

Restoring Strategic Significance of Middle Class in Arab World: *From 'Economic Management' to 'Meaning Engineering'*

Mohammed Senoussi [1*], El Habib Choubani [2], Mohamed Buheji [3]
[1] Professor of Futures Studies and International Affairs, Founder, Makyine Center for Strategic Intelligence, Rabat, Morocco
[2] Vice President, Makine Center for Strategic Intelligence, Rabat, Morocco
[3] Founder, International Institute of Inspiration Economy, Bahrain

* Corresponding Author: **Mohammed Senoussi**

Article Info

ISSN (Online): 3107-6637
Volume: 02
Issue: 04
Received: 25-04-2026
Accepted: 27-05-2026
Published: 29-06-2026
Page No: 31-41

Abstract
The crisis of the middle class in the Arab world cannot be reduced to declining purchasing power or rising living costs; it is fundamentally a crisis of meaning. As Senoussi (2026) powerfully articulates, "What is happening is deeper than that: a silent structural erosion that affects the meaning that makes this class possible in the first place." This paper proposes a conceptual framework—the "Makin-Inspiration Economy" model—to shift policy intervention from quantitative economic management to qualitative meaning engineering.
We argue that the erosion of the middle class is characterized by three "meaning gaps": the breakdown of meritocracy (effort-to-reward), the fragility of stability, and the loss of a navigable future. These gaps manifest concretely in two contemporary challenges: the growing NEET (Not in Employment, Education, or Training) phenomenon among educated youth, which represents the intergenerational transmission of the meritocracy gap; and the devastating impact of inflation on middle-class purchasing power, which attacks the stability gap by rendering the future unpredictable.
Drawing on the principles of the "Inspiration Economy" and informed by historical scholarship on the formation of the Arab middle class, this paper posits that restoring the middle class requires rebuilding trust in its historical role as a strategic agent of change. A comprehensive mapping of policy interventions addresses each meaning gap through deep diagnosis, meaning-centered design, and strategic impact assessment. We conclude that true reform lies not merely in redistributing wealth, but in re-empowering the middle class to reclaim its leadership function in shaping the future of society and state.

Keywords: Meaning Gap, Middle Class, Inspiration Economy, Makin Model, Strategic Significance, Arab World

1. Introduction

The discourse surrounding the middle class in the Arab world is often dominated by quantitative indicators: income levels, inflation rates, and employment statistics. While necessary, this approach fails to capture the qualitative transformation occurring beneath the surface. As Senoussi, Choubani, and Buheji (2026) [8] argue, what is happening is a "structural erosion of the meaning that makes this class possible in the first place." Senoussi (2026) elaborates that "indicators show the continued existence of the middle class, and perhaps even a relative improvement in some aspects. But behind this apparent stability, three critical gaps are forming: loss of confidence in meritocracy, fragility of the relationship with the future, and erosion of the sense of stability."
This paper argues that the middle class is not merely a demographic category with a specific income bracket; it is a social construct built on a moral economy of trust, expectation, and future orientation. It is this moral economy that is currently collapsing. Senoussi (2026) captures this transformation succinctly: "The problem is no longer what this class possesses, but

what its possessions mean."

Historically, the formation of the Arab middle class was intrinsically linked to the project of modernity itself. As Keith Watenpaugh demonstrates in his seminal work, Being Modern in the Middle East, a discrete middle class of liberal professionals, white-collar employees, journalists, and businessmen took shape within the crucible of the Young Turk Revolution of 1908, World War I, and the advent of late European colonialism (Watenpaugh, 2006) [22]. Crucially, Watenpaugh argues this class was defined "not just by the wealth, professions, possessions, or the levels of education of its members, but also by the way they asserted their modernity" (Watenpaugh, 2006) [22]. This assertion of modernity manifested through the creation of civil society and new forms of politics—a "new public sphere" brought into being through coffeehouses, newspapers, clubs, and debating societies (Watenpaugh, 2006) [22]. This historical legacy is vital because it demonstrates that the middle class's significance has always transcended the purely economic; it was fundamentally a bearer of cultural and political meaning. The feeling of belonging to the middle class is eroding even when income levels remain stable. This creates a paradox where individuals may earn a "middle-class income" but lack the "middle-class assurance" that their status is sustainable or that their children will inherit it. Buheji and Ahmed (2020) [9] caution that in the post-COVID-19 era, retaining a "concrete" middle class requires more than economic recovery; it requires psychological and social rebuilding. This erosion is expressed through three critical "meaning gaps" that necessitate a deep analysis of the current state of the middle class. Senoussi (2026) poses the fundamental question: not "how do we improve the situation of the middle class?" but rather, "how do we rebuild the meaning that makes belonging to it reliable and sustainable?"

Figure (1) shows that The image argues that traditional economic indicators like income and inflation conceal a deeper, qualitative decay in the social and moral foundations that once guaranteed middle-class security. Ultimately, the crisis is not about the amount of goods one owns, but the profound loss of meaning and assurance attached to those possessions.

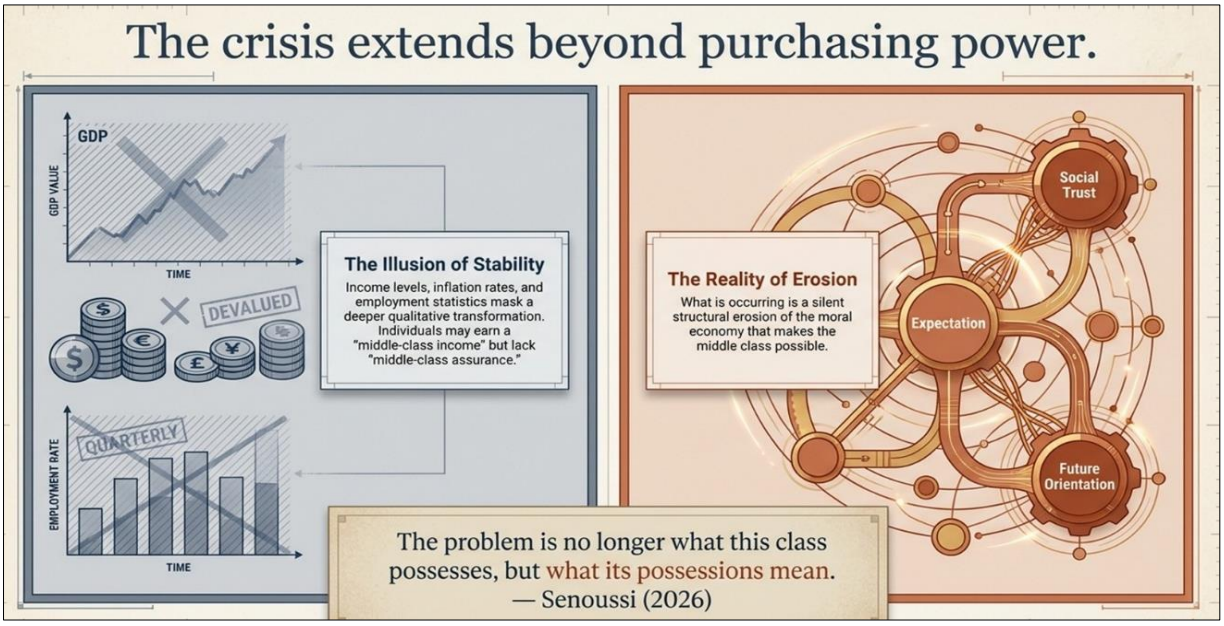


Fig 1: Generated by the author using NotebookLM

2. The Three Meaning Gaps: Diagnosing the Crisis

To understand the crisis, we must move beyond the material and explore the symbolic structure that historically established the middle class. Senoussi (2026) identifies three missing meanings that constitute the core of the crisis.

2.1. The Meritocracy Gap: The Broken Social Contract

The traditional social contract that linked effort to reward is no longer clear. As Senoussi (2026) explains: "The relationship that used to connect effort to outcome is no longer clear. An individual can invest in education and work, without obtaining a stable or upwardly mobile professional path. Here, not only are opportunities lost, but faith in the efficacy of self-investment erodes."

The dismantling of the state-led development model in many Arab countries, characterized by a shrinking public sector and the rise of informal economies, has severed the link between education and employment, creating a "missing middle." This phenomenon is particularly acute for the educated youth who constitute the backbone of the aspiring middle class. As Ouaissa (2016) [16] explores in his work on "Blocked middle classes as an engine of change in the Arab world," the blockage of social mobility for educated segments creates a potent source of political and social tension. When education no longer guarantees a stable professional future, the foundational promise of middle-class modernity collapses.

This is echoed in the findings of Bain & Company's first Middle East Consumer Products Report (2026) [2], which notes a "polarization" in countries like Egypt "between a price-sensitive mass market and a smaller but aspirational middle class." The aspirational middle class exists, but its ability to achieve its aspirations is increasingly precarious.

2.2. The Stability Gap: The Anxious Present

What is achieved today does not seem durable tomorrow. Senoussi (2026) describes this second gap: "What is achieved today does not seem capable of lasting tomorrow. Income is not guaranteed, employment is vulnerable, and progress itself may turn into a burden. In this sense, stability is no longer an objective state, but has become a fragile perception."

The anxiety of the present replaces the logic of accumulation with the logic of survival, preventing long-term planning and destabilizing the social fabric. This anxiety is compounded by divergent regional economic trends. While the World Bank (2025) projects a cautiously optimistic outlook for the MENA region, with average GDP growth expected to reach 2.8% in 2025 and 3.3% in 2026, this masks significant vulnerability. Gulf Cooperation Council (GCC) economies are forecast to grow more robustly (3.5% in 2025), driven by the phasing out of OPEC+ production cuts and expansion in non-oil sectors (World Bank, 2025). In contrast, developing oil exporters face a more subdued outlook (0.5% growth in 2025), while poverty has risen sharply in conflict-affected countries (World Bank, 2025). The IMF (2025) similarly notes that while MENAP economies have shown resilience, with GDP growth projected at 3.2% in 2025, geopolitical tensions and commodity price volatility pose significant risks. Such an uneven landscape undermines a stable, shared "middle class" experience.

Recent research on the United Arab Emirates illustrates these anxieties acutely. Al Hussein (2025) [1], in her study "Reforms or deforms? The rise and decline of the rentier middle class in the United Arab Emirates," reveals how Emirati middle-class citizens now report "anxieties owing to a decline in material government benefits, a push out of secure public sector employment into precarious private sector jobs and the termination of 'Arbab entrepreneurship.'" The government is perceived to cater more to noncitizens, resulting in a "diminishing citizen or noncitizen differential, going so far as to elicit fear of a reversal of roles" (Al Hussein, 2025) [1]. This highlights how reforms, even those aimed at economic growth, can be perceived as existential threats to middle-class stability when they erode the meaning of citizenship.

2.3. The Future Gap: From Horizon to Threat

The future is no longer an extension of the present but a field of ambiguity. Senoussi (2026) articulates this third gap: "The future is no longer an extension of the present, but has become a realm of ambiguity. Time, which was a tool for accumulation, has turned into a source of anxiety. Instead of building their future, the middle class has begun defending its present."

Buheji (2021) [5] describes this as the transformation from a "culture of aspiration" to a "culture of protection." Instead of building a future, the middle class finds itself defending its present. This shift affects risk perception, consumption patterns, and asset retention, as individuals are less willing to take entrepreneurial risks when the future is seen as unreadable (Buheji, 2021) [5].

International agency reports reinforce this concern. The UN Economic and Social Commission for Western Asia (ESCWA, 2026) projects a gradual recovery for the Arab region, with growth rising from 2.9% in 2025 to 3.7% in 2026. However, the report notes that middle-income countries face "continued debt and inflation challenges" and that countries like Egypt continue to experience "persistent, though reduced, inflation, especially for food" (ESCWA, 2026). This persistent erosion of purchasing power, even amid recovery, fuels the sense that the future offers little hope of genuine progress.

The World Bank's Macro Poverty Outlook (2025) further underscores this challenge, providing data on persistent inflation and poverty that continue to erode middle-class purchasing power across the region. The cumulative effect of these economic pressures is a deepening sense that the future has become unpredictable and potentially hostile.

The contrasts the middle class's historical role as a proactive "producer of change", i.e. driving modernization and civil society with its current status as a reactive "defender of the present," focused on mere survival, as shown in Figure (2). The core argument is that when this class loses its ability to envision and shape the future, the entire society's capacity for transformation and stability grinds to a halt.

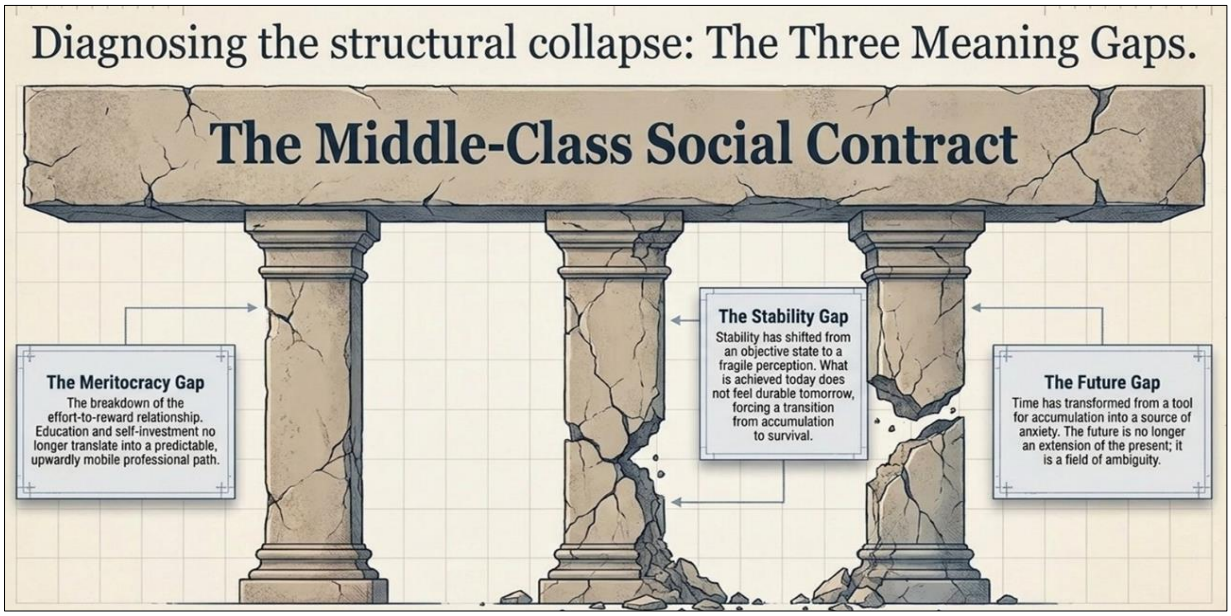


Fig 2: Generated by the author using NotebookLM

3. The Legacy of Meaning: The Middle Class as a Driver of Change

The crisis is deepened by the loss of another critical element: the historical role of the middle class as a leading force in producing change within society and the state.

Senoussi (2026) emphasizes this dimension: "The middle class was never merely a beneficiary of stability; it was a producer of it: leading reform, expanding the scope of rights, and nourishing the dynamism of modernization. When it loses its capacity to foresee the future, not only does its stability erode, but the engine of change itself stalls."

Historically, the Arab middle class was not just a beneficiary of stability; it was a producer of it. Watenpaugh's (2006) [22] study demonstrates how, in cities like Aleppo, the middle class created a new public sphere and challenged traditional elites, acting as a driver of modernization. It was the driver of modernization, human rights expansions, and institutional reform.

Vali Nasr's (2009) influential work, Forces of Fortune, provides another lens on this transformative potential. Nasr argues that a new business-minded Muslim middle class is building a vibrant new economy that could reshape the political and social landscape of the Islamic world. He contends that "the great battle for the soul of the Muslim world will be fought not over religion but over market capitalism" (Nasr, 2009) [15]. According to Nasr, the failure of an authentic middle class to develop in the nineteenth and twentieth centuries, largely due to colonialism and authoritarian regimes, created space for extremism. The rise of what he calls the "critical middle" offers a pathway to reform that is grounded in economic vitality and entrepreneurial values (Nasr, 2009) [15].

Senoussi (2026) synthesizes these insights into a dual objective: transforming the future "from a realm of anxiety to a realm open to foresight and strategic planning," and "reconnecting this foresight with a leadership function within society and the state." This dual objective is the heart of the "Makin" model. As Buheji (2023) [7] demonstrates in his work on redefining the meaning of hardiness in the Gaza Lab, resilience and strategic agency can be cultivated even in the most challenging conditions through focused intervention.

4. From Policies to Meaning Engineering

Senoussi (2026) identifies a critical flaw in current policy approaches: "The most common mistake in public policies is being content with producing results, without paying attention to whether these results produce confidence in their continuity. Social stability is built not only on what is achieved, but on what is believed will continue."

This insight leads to a fundamental reorientation: "From this standpoint, there is an urgent need to redesign policies as tools for producing meaning, not merely as distribution tools." Senoussi proposes three interconnected policy bundles:

4.1. Rebuilding Meritocracy: When Effort Regains Its Meaning

"No middle class can be stable if the relationship between effort and outcome is not clear," argues Senoussi (2026). "Therefore, it becomes necessary to move from a probability-based labor market to predictable career paths."

This requires:

- Building career path contracts that link employment to clear, time-bound development
- More transparent promotion systems that reduce arbitrariness
- Linking training to actual, not merely potential, opportunities

"The goal is not just to create opportunities," Senoussi (2026) emphasizes, "but to rebuild confidence that effort translates into a path."

4.2. Rebuilding Stability: From the Time of Anxiety to the Time of Foresight

Senoussi (2026) expands this dimension beyond individual security: "The dilemma today is not reducible to income level, but to its sustainability and its meaning across time. However, this temporal dimension, despite its importance, is insufficient to understand the depth of the crisis; for it omits a foundational element: the historical role of the middle class as a leading actor in producing change within society and the state."

This requires a comprehensive toolset that does not merely stabilize the situation but opens a horizon for action:

- Partial guarantees for income stability not merely as protective mechanisms, but as conditions for liberating individuals from the logic of survival toward a logic of initiative
- Predictable tax and regulatory policies that enable actors to make long-term decisions, restoring the importance of planning over reaction
- Supported long-term savings and investment programs that not only protect individuals but enable them to play a role in shaping the economic and social future

These tools, in their essence, "do not just redistribute resources, but redefine time itself: from a continuous threat to a horizon that can be trusted and within which one can work" (Senoussi, 2026).

4.3. Rebuilding Trust: When Institutions Regain Their Moral Function

"Institutions do not only produce services," Senoussi (2026) observes, "they produce a sense of justice and continuity. When this sense erodes, the individual becomes disconnected from the system even if they remain within it."

Rebuilding this trust requires a clear social contract with the middle class, based on:

- Transparent pathways
- Accessible information
- Active participation in policy design

"The goal is not just to improve performance," Senoussi (2026) concludes, "but to reproduce the feeling that the system functions in a predictable and reliable manner."

Figure (3) outlines a fundamental policy shift from the "Old Paradigm" of purely economic management which is focused on metrics like GDP and resource redistribution to a "New Paradigm" of "meaning engineering," which prioritizes rebuilding trust, perceived stability, and confidence in the future.

Instead of just fixing material deficits, this new approach shown in Figure (3) aims to restore the psychological and institutional conditions that allow individuals to plan long-term, using an "Inspiration Economy" to transform challenges into opportunities for resilience.

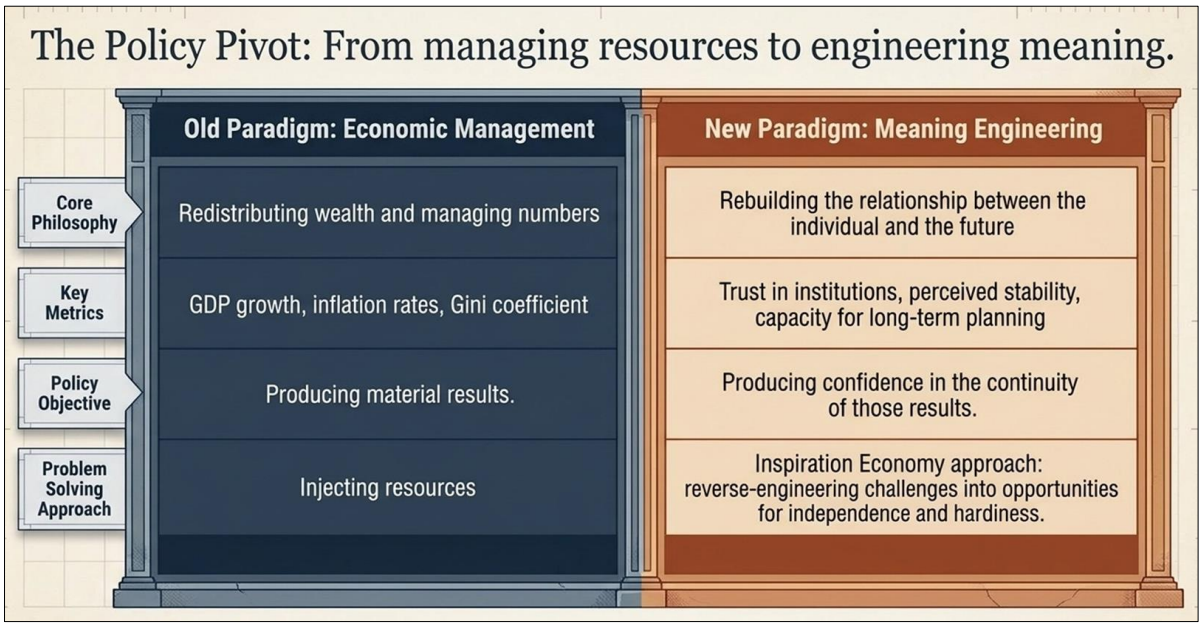


Fig 3: Generated by the author using NotebookLM

5. The "Makin-Inspiration Economy Meaning" Model

5.1. From Resource Management to Meaning Management

The "Makin" model, as articulated by Senoussi (2026), provides an alternative intervention framework based on a simple but critical idea: policies are measured not only by what they produce but by what they mean.

Senoussi (2026) describes the model's three layers:

First, Deep Diagnosis, which does not only ask about income level, but about its meaning: Does it generate security or anxiety? This requires moving beyond GDP and inflation to capture the lived experience of middle-class existence.

Second, Designing Policies Based on Meaning, where the impact of each intervention is measured materially and symbolically simultaneously. As Senoussi (2026) explains, this means redesigning policies as tools for producing meaning, not merely distribution tools.

Third, Strategic Impact Assessment, through indicators such as confidence in the future and capacity for strategic planning.

Senoussi (2026) summarizes: "In this sense, public intervention shifts from managing numbers, to rebuilding the relationship between the individual and the future."

5.2. The Inspiration Economy Framework: Operationalizing Meaning

The "Inspiration Labs" globally have demonstrated a methodology for operationalizing this meaning engineering. The approach focuses on "solving problems in social economy" by converting challenges into opportunities for independence.

This methodology is highly relevant to the "Makin" model. It employs a "reverse engineering" approach: instead of injecting resources, it builds resilience and capability. The socio-economic labs under the Inspiration Economy framework are structured around "re-inventing" rather than "reforming." The goal is to create a paradigm shift in how society views problems, identifying opportunities for "hardiness" and self-sufficiency (Buheji, 2023) [7].

Drawing on the principles articulated in Buheji's (2026) [8] analysis of the meaning of culture, this approach recognizes that cultural and symbolic factors are as important as economic ones in shaping middle-class identity and agency.

The Inspiration Economy framework emphasizes that "policies are measured not only by what they produce, but by what they mean" (Buheji, 2026) [8]. It offers a structured methodology for transforming social problems into sources of inspiration and independence, creating models that can be generalized across communities.

5.3. Toward Practical Implementation: Integrating Meaning at the Heart of Decision-Making

To ensure this framework does not remain theoretical, Senoussi (2026) calls for its institutional integration through:

- Creating units for meaning analysis within the decision-making system
- Experimenting with policies and measuring their invisible impact
- Adopting new indicators that reflect confidence and stability

"What cannot be measured, cannot be managed; and what is not understood, cannot be reformed" (Senoussi, 2026).

Table 1: Illustrates showing how the model's three layers apply to each meaning gap.

Meaning Gap	Layer 1: Deep Diagnosis	Layer 2: Policy Design	Layer 3: Strategic Impact Assessment
Meritocracy Gap	Measure perceived fairness of education-employment linkage	Career contracts; transparent promotion systems	Confidence in effort-to-reward ratio
Stability Gap	Measure perceived stability vs. objective stability	Income guarantees; predictable policies	Index of planning capacity
Future Gap	Measure anxiety vs. hope about future	Strategic foresight programs; participatory governance	Capacity for long-term planning index

6. The NEET Phenomenon: A Foresighted Challenge for the Middle Class in the Middle East

The crisis of meaning affecting the middle class is not merely an abstract concept; it manifests concretely in the growing phenomenon of youth who are Not in Employment, Education, or Training (NEET). As Buheji (2019) [3] argues, "when youth and NEET are mentioned together you do not only remember 'youth not in employment, not in education, or not in training', but it would also evoke your mind that it is a new type of poverty." This conceptualization is critical for understanding the middle-class crisis because NEET status represents the culmination of the three meaning gaps identified earlier: the collapse of meritocracy, the fragility of stability, and the loss of a navigable future.

The NEET phenomenon represents the intergenerational transmission of the meritocracy gap. When educated youth cannot find work, it not only erodes their own sense of efficacy but signals to their parents that the social contract that defined middle-class identity has been irrevocably broken. The NEET crisis is therefore not merely a youth employment problem but an existential threat to the reproduction of middle-class status itself.

Buheji (2020) [4] further elaborates in his critical review that the challenges of the labour market on youth today and the foresighted future require a comprehensive social protection system that meets and closes the increasing gap between contemporary and future market demands and the economic contribution opportunities available to youth. This foresighted perspective is essential because the NEET phenomenon is not just a present problem but a growing future threat to the middle class.

The NEET crisis has become a regional concern of significant proportions. UNESCO (2026) [20] reports that "the rate of young people aged between 15 to 24 in NEET situations is very high throughout the region (at around 30% in Morocco for example)." This situation is exacerbated by a paradox: young people are graduating without having acquired the right mix of knowledge and skills that could allow them to integrate properly into changing labor markets. "Having an academic qualification is no longer enough to ensure privileged access to more options to the job market as access to jobs require more and more an active role by universities, governments, and industry - creating a paradoxically increasing relationship between having a university degree and being unemployed" (UNESCO, 2026) [20].

In Jordan, the situation is particularly acute. The ILO (2026) reports that "Jordan records a NEET rate of 35.3% among youth aged 15–29, with nearly half of young women affected." Critically, "two-thirds of NEET youth are inactive, not unemployed," and "NEET risks rise sharply for 25–29-year-olds, signaling transition failures after leaving education." Skills mismatch and limited job creation hinder graduate employment, despite national ambitions set out in the Economic Modernization Vision 2023–2033 (ILO, 2026). "Advanced-educated youth experience NEET rates exceeding 50%, while intermediate-educated youth fare somewhat better — underscoring strong market demand for mid-level technical skills" (ILO, 2026).

Kuwait presents a similar picture. Despite being "one of the most educated countries in the Gulf," with "nearly 99 percent of young Kuwaitis [being] literate," a UN policy report indicates that "nearly 25 percent of Kuwait's youth are 'NEET,' not in education, employment or training" (Haque, 2025) [11]. This reflects a fundamental disconnect between the education system and labor market needs: "The system is producing graduates faster than the economy can absorb them. Many young Kuwaitis are aspiring for degrees that the current job market doesn't need now" (Haque, 2025) [11].

Figure (4) identifies a "meritocracy gap" where the traditional link between education and stable formal employment has been severed, particularly due to shrinking public sectors and market polarization into a precarious aspirational class. The resulting blockage of social mobility not only creates political tension but fundamentally collapses faith in self-investment, as education no longer guarantees a professional future.

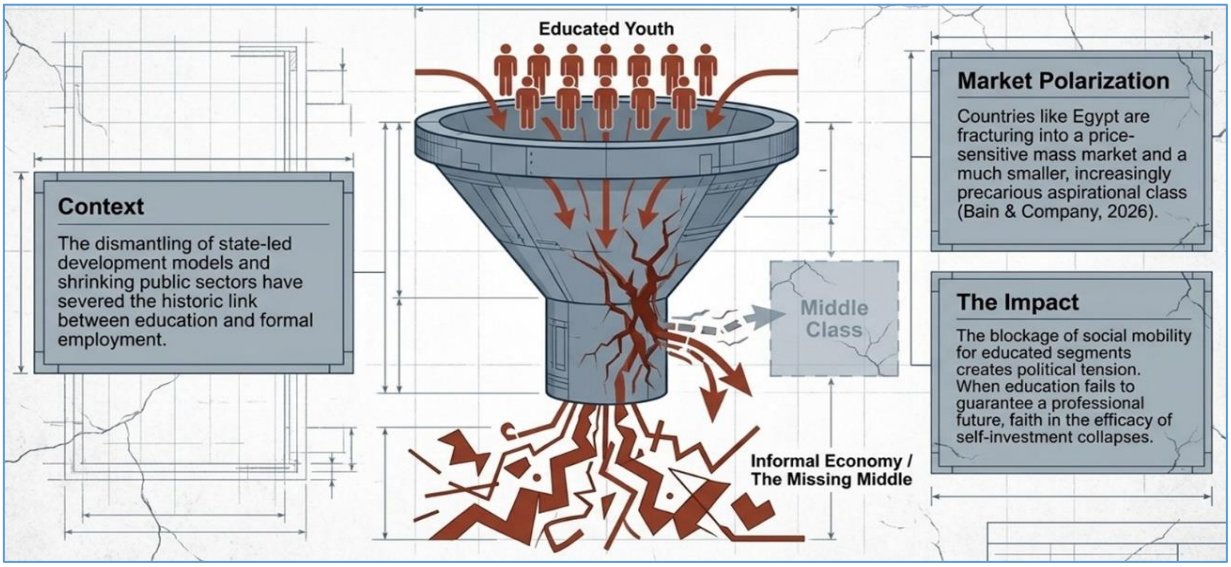


Fig 4: Generated by the author using NotebookLM

The NEET phenomenon is not limited to the "working class" or the poor. As ESCWA (2023) demonstrates, the lower-middle class—sometimes called the "missing middle"—is particularly vulnerable to becoming NEET. This group has incomes too high to qualify for poverty-targeted social assistance but lacks access to the social insurance schemes typically available to formally employed workers. When economic shocks or personal setbacks occur, members of the

lower-middle class can quickly fall into NEET status, accelerating the downward mobility that characterizes the current crisis (ESCWA, 2023).

The connection between NEET and the middle-class crisis is therefore both structural and experiential. Structurally, the erosion of formal employment opportunities and the growth of precarious, informal work have made NEET status a persistent risk for middle-class youth. Experientially, the threat of NEET status creates the anxiety, loss of confidence, and sense of a closed future that Senoussi (2026) identifies as the core of the meaning crisis. Restoring the middle class therefore requires not just creating jobs, but rebuilding the sense of a predictable, navigable future that makes the effort of education and work seem worthwhile.

Buheji's (2020) [4] critical review recommends "further focused comprehensive social protection system that brings in solutions that meet and close the increasing gap of the contemporary and future market demand and dynamics on youth and their economic contribution opportunities." This aligns with the "Makin" model's emphasis on rebuilding the relationship between the individual and the future, and with the Inspiration Economy's methodology of transforming problems into opportunities for independence.

Figure (5) presents the NEET phenomenon as a critical pressure vector, with alarmingly high rates across Jordan, Kuwait, and Morocco—exceeding 50% among advanced-educated youth in Jordan alone—driven by skills mismatches and economies unable to absorb graduates. The structural threat, as shown in Figure (5) lies in the "missing middle," where the lower-middle class is uniquely vulnerable to falling into NEET status during shocks, as they lack both poverty assistance and formal social insurance, perpetuating the meritocracy gap across generations.

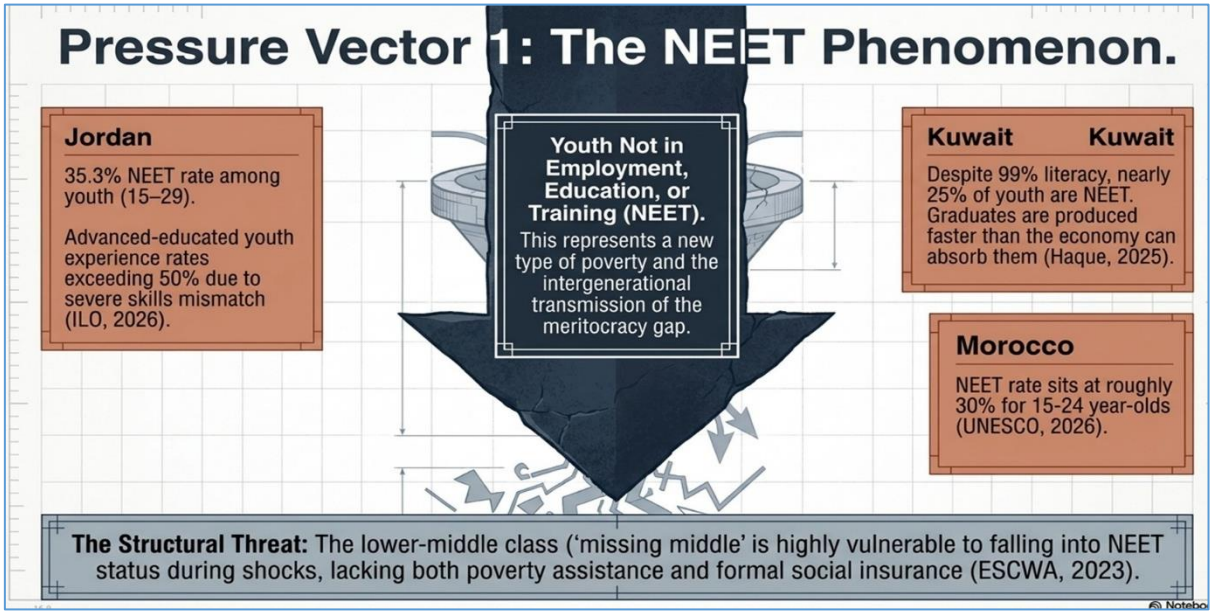


Fig 5: Generated by the author using NotebookLM

7. Mitigating the Risks of Inflation on the Middle Class

Inflation represents one of the most direct and devastating threats to middle-class stability in the Arab world. As ESCWA (2023) documents, monetary crises and inflation are primary drivers of the "squeezing" of the middle class, creating ballooning costs of living that erode purchasing power and push households into precarity.

Inflation directly attacks the stability gap by rendering the future unpredictable. When the cost of living rises faster than wages, middle-class households are forced into a defensive posture that precludes long-term planning. The psychological impact of inflation—the constant recalculation of what one can afford—mirrors the erosion of confidence that Senoussi (2026) identifies as central to the meaning crisis.

Buheji (2022) [6] provides a comprehensive framework for understanding and mitigating these risks. In his research on mitigating inflation risks on the poor, he argues that "inflation is usually part of any complete economic cycle" but that its impact can be "devastating on the poor if the mechanism of inflation is not realized and proactively prepared for by the concerned community leaders, including governments" (Buheji, 2022) [6]. The paper explores "what inflation does to the poor, so that the poverty elimination efforts continue without disruption" and reviews "the importance of tools as the cost of a 'basket of goods' for the poor along with the possible social welfare system which might protect the status of the poor from getting poorer" (Buheji, 2022) [6].

These insights are directly relevant to the middle class, which is often caught between the poor and the wealthy. The middle class typically has more wage income and savings than the poor, making it more vulnerable to inflation's erosive effects on purchasing power. As the World Bank (2022) explains, "low- and middle-income households tend to be more vulnerable to high inflation than wealthier households. That reflects the composition of their income, assets, and consumption baskets." Price inflation often outstrips growth in wages and transfers, while self-employment income and investment income may be more likely to keep pace with inflation. "As such, inflation can reduce the incomes of poorer households relative to those of the richest" (World Bank, 2022).

The consumption patterns of the middle class also make them vulnerable. The World Bank (2022) notes that "poorer households may actually experience higher rates of inflation than wealthy households" because they spend a larger share of their income on food and energy, which are often the most volatile price categories. In emerging and developing economies, "the lowest-income households spend roughly 50

percent of their income on food. For the highest-income households, the amount is just 20 percent" (World Bank, 2022).

Recent inflation crises in the region illustrate this dynamic. In Lebanon, "the cost of daily life has exceeded the ability of large segments of the population to meet basic needs. Frozen bank deposits and eroded purchasing power have widened socio-economic gaps, altering consumption habits: meat and chicken are considered luxuries, cheeses are purchased by the slice, fuel costs heavily burden students and workers, and access to healthcare has become nearly impossible. Meanwhile, the middle class has shrunk to historic lows, and tens of thousands of young people have emigrated in search of jobs and a dignified life" (Kataeb, 2025) [14].

Egypt faces similar pressures. With the currency devalued by one-third since October 2022 and inflation currently standing at over 20 percent, middle-class families have been forced to drastically alter their consumption patterns. As one Egyptian accountant explained, "Instead of buying three kilograms of rice when we go shopping, we just buy a kilo or a half kilo. We're trying to reduce our expenditure. Unfortunately, we can't limit everything because our children need certain things" (Schaer, 2026) [17]. Poverty levels in Egypt are approaching those of Lebanon, with "at least 60 percent of Egyptians living in or near to the poverty line" (Schaer, 2026) [17].

Buheji (2022) [6] proposes solutions to alleviate the impact of inflation, "starting with troubleshooting inflation causalities and how it could be mitigated in poor neighbourhoods." The research concludes with a "proposed generic framework that could mitigate the inflation risks on the poor" (Buheji, 2022) [6]. For the middle class, this framework would need to be adapted to address the specific vulnerabilities of this group, including:

1. Indexation of wages and transfers: Adjusting wages and social transfers to inflation to protect purchasing power. As the World Bank (2022) notes, "price inflation often outstrips growth in wages and transfers."

2. Access to inflation-protected financial products: Middle-class households often lack access to financial products that can protect them against inflation. The World Bank (2022) observes that "poorer households often lack access to financial products that can protect them against inflation, because these products can have upfront or ongoing costs and therefore be unaffordable."

3. Targeted social safety nets: The World Bank (2022) recommends that "policymakers should instead use social welfare policies to protect the poorest from rising prices. These policies could include targeted safety nets such as cash transfers, food, and in-kind transfers, school feeding programs, and public works programs." For the middle class, this would require expanding eligibility beyond the poorest to include the "missing middle" that falls through the gaps between poverty-targeted programs and formal social insurance.

4. Price stabilization measures: Addressing the root causes of inflation through improved market oversight, competition, and support for productive sectors. As the World Bank (2022) cautions, governments should "desist" from using "trade restrictions and export bans to protect domestic supplies of food" as such measures "tend to have terrible global consequences."

ESCWA (2023) emphasizes that the middle class is essential "in limiting inequality and accumulating human capital, as well as in innovation and economic development." Therefore, "policymakers' attention to and consideration of the fate of the middle class in the context of multiple, and at times overlapping, crises is essential for ensuring political and social stability and cohesion" (ESCWA, 2023).

Figure (6) highlights inflation as a second major pressure vector, showing how currency devaluation and frozen assets in countries like Lebanon and Egypt have drastically eroded purchasing power, pushing a majority of Egyptians near or into poverty and making meat a luxury in Lebanon. The mechanism is that the middle class suffers uniquely because their higher wage income and savings are especially vulnerable to rapid erosion by inflation, necessitating solutions like wage indexation and targeted safety nets for the "missing middle."

Figure (6) highlights inflation as a second major pressure vector, showing how currency devaluation and frozen assets in countries like Lebanon and Egypt have drastically eroded purchasing power, pushing a majority of Egyptians near or into poverty and making meat a luxury in Lebanon.

The mechanism is that the middle class suffers uniquely because their higher wage income and savings are especially vulnerable to rapid erosion by inflation, necessitating solutions like wage indexation and targeted safety nets for the "missing middle."

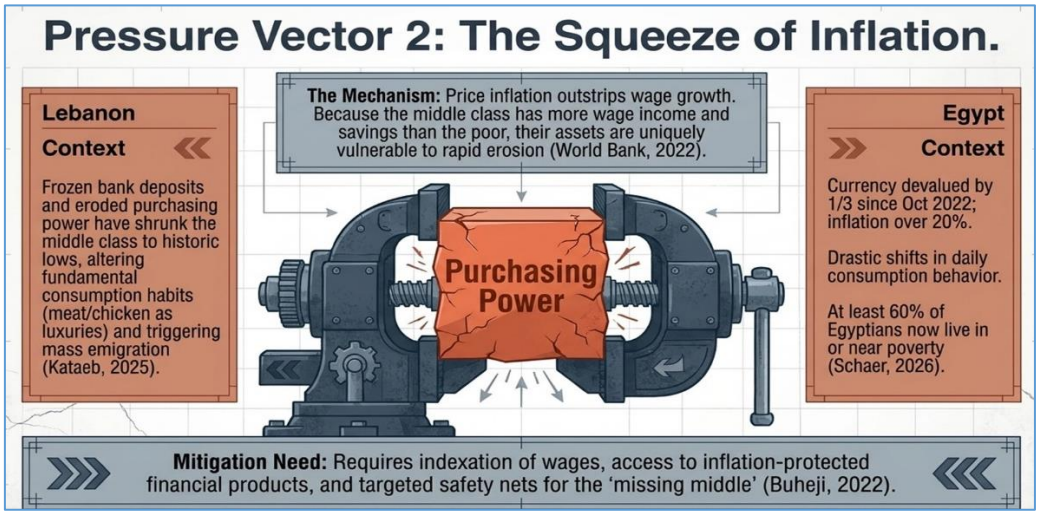


Fig 6: Generated by the author using NotebookLM

8. Proposed Mapping: A Comprehensive Framework for Rebuilding Meaning

Based on the analysis above, the following Table (2) map the outlines a comprehensive framework for rebuilding meaning and strategic significance for the Arab middle-class.

Table 2

Dimension	Current Challenge	Meaning Gap	Policy Intervention	Desired Outcome
Meritocracy	Education no longer guarantees employment; professional pathways are blocked	Loss of faith in effort-reward relationship (Senoussi, 2026)	Establish career contracts linking training to clear progression; reform education-employment linkages (Senoussi, 2026)	Restored confidence that investment in self yields returns
Stability	Income and employment precarious; reforms perceived as threats	Fragile perception replaces objective stability (Senoussi, 2026)	Implement income stabilization mechanisms; predictable tax and regulatory frameworks; long-term savings programs (Senoussi, 2026)	Transformation from anxious survival to strategic planning
Future Orientation	Future seen as threat rather than horizon; defensive posture dominates	Loss of capacity for strategic foresight (Senoussi, 2026)	Restore middle-class agency in shaping policy; create participatory governance structures; support entrepreneurial risk-taking (Senoussi, 2026)	Re-emergence of middle class as driver of innovation and change
Trust in Institutions	Perception that institutions serve others; diminishing citizen-noncitizen differential	Erosion of social contract and institutional legitimacy (Senoussi, 2026)	Transparent governance; active citizen participation; clear social contracts (Senoussi, 2026)	Renewed confidence in system predictability and fairness
Cultural Identity	Modernity associated with colonial imposition; cultural values in tension with economic aspirations	Fragmented cultural meaning of middle-class modernity (Watenpaugh, 2006; Nasr, 2009) [22, 15]	Integrate Islamic and indigenous values with economic development; foster "critical middle" as cultural bridge (Nasr, 2009) [15]	Distinctive regional model of middle-class modernity
Strategic Role	Middle class reduced to beneficiary status; leadership function lost	Loss of historical role as engine of change (Senoussi, 2026)	Re-empower middle class as agent of reform and modernization (Senoussi, 2026; Watenpaugh, 2006) [22]	Restoration of middle class as strategic lever for future

9. Conclusion

9.1. Where Meaning and Purpose are Restored

This paper has argued that the crisis of the middle class in the Arab world cannot be understood through economic indicators alone. Drawing on the 'Makin' model and the 'Inspiration Economy' framework, we have demonstrated that the erosion of three foundational meanings—meritocracy, stability, and future orientation—constitutes the core of the crisis. The NEET phenomenon and inflationary pressures are not merely economic problems but manifestations of this deeper crisis of meaning.

Senoussi (2026) concludes with a powerful synthesis: "Rebuilding the middle class cannot be reduced to improving income or expanding services, because this approach—despite its necessity—remains limited unless accompanied by a deeper process: rebuilding the meaning that makes these improvements worthy of trust and sustainability. But this meaning is not determined only by the feeling of economic security; it is fundamentally rooted in restoring the historical role of the middle class as a leading actor in producing change within society and the state."

The middle class does not collapse when its resources decline, but when it loses confidence in what those resources mean and, more dangerously, when it loses confidence in its ability to influence, propose, and shape the future. At that point, "not only does its social position erode, but one of the most important engines of balance and modernization within society is disrupted" (Senoussi, 2026).

Figure (7) synthesizes the previous pressures into a single compounding system that are reflected in the blocked meritocracy, NEET crisis, eroded stability, and inflation. These collectively collapses the ‘social contract’ and destroys future orientation, forcing a defensive survival mode. The core insight of Figure (7) target to illustrate that these are not separate issues but interconnected failures, meaning that solutions must go beyond economic stabilization to fundamentally rebuild the ‘architecture of meaning and trust’.

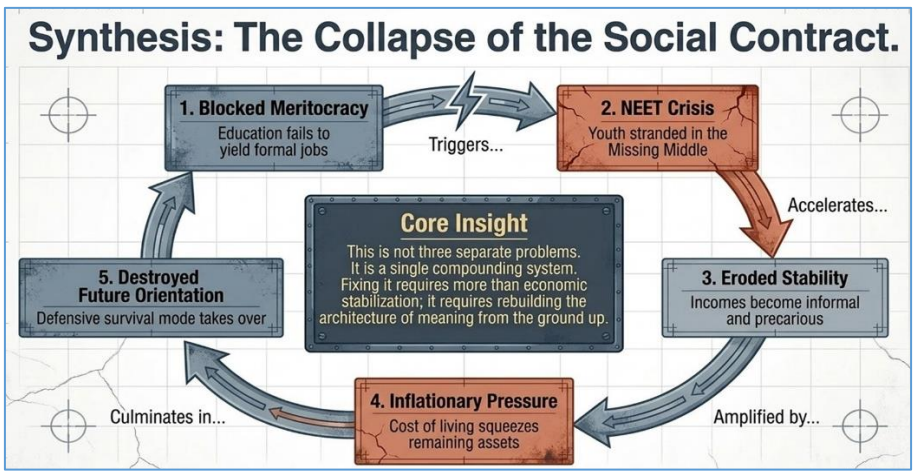


Fig 7: Generated by the author using NotebookLM

Therefore, true reform begins not with the redistribution of wealth alone, but with re-empowering the middle class to reclaim its leadership function: to see itself as a "force of proposal," not just a "beneficiary class"; and to restore its ability to connect stability with change, the present with the future (Senoussi, 2026).

This is precisely the transformation that both Watenpaugh (2006) [22] and Nasr (2009) [15] identify as central to the historical and contemporary significance of the middle class in the Arab and Islamic worlds. The restoration of meaning, as Senoussi (2026) concludes, is inseparable from the restoration of purpose and agency.

"When this role is restored, meaning is restored. When meaning is restored, the middle class ceases to be just a class. and becomes, once again, a strategic lever for shaping the future" (Senoussi, 2026).

9.2. Limitations and Implications of the Paper

This paper has focused on diagnosis and framework development. Empirical testing of the 'Makin' model across different Arab contexts remains a crucial next step. Additionally, the paper has not fully explored the gender dimensions of the middle-class crisis, particularly the disproportionate impact of NEET status on young women.

Future research should: (1) develop and validate indicators for measuring the three meaning gaps; (2) conduct comparative case studies of policy interventions that have successfully rebuilt meaning; (3) explore the role of digital technologies in shaping middle-class identity and future orientation; and (4) examine the intersection of the middle-class crisis with climate change and migration pressures.

9.3. Meaning as A Pivot Stone for Economic Recovery

The restoration of meaning is not a luxury to be addressed after economic recovery; it is a prerequisite for sustainable recovery. Without meaning, economic gains will not translate into stability; without stability, societies cannot build the resilient middle class that is essential for democratic governance and social cohesion. As Senoussi (2026) reminds us: 'When meaning is restored, the middle class ceases to be just a class. and becomes, once again, a strategic lever for shaping the future.' This is the task before us.

The restoration of meaning is not a luxury to be addressed after economic recovery; it is a prerequisite for sustainable recovery. Without meaning, economic gains will not translate into stability; without stability, societies cannot build the resilient middle class that is essential for democratic governance, social cohesion, and economic dynamism.

The middle class does not collapse when its resources decline, but when it loses confidence in what those resources mean and, more dangerously, when it loses confidence in its ability to influence, propose, and shape the future. At that point, "not only does its social position erode, but one of the most important engines of balance and modernization within society is disrupted" (Senoussi, 2026). Therefore, true reform begins not with the redistribution of wealth alone, but with re-empowering the middle class to reclaim its leadership function: to see itself as a "force of proposal," not just a "beneficiary class"; to restore its ability to connect stability with change, the present with the future. This is precisely the transformation that Watenpaugh (2006) [22] and Nasr (2009) [15] identify as central to the historical and contemporary significance of the middle class in the Arab and Islamic worlds.

“When this role is restored, meaning is restored. When meaning is restored, the middle class ceases to be just a class. and becomes, once again, a strategic lever for shaping the future" (Senoussi, 2026). This is the task before policymakers, scholars, and citizens alike.

9.4. Importance of Makin-Inspiration Economy Model

The "Makin-Inspiration Economy Model" shown in Figure (8) represent a three-layered framework, that moves from a deep diagnosis of lived experience and anxiety (Layer 1) to policy design that produces meaning rather than just redistributing wealth (Layer 2), and finally to tracking qualitative indicators like confidence and perceived fairness (Layer 3). The mandate is to institutionalize this shift by creating dedicated units for ‘meaning analysis’ within state decision-making, ensuring that rebuilding the ‘social contract’ addresses the psychological and symbolic dimensions of the crisis, not just the economic ones.

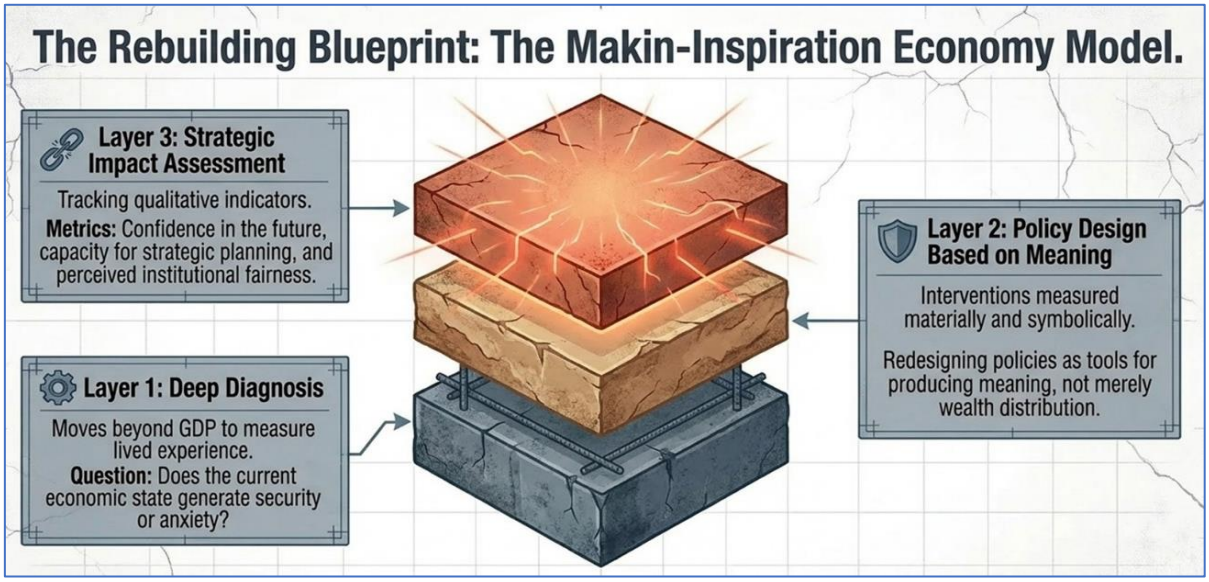


Fig 8: Generated by the author using NotebookLM

References

1. Al Hussein M. Reforms or deforms? The rise and decline of the rentier middle class in the United Arab Emirates. Asian Pac Migr J. 2025;34(1):176-201.
2. Bain & Company. MENA consumer products market to hit $633bn in 2030 led by Egypt, Saudi Arabia and UAE. The National. 2026.
3. Buheji M. Discovering pathways for eliminating NEET and youth future type of poverty. Int J Hum Resour Stud. 2019;9(3):320-340.
4. Buheji M. Youth between labour market and NEET: Critical review on the foresighted challenges. Int J Hum Resour Stud. 2020;10(1):171-175.
5. Buheji M. Meaning of moment of life in a complex world: A post-pandemic study. Int J Manag. 2021;12(9):32-42.
6. Buheji M. Mitigating the risks of inflation on the poor. Int J Manag. 2022;13(9):1-13.
7. Buheji M. Redefining the meaning of hardiness: Gaza Lab. Int J Manag. 2023;14(7):77-95.
8. Buheji M. The meaning of culture in inspiration economy: A longitudinal comprehensive review. Int J Multidiscip Res Growth Eval. 2026;7(1):104-111.
9. Buheji M, Ahmed D. Retaining a concrete middle class in post COVID-19 era. Am J Econ. 2020;10(6):425-432.
10. Economic and Social Commission for Western Asia. The middle class in Arab countries. Beirut: ESCWA; 2023.
11. Haque S. The wasted potential of Kuwait's Gen Z. Kuwait Times. 2025 Nov 23.
12. International Labour Organization. Y-NEET in Jordan. Geneva: International Labour Organization; 2026.
13. International Monetary Fund. Regional economic outlook: Middle East and Central Asia. Washington (DC): International Monetary Fund; 2025 Oct.
14. Kataeb. Cost of living soars in Lebanon, ranking 7th in MENA region. Kataeb. 2025 Nov 25.
15. Nasr SVR. Forces of fortune: The rise of the new Muslim middle class and what it will mean for our world. New York: Free Press; 2009.
16. Ouaissa R. Blocked middle classes as an engine of change in the Arab world? In: Horst J, Jünemann A, Rothe D, editors. Euro-Mediterranean relations after the Arab Spring: Persistence in times of change. London: Routledge; 2016. p. 123-142.
17. Schaer C. Is Egypt the 'new Lebanon'? New Age. 2026 May 9.
18. Senoussi M. Rebuilding the middle class in Morocco: From income restoration to meaning recovery. Labib. 2026 Jul 16. Available from: https://labib.ma/?p=23967
19. Senoussi M, Choubani E, Buheji M. Meaning in an era of transformation and uncertainty: From the crisis of understanding to the engineering of strategic significance. Int J Novel Res Dev. 2026;11(2):418-437.
20. UNESCO. 21st century skills development in the Mediterranean. Paris: UNESCO; 2026.
21. United Nations Economic and Social Commission for Western Asia. Arab region economy projected to grow by 3.7 percent in 2026 (UN report). Beirut: ESCWA; 2026.
22. Watenpaugh KD. Being modern in the Middle East: Revolution, nationalism, colonialism, and the Arab middle class. Princeton (NJ): Princeton University Press; 2006.
23. World Bank. Inflation could wreak havoc on the world's poor. World Bank Blogs. 2022 Mar 22.
24. World Bank. Global economic prospects. Washington (DC): World Bank; 2025 Jun.
25. World Bank. Macro poverty outlook. Washington (DC): World Bank; 2025 Apr.
26. World Bank. MENA macro monitoring update. Washington (DC): World Bank; 2025 Mar.

How to Cite This Article

Senoussi M, Choubani EH, Buheji M. Restoring strategic significance of middle class in Arab world: From ‘economic management’ to ‘meaning engineering’. Int J Sociol Civics Res. 2026;2(4):31-41.

Creative Commons (CC) License

This is an open access journal, and articles are distributed under the terms of the Creative Commons Attribution NonCommercial-ShareAlike 4.0 International (CC BY-NCSA 4.0) License, which allows others to remix, tweak, and build upon the work non-commercially, as long as appropriate credit is given and the new creations are licensed under the identical terms.