

BAHRAIN ECONOMY EXPERTS' SURVEY



INTRODUCTION

At the start of November 2021, the Bahrain Economists Society (BES) ran its monthly survey on the Bahrain economy, with the participation of the 47 members of the Bahrain Economy Experts Panel. This month, the survey looked at the new vocational training initiatives under the umbrella of Bahrain's economic recovery plan.

QUESTION 1: BUSINESS CONFIDENCE

Context

Panel members were asked the following primary and secondary question:

- **Excluding normal seasonal changes, do you think that the overall level of economic activity in Bahrain during the next six months will be: higher / unchanged / lower?**
- **Rate your confidence in your answer on a scale of 1-to-7.**

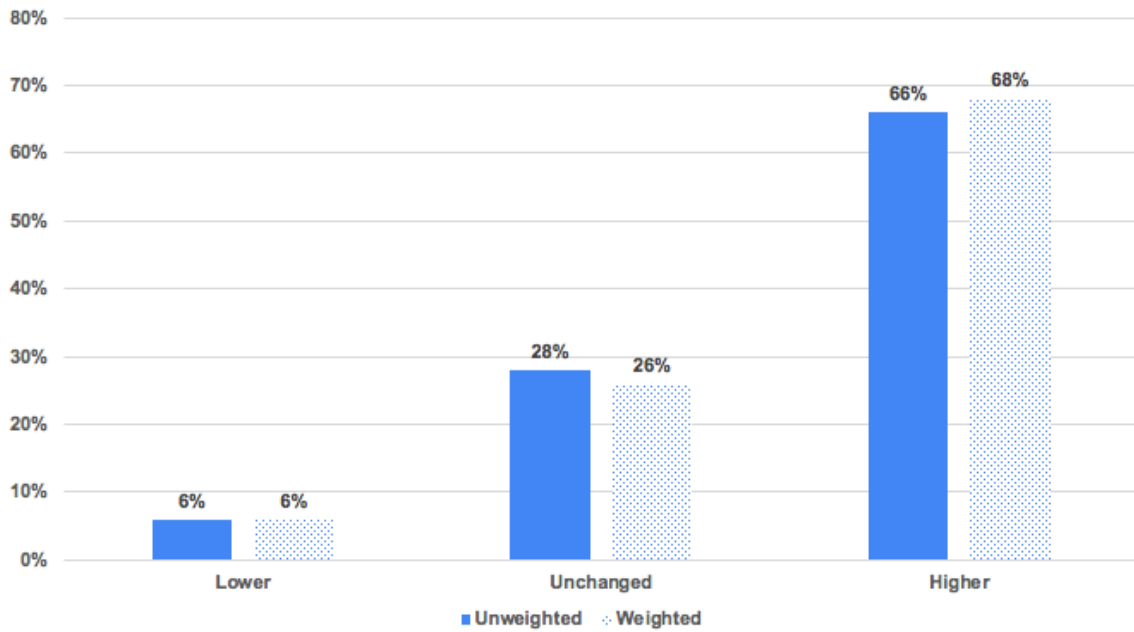
This question comes at a time of continued success in suppressing the Covid-19 pandemic and elevated oil prices. The government has also launched its post-pandemic economic recovery plan.

Results

The results are shown in Figure 1. The unweighted results are the responses based on the first question. The weighted results are the responses to the first question modified to take into account the participant's level of confidence.

- **Conclusion 1a:** Overall, the experts are optimistic about the level of economic activity in the next six months. Around 66% expect an increase, and only 6% expect a decrease, with about 28% expecting no change.
- **Conclusion 1b:** The experts are close to having a consensus on this issue.
- **Conclusion 1c:** Adjusting the responses to take into account each participant's level of confidence does not affect these conclusions.
- **Conclusion 1d:** Optimism about the level of economic activity (0.6 on a scale of -1 to +1) is currently lower than during the previous month (October; 0.7 on a scale of -1 to +1), but the decrease is small in size.

Figure 1: Excluding normal seasonal changes, do you think that the overall level of economic activity in Bahrain during the next six months will be:



Interpretation

After another successful month in suppressing the pandemic, experts continue to express optimism about the economy. The positive outlook also reflects confidence in the national economic recovery plan launched during October.

Question 2: Vocational Training Initiatives

Context

The October 2021 post-pandemic economic recovery plan featured new initiatives in vocational training, with the goal of creating a Bahraini labor force that is able to fulfill the needs of employers in the private sector. However, the economic recovery plan made no mention of parallel initiatives in primary and secondary education, which may limit the long-term returns associated with these vocational education initiatives.

For the second question, participants were asked to express the extent to which they agreed with the following statement:

- *The benefits of improving post-secondary vocational training for Bahrainis will be very limited unless they are accompanied by deep reforms to primary and secondary education.*

They were also asked:

- *Rate your confidence in your answer on a scale of 1-to-7.*

Results

The results are shown in Figure 2. The unweighted results are the responses based on the second question. The weighted results are the responses to the second question modified to take into account the participant’s level of confidence.

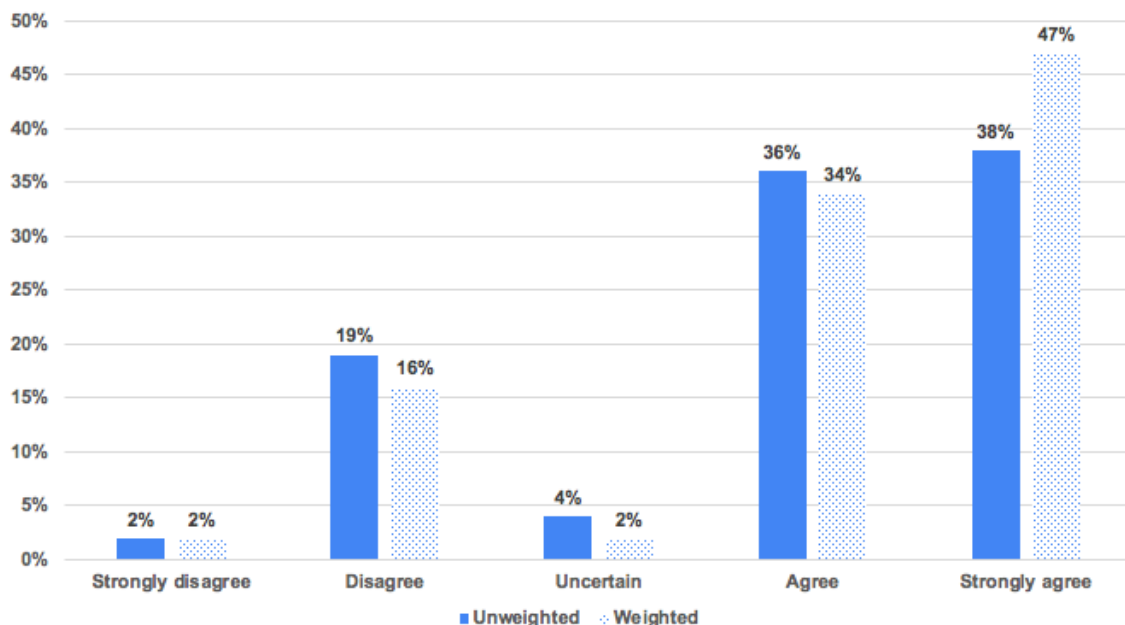
- **Conclusion 2a:** *Overall, the experts expressed agreement with the statement, with 74% responding “agree” or “strongly agree”, and only 21% responding “disagree” or “strongly disagree”.*
- **Conclusion 2b:** *The experts are close to having a consensus on this issue.*
- **Conclusion 2c:** *Adjusting the responses to take into account each participant’s level of confidence strengthens conclusion 2a and weakens conclusion 2b, because the participants who were more confident in their answers were more likely to agree with the statement.*

Interpretation

One of the experts who strongly agreed with the statement elaborated by making the following comment:

Figure 2: To what extent do you agree with the following statement?

"The benefits of improving post-secondary vocational training for Bahrainis will be very limited unless they are accompanied by deep reforms to primary and secondary education."



"As the jobs of the future increase in complexity, it is increasingly the case that we must learn how to learn and accept that skills are no longer static. To remain relevant employees need to buy into a culture of problem solving and self driven learning which must begin at the earliest stages of the educational process."

Thus, some experts fear that vocational training might help in securing jobs in the short-term, but in the long-term, once the economy and the nature of jobs change, there will be a need to retrain a large section of the workforce. For this to be sustainable, people need to be trained in self-training, and this skill is easier to teach to young children than it is for adults.

Moreover, many private sector employers complain about a lack of workplace diligence among Bahraini nationals, and addressing this again requires intervening at an early stage of education.

However, among the experts who disagreed, the following comment was made:

"Of course ideally we would like reforms at all levels of education; however we should not wait for reforms in primary and secondary education - which may be very slow - to improve vocational education. In my opinion it would be beneficial to improve vocational education even in the absence of reforms to primary and secondary education, but naturally the benefits will be larger if education is reformed at all levels."

Another expert remarked:

"Reforms in primary and secondary education are an enormous challenge. Bahrain has been attempting to solve this problem since the last decade and a half, with marginal impact at best. Given this history, I believe improving postsecondary vocational education is a more pragmatic approach to filling gaps in the labor market."

Any improvement, even minor, will have a direct positive impact on the economy, as vocational education focuses on apprenticeships and work-related learning as opposed to academic knowledge."

There are two possible impacts: first it will correct the imbalance between academic and vocational training in Bahrain, and second it will motivate individuals and institutions to find alternative creative solutions to provision of high quality primary and secondary education, potentially through private-public partnerships."


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