Arabia and Yemen.
- Recent books (Smith, 2006) argue that it would be misleading to include countries like Sudan as part of MENA (see (Smith, 2006; Henry and Springborg, 2001).
- *The definition of the MENA region is often unclear and there is no single definition that fully captures the different key historical, cultural and contemporary factors.*

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## Facts about MENA

- *Most important part of the world in the 21st century.*
- Strategically very important as it produces the majority of the world's oil.
- What happens in the region will therefore have direct and indirect effects all over the world.
- Rarely out of the headlines in all international news.
- In general, governments in the region heavily regulate most social and political activities and preserve an active involvement in business affairs.
- Islam, the role of the USA and the foundation of the state of Israel.
- Only 52% of Arab Countries have a national research and education network.
- *Understanding the nature of problems, challenges and opportunities in the region is a very difficult task for many people outside its territories.*

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| COUNTRIES | EPI (2006) | EPI (2008) | EPI (2010) |
|---|---|---|---|
| Algeria | 63 | 66 | 42 |
| Bahrain | … | … | 145 |
| Djibouti | … | 139 | 75 |
| Egypt | 85 | 71 | 68 |
| Jordan | 64 | 70 | 97 |
| Iran | 53 | 67 | 78 |
| Iraq | | 135 | 150 |
| Israel | 45 | 49 | 66 |
| Kuwait | … | 111 | 113 |
| Lebanon | 36 | 90 | 90 |
| Libya | … | … | 117 |
| Mauritania | 131 | 146 | 161 |
| Morocco | 68 | 82 | 52 |
| Oman | 60 | 91 | 131 |
| KSA | 59 | 78 | 99 |
| Syria | 97 | 99 | 56 |
| Sudan | 124 | 129 | 129 |
| Tunisia | 82 | 59 | 74 |
| Turkey | 49 | 72 | 77 |
| Qatar | … | … | 122 |
| UAE | 47 | 112 | 152 |
| Yemen | 122 | 141 | 124 |

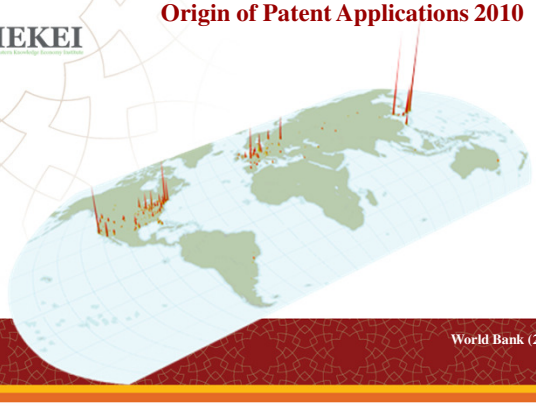
EPI 2006 (133 countries); 2008 (149 countries); 2010 (163 countries)
Yale Centre for Environmental Law and Policy, USA

## Arab Innovation Index 2011

| Rank | Country | Score |
|---|---|---|
| 14 | Israel | 54.03 |
| 26 | Qatar | 47.74 |
| 34 | United Arab Emirates | 41.99 |
| 41 | Jordan | 38.43 |
| 46 | Bahrain | 37.8 |
| 49 | Lebanon | 37.11 |
| 52 | Kuwait | 36.64 |
| 54 | Saudi Arabia | 36.44 |
| 57 | Oman | 35.51 |
| 66 | Tunisia | 33.89 |
| 87 | Egypt | 29.21 |
| 94 | Morocco | 28.73 |
| 95 | Iran (Islamic Republic of) | 28.41 |
| 115 | Syrian Arab Republic | 24.82 |
| 123 | Yemen | 20.72 |
| 125 | Algeria | 19.79 |

The Global Innovation Index 2011
INSEAD

## Origin of Patent Applications 2010

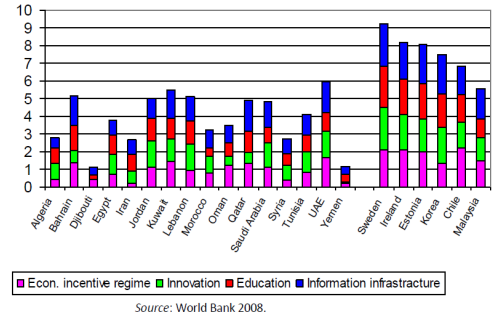


World Bank (2011)

## Origin of Scientific Citations 2010

World Bank (2011)

## Arab Knowledge Economy Index 2011




*Source*: World Bank 2008.

## Arab Knowledge Economy Index 2012

| Country | KEI | Rank | Change* |
|---|---|---|---|
| Sweden | 9.43 | 1 | |
| Economies with large improvements in KEI rankings since 2000 | | | |
| United Arab Emirates | 6.94 | 42 | +6 |
| Oman | 6.14 | 47 | +18 |
| Saudi Arabia | 5.96 | 50 | +26 |
| Tunisia | 4.56 | 80 | +9 |
| Iran | 3.91 | 94 | +1 |
| Algeria | 3.79 | 96 | +14 |
| Yemen | 1.92 | 122 | +6 |
| Sudan | 1.48 | 138 | +1 |
| Economies with decreases in KEI rankings since 2000 | | | |
| Bahrain | 6.9 | 43 | -2 |
| Qatar | 5.84 | 54 | -5 |
| Kuwait | 5.33 | 64 | -18 |
| Turkey | 5.16 | 69 | -7 |
| Jordan | 4.95 | 75 | -18 |
| Lebanon | 4.56 | 81 | -13 |
| Egypt | 3.78 | 97 | -9 |
| Morocco | 3.61 | 102 | -10 |
| Syria | 2.77 | 112 | -1 |

*Source: World Bank (2012)* *Changes in KEI ranks from 2000

## Managing Change

Without a solid capacity to innovate and produce quality services and products, countries in the MENA region will struggle to become more productive and develop more knowledge-based products and services. This will have consequences for overall economic growth, and demand for high-skill jobs will not increase (World Bank, 2011).