

Young People in Arab Countries: Promoting Opportunities and Participation

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Following the momentum and knowledge provided by the *World Development Report 2007: Development and the Next Generation* (WDR 2007, World Bank 2006), the Middle East and North Africa (MENA) Region of the World Bank produced a policy note, “Youth—An Undervalued Asset: Towards a New Agenda in the Middle East and North Africa,” that highlighted the urgency of investing in young people in MENA, in light of its demographic youth bulge and the world’s highest youth unemployment rates. More recently, the MENA Region of the Bank approved a medium-term youth regional program whose main objective is to increase the relevance of the region’s youth issues in policy dialogue and analytic work.

Large youth cohorts represent a potential asset. A substantial youth population can make a significant contribution to the long-run economic growth and performance of a country. The WDR 2007 emphasized this point, identifying a youth bulge as a “window of opportunity.” Not investing in young people, in particular not creating the required jobs for them, will make youth more vulnerable and at risk of being marginalized—creating generations of idle citizens who are subject to negative societal phenomena and will require substantially higher investments to recover.

This paper focuses on two major youth transitions: those to employment and active participation in their societies. It provides evidence on the main trends in young people’s employment and social outcomes in Arab countries of the South Mediterranean (SMED),¹ as well as an overview of current policy responses on youth employment and participation. The emphasis on Arab Mediterranean countries is largely due to the greater availability of comparable data for these countries than for other Arab countries in the MENA region. It is intended to help policy makers in MENA countries develop more accurately targeted youth policies and investment plans at a time when awareness of youth challenges is very high.

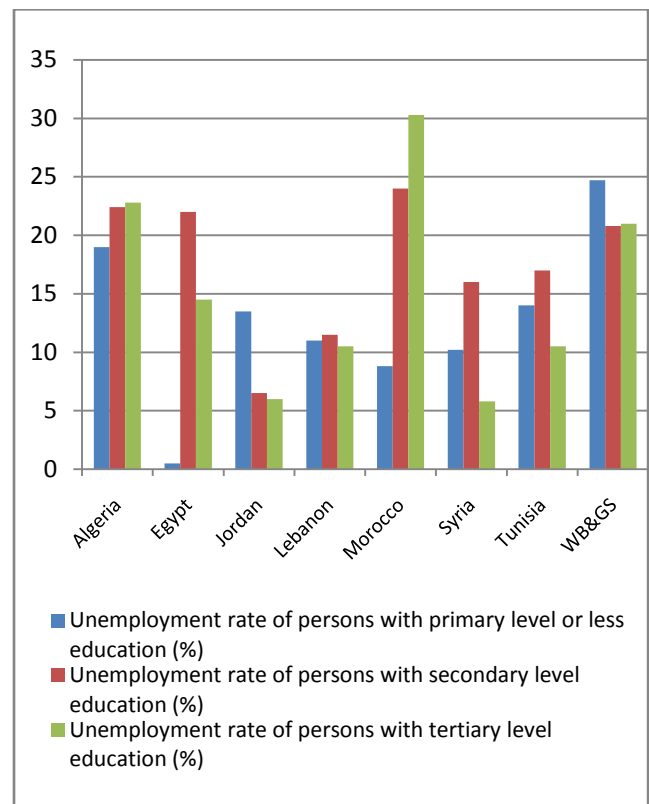
The paper presents a cross-country analysis of youth issues in the region based on comparable data sets, including the KILM and LABORSTA databases of the International Labour Organization (ILO) and available household survey data. However, in order to ensure more accurate and broader cross-country analysis, data on youth transitions in the region needs to become more accessible. In addition, more specific data on these transitions needs to be collected on a regular basis, ideally by national statistical offices.

Youth labor markets in the countries considered here undoubtedly share some features, but significantly differ in their characteristics and dynamics. In spite of the limitations of available data, the analysis is an important exercise that offers policy makers a more refined set of indicators for measuring youth outcomes.

Transition to Work: Measuring Young People’s Challenges

Governments, and, to some extent, research on youth in the region have tended to concentrate on the problems faced by educated young people. The evidence presented in this paper suggests that this focus is too narrow to improve overall youth outcomes. In particular, the analysis suggests that the most serious challenges affecting young people’s transition from education to employment are faced by less educated and poorer youth.

Figure1. Unemployment Rates by Educational Level for the Working-age Population (15–64 years)



Source: Algeria, Morocco, and WB&GS (ILO 2009); Egypt, Jordan, Lebanon, Syria, and Tunisia (ETF 2006). Data are for 2003, except Jordan (2004) and WB&GS (2006).
Note: WB&GS – West Bank and Gaza Strip.

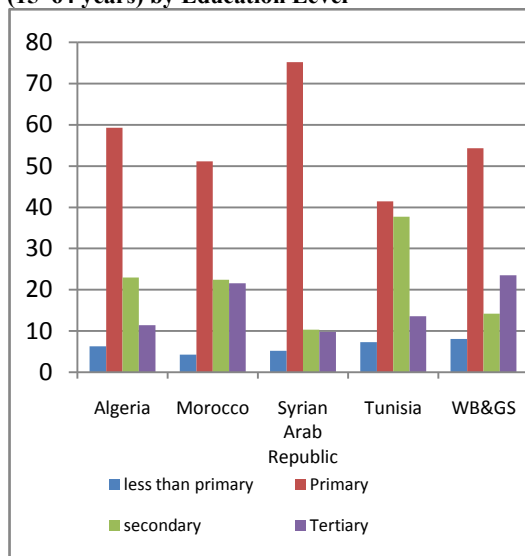
¹ Specifically, the countries covered are Algeria, Egypt, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia, and the West Bank and Gaza Strip.

The MENA region boasts the highest regional youth unemployment rates in the world.

Although there is a substantial degree of variation across countries, youth unemployment rates are high in all cases, **with the rates higher for young women than young men.** In some countries, such as Morocco and Algeria, unemployment rates rise with education level, but the pattern varies sharply across countries (see figure 1). Female labor force participation rates are low across all MENA countries (about one-third that of men), with the widely accepted view that these rates are attributable to “social norms”—particularly the low labor force participation rates of married women (Miles 2002; Assaad and Arntz 2005). Recent studies of Egypt, Morocco, and Lebanon suggest, however, that the dynamics of female labor force participation rates may be quite different by country.

The vast majority of unemployed young people in SMED countries have only primary levels of education. (This finding is especially true when the joblessness, rather than youth unemployment, rate is used to define disadvantaged youth—see below). Figures 1 and 2 illustrate this fact in two ways: figure 1 shows the unemployment rate of the working-age population for various educational levels, and figure 2 shows the distribution of the unemployed by educational level. Although these figures are calculated for the age group between 15 and 64 years for the latest available year, they apply equally to young people because the latter are disproportionately represented in the populations of these countries.

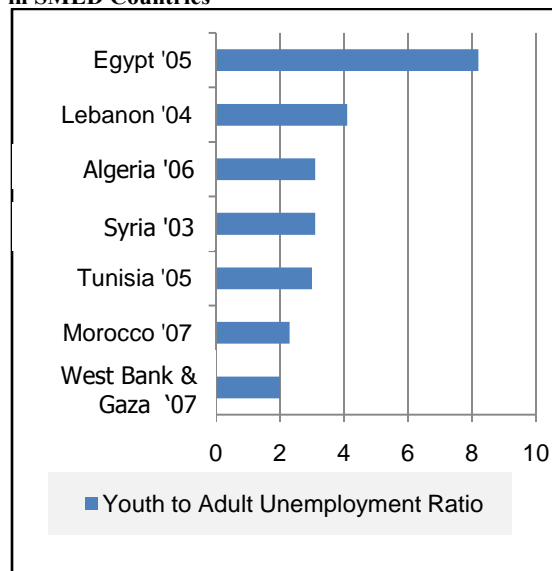
Figure 2. Distribution of Unemployed Adults (15–64 years) by Education Level



Source: ILO (2009). Data are for 2004 (Algeria), 2005 (Morocco and Tunisia), 2002 (Syria), and 2007 (WB&GS). Note: WB&GS – West Bank and Gaza Strip.

The ratio of youth-to-adult unemployment—that is, the relative difficulties of young people, compared to adults, in finding employment—**can also shed greater light on youth disadvantages in the labor market.** Although this rate varies widely from country to country in the SMED region, it is often higher than the world average and very high in several countries. In Egypt, for example, youth unemployment is more than eight times the adult rate (with the caveat of data quality), and in Algeria, Syria, and Tunisia, it is three times the adult rate (see figure 3).

Figure 3. Youth-to-adult Unemployment Rates in SMED Countries



Source: ILO (2009).

Using the youth unemployment rate as an overall indicator of labor market difficulty, however, implies a rather restricted definition. The indicator disregards the incidence of both young discouraged and inactive workers and does not measure the incidence of the “working poor”—that is, young people who cannot afford to be unemployed or, more generally, the underemployed. If one takes a school-to-work transition perspective, an indicator that focuses only on young people who are seeking and not finding work does not capture the true extent of youth labor market challenges. A different indicator is needed to both better understand these challenges and more effectively target interventions to disadvantaged youth.

Among possible indicators that depict a more accurate picture of these problems, the simplest is the joblessness rate used in the *World Development Report 2007*. This rate is defined as

the number of youth who are neither in education nor in employment as a proportion of the relevant age group. The joblessness rate has the advantage of providing a sense of the proportion of young people who are not “productively” or “usefully” occupied. This idea is particularly relevant with respect to how human capital investment promotes growth, as young people who are neither working nor in education represent a missed opportunity.

The youth **joblessness rate**, moreover, **throws light on issues of educational and labor force participation: the starting point and “conclusion” of the transition.** By excluding young people who are pursuing education from the rate, but including all those who are neither in education nor employment, the rate provides an indicator that is unequivocally associated with the worsening of the conditions of young people and their lost potential. As an indicator of labor market problems, moreover, this rate leads to different analytical results, for example, in the identification of disadvantaged groups. Arguably, joblessness identifies precisely the discouraged young people who are most in need of intervention in terms of education, training, and/or active labor market policies in order to prevent them from becoming entirely detached from the labor market.

Looking at youth unemployment rates at face value, one would tend to conclude that difficulties in the school-to-work transition are most marked in urban areas, but the joblessness indicator shows a different picture. In Egypt, for example, the youth joblessness rate is higher overall in rural areas, which explains the widespread phenomenon of rural-urban migration. Whereas joblessness rates for young men in Egypt are similar in urban and rural areas, for young women, the rate is significantly higher in rural areas and much higher than that of young men in both urban and rural areas.

Joblessness and unemployment rates in Jordan also show rather different pictures, with the former tending to fall with the level of education. As shown in table 1, the higher the education level, the higher the unemployment rate, but the higher the joblessness rate, the lower the educational level, particularly for women.

Table 1. Unemployment and Joblessness Rates by Education Level and Gender in Jordan, 2008 (% of workforce)

Unemployment rates by education level (% labor force)	Male	Female
Illiterate	7.7	*
Less than secondary education	11.5	24.4
Secondary education	8.5	20.6
Intermediate tertiary diploma	6.5	22.6
Tertiary education	9.1	26.5
<i>All</i>	<i>10.2</i>	<i>24.6</i>
Joblessness rates by education level (% of population)		
Illiterate	78.4	98.6
Less than secondary education	25.1	75.8
Secondary education	15.3	56.0
Intermediate tertiary diploma	19.3	72.5
Tertiary education	21.2	50.3
<i>All</i>	<i>24.5</i>	<i>71.5</i>

Source: Calculations based on data in the Department of Statistics database of the Hashemite Kingdom of Jordan (accessed March 2010).

Similarly in Syria (see table 2), the data do not confirm the supposedly disadvantaged position of highly educated young people. There, young men face joblessness rates of 26.8 percent and young women, 66.8 percent, according to data from the ILO school-to-work survey (Alissa 2007). For both young men and young women in Syria, there is a fairly clear inverse relationship between the level of education and joblessness.²

Table 2. Unemployment and Joblessness Rates of Young People by Education Level and Gender in Syria, 2005

	Males	Females
Youth joblessness rates		
All	26.8	66.8
No education	44.9	88.1
Primary education	29.9	94.0
Preparatory education	39.4	75.0
Basic education	21.8	73.6
Secondary education	15.3	40.0
Institute/College	21.4	35.1
University	6.9	10.7
Youth unemployment rates		
All	30.2	56.0
No education	22.9	41.7
Primary education	24.1	53.3
Preparatory education	40.0	40.0
Basic education	20.5	50.0
Secondary education	43.3	87.5
Institute/College	36.0	55.0
University	66.7	50.0

Source: Calculations based on microdata provided by the ILO.

² One should observe, however, that the survey sample was very small.

The link between education level and joblessness among youth relates to poverty in the region. Despite gains in educational attainment among the poor, education levels remain dramatically different for poor and non-poor youth across the region. In Egypt, for example, only 23 percent of the poor population have completed basic education and only 12 percent have completed secondary education. Poverty and level of education are strongly and consistently correlated in populations in the region, meaning that programs targeting secondary and higher education will reach few if any poor children in MENA (World Bank 2007).

These barriers to educational access result in high dropout rates and large numbers of out-of-school youth throughout the region. Dropout rates remain significant in some countries, particularly Morocco, where the rate is as high as 11.3 percent in grade 6. By 2007, 9 million youth between the ages of 18 and 27 in Morocco had not completed basic education. Out-of-school youngsters are mostly poor, female, or rural residents; speak non-majority languages; have a disability or serious health and/or sanitation problems; or are caught in zones of violent conflict (World Bank 2007).

Finally, in addition to the joblessness rate, it is important to measure the quality of jobs among young workers. Low quality jobs are much more common among young workers. Table 3 reports, for example, the incidence of informal sector employment among young people in Egypt along with two other indicators of job quality. The table specifically shows that young employees are around 1.7 times as likely to work in the informal sector than are “prime age” adults.

Table 3. Indicators of job quality in Egypt

	Age-Group		Ratio Youth/Adults
	15-24	25-44	
Informal sector employment (% of total employment of age-group)	74.5	42.9	1.7
Temporary employment (% of total employment of age-group)	29.1	14.5	2.0
Incidence of involuntary part-time employment	4.6	3.6	1.5

Source: Egypt Labor Market Panel Survey (2006)

Note: temporary employment here includes all forms of non-permanent employment: temporary, casual and seasonal.

Youth wages are another indicator of job quality. For example, informal employment implies no job contract and tends to be associated with relative low wages for young men vis-a-vis adult men’s wages, but young women’s wages tend to be especially low in relation to those of young men, as illustrated in the data from the Egypt Labor Force Survey (2006).

Activating Youth Employment

Two important constraints are preventing new entrants from finding jobs in SMED countries: insufficient labor demand (perhaps the main factor) and skills mismatches. Investment climate surveys, for example, indicate that the limited availability of appropriate skilled labor is considered a major constraint to growth, on average, for one-third of businesses in MENA countries (Benhassine 2009).

Although not a substitute for structural labor market reform and accelerated economic growth, **Active Labor Market Programs (ALMPs) constitute an important component of labor market policy.** The overarching goal of such programs is to decrease frictional unemployment and increase employability. ALMPs can be useful for strengthening the supply of labor (e.g., through training), increasing the demand for labor (e.g., through public works), and improving labor market intermediation (e.g., through employment services). As such, ALMPs need to be integrated as a building block of an overall youth employment policy.

Severe knowledge gaps exist with regard to ALMPs in the MENA region. In particular, **there is little information about the impact of ALMPs** on labor market outcomes in the region or on their cost-effectiveness. Lack of evaluation of existing programs, moreover, prevents the design of policies that best assist the unemployed, particularly the disadvantaged. For example, evaluations can shed light on which category of young people would most benefit from particular interventions (low- vs. high-skilled, poor vs. high-income, rural vs. urban, youth, women, etc.) and for which reason (equity vs. efficiency considerations). Existing evidence, though not comprehensive, suggests that ALMPs in SMED countries have mainly been concerned with promoting employment for young people with higher-level qualifications (Angel-Urdinola, Semlali, Brodman Forthcoming 2010).

Several countries in the region have introduced major ALMPs for young people. In Egypt, a reform of national employment services and labor market information systems was initiated in 2000, followed in 2001 by the launch of a national Youth Employment Programme. The latter program targeted young people with secondary education and higher. It included subsidized employment, training, and business start-up support, as well as the creation of electronic employment databases and job-matching services. Training was provided in more than 300 occupations considered in demand, based on employer needs assessments. A non-experimental evaluation of the program revealed that after a number of years, however, program take-up remained low. About 27 percent of participants self-reported that they had found a job as a result of the training (Amer 2007).

Tunisia undertook a fundamental restructuring of ALMPs in 2009. These initiatives now consist of six programs, of which four in particular concern the young. The first two are targeted to university graduates: (i) a subsidized internship that can be accessed after a graduate has conducted his or her own job search for six months, and (ii) vocational conversion training for graduates who are first-time job seekers and have been unable to find work for three years. The conversion program is usually a dual apprenticeship tailored to the demands of a specific employer and guarantees that the candidate will be hired. A third program is similar to the conversion program, but is aimed at non-graduates. Finally, the package of programs includes a combination of training, coaching, and incubation support for entrepreneurship and start-ups (World Bank Forthcoming 2010b).

In 2006, Morocco launched a new set of ALMPs aimed mainly at young people with university degrees; these programs were recently extended to include secondary school graduates. These ALMPs cover: (i) subsidies to recruit specific categories of highly educated unemployed youth; (ii) training programs intended to respond to the needs of recruiting companies, as well as retraining and/or professional conversion programs aimed at graduates who have had difficulty entering the labor market, and (iii) microenterprise loans. The programs replace and draw on the experience of previous programs implemented since the end of the 1980s. According to estimates in a recent World Bank analysis, the new initiatives should help create new jobs for approximately 75,000 jobseekers per year, mainly for young people with

higher education. The cost of creating jobs for the three initiatives nears 7,000 DH (US\$ 840) per beneficiary, with an annual budgetary expenditure of approximately US\$ 6 million (World Bank 2010a).

Box 1. NGO Initiatives for Youth Employment in the MENA Region

The World Bank recently conducted an inventory of 60 ongoing nongovernmental employment programs that target young people across the region. Preliminary findings include:

- The number of beneficiaries varies greatly by program. A few reach more than 5,000 young people and several reach a couple of thousand, but most reach only a few hundred beneficiaries.
- Mostly larger private sector firms participate in skills development programs that target youth. Medium and small firms are largely absent, even though they represent a significant share of employment and production in the region.
- Urban residents are the main target group; exceptionally few programs target rural youth and none target school dropouts.
- Programs focus most often on highly educated youth; however, low-income youth are gaining some visibility because of increased donor interest.
- The majority of programs provide technical skills to young people, although the private sector expresses an increased interest in hiring employees with strong life (“soft”) skills (e.g., interpersonal skills and the ability to think creatively and solve problems).
- Few programs provide a comprehensive skills mix (a mix of both technical and life skills) and less than half provide practical experience.

Source: Semlali (forthcoming 2010).

The results of ALMPs, particularly in developing countries (as compared to OECD countries) are still not clear cut. Appropriate evaluation and follow-up of beneficiaries is necessary in order to shed light on the actual impact of these programs. Within the realm of ALMPs for youth, the most comprehensive global analysis of youth programs actually found that ALMPs targeting youth from poor households work better (Betcherman et al. 2007). The *Jovenes* programs in Latin America countries are an example of a comprehensive intervention for disadvantaged youth that have been shown to be rather successful in most countries. In the United Kingdom, the UK *New Deal*, a portfolio of ALMPs in which each program targets a specific jobseeker group, has had a significant impact on insertion rates, particularly of disadvantaged youth (De Georgi 2005).

Youth Participation and Youth Policy Development

The experience of active citizenship at a young age has formative and lasting effects on the extent and kind of political and social participation of a young person throughout his/her life cycle. Additionally, active citizenship affects development outcomes in three ways: by enhancing the human and social capital of individuals, promoting government accountability for basic service delivery, and enhancing the overall climate for investment and private decision making (World Bank 2006). Engaging young people in society as assets for positive societal transformation depends on the availability of mechanisms and resources that young people may use to invest their time and energy (opportunity) and acquire the skills needed to take decisions and action (capability), as well as a set of shared values that give sense to their actions (motivation) (see Pittman et al. 2007).

Analysis of available sources shows almost uniformly that young Arabs have innovative expectations for participation in their societies. The *Arab Youth Issues Annual Report 2007* of the League of Arab States, for example, suggests that the largest majority of youth see political participation as a right of citizenship that they want to exercise. The UNDP *Arab Human Development Report* (2009), however, found that irrespective of income level, governance in MENA countries tends to fare badly in voice and accountability. In Egypt, for example, only 16 percent of all eligible youth through age 24 have ever voted, with a higher rate among men than women.

Young people in SMED countries have few opportunities to build their skills through volunteering or community service, indicating an important area for future investments. For example, a survey of youth in Morocco in 2000 (Government of Morocco 2001) showed that, on average, only 15 percent of youth participated in the activities of any association (including sports associations). A similar survey in Egypt (Population Council 2009) found that only 3.3 percent of young males and 1 percent of young females took part in voluntary activities.

Youth participation is a major pillar of national youth policy. In EU countries, young people and their representative bodies are recognized as stakeholders and equal partners of governments in the implementation of national youth policies. In order to boost active youth participation and make

youth outreach as wide as possible, special attention should be given to the development and support of youth bodies, including various youth organizations, youth parties, student organizations, youth councils, and youth parliaments—both on the local and national level. These organizations are the principal channel for expressing youth opinion and voice on various important issues and are critical in order for young people to learn active citizenship, democratic, and social values.

Among European Union countries, the organization of youth work and youth policy in Finland can be considered best practice for addressing youth needs and reducing their social exclusion. The Finnish Youth Act specifies the objectives and values of youth work and policy. The Act also lays down specific provisions on the duties of local authorities with respect to youth work and policy. In addition, the Act includes provisions on young people's right to participate in matters concerning youth work and policy and to be consulted in matters affecting them. Most importantly, the Act establishes the financing of youth work and policy (Government of Finland n.d.).

Stronger youth inclusion and participation can be achieved by national youth policies that address the needs of young people and cut across sectors (e.g., education, employment, rural development, housing, access to information, mobility), including local-level policies. By using an integrated, multidimensional approach, a national youth policy can achieve comprehensive youth-focused investments that address the multiple dimensions of youth exclusion (i.e., exclusion from the labor market and exclusion from participation in public life).

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