

Mustapha K. Al-Sayyid

Youth Unemployment in the Arab World



Table Of Contents

3	Executive summary
4	Introduction
4	Major trends and causes of youth unemployment in Arab countries
5	Interpretation of the youth unemployment crisis in the Arab world
5	Labor demand
7	Labor supply
7	The mismatch between job demand and skill supply
8	Dysfunctional labor markets
8	Efforts by Arab government to face the youth unemployment challenge
9	Policy recommendations to promote youth employment in the Arab world
13	Conclusions
13	Bibliography

Youth Unemployment in the Arab World

Mustapha K. Al-Sayyid¹

EXECUTIVE SUMMARY

There is no doubt that the youth unemployment crisis in the Arab world is the most serious of all the world's regions in terms of its magnitude, trends, and social and political implications. In fact, Arab governments have made considerable efforts to tackle this challenge, yet it has been aggravated by political instability in several Arab countries that led to significant repercussions on other countries of the region. Both Iraq and Syria have dealt with decisive blows to terrorist organizations, but a situation of civil war still prevails in countries such as Yemen and Libya, and foreign occupation casts a shadow on the economic situation in Palestinian territories. The paper starts by examining major trends of youth unemployment in Arab countries during the last two decades, offers an interpretation of this situation, surveys efforts by Arab governments to deal with this challenge and ends with some policy recommendations drawn from experience of other countries as well as advice offered in reports of concerned international organizations.

¹ Cairo University. The author thanks Yasmina Khaled El Azazy of the American University in Cairo for the invaluable research assistance she offered that enabled me to write this paper.

INTRODUCTION

The question of youth unemployment is highly critical in the Arab world, because of its magnitude and growing trend, the grave consequences for economic and social development as well as its potentially politically destabilizing implications. It is a well-established fact that youth unemployment and the quality of their employment were among the major driving forces of the 2011 revolts whose consequences are still felt in Arab countries seven years later.

The major features of this challenge are:

1. Youth unemployment is the highest in the Arab world, compared to other regions in the world. It now stands at 30% for people aged 15-24 compared to 12% worldwide. It is also increasing at an alarming rate. It was only 27% in 2010 when it was 10% worldwide.
2. The size of the problem in the Arab world is enormous, as those young people constitute 20% of total population, numbering 46 million in 2010; expected to grow further to 58 million by the year 2025.
3. Besides, while education was thought to be a way of enhancing the human capital in Arab countries and thus improving the potential for their development, educated young people find it more difficult to be employed, compared to the uneducated. Unemployment among university graduates in Egypt, for example, reached 33% in 2016.
4. While migration, particularly to Gulf countries, seemed to be a means to alleviate the pressure of demand for employment in petroleum poor Arab countries in the past, Gulf countries as well do suffer from the problem of youth unemployment, though partly for different reasons. The demand for migrant foreign labor diminished, either because of the completion of their large infrastructure projects, which absorbed many of those migrant workers in the past, or because of dwindling export earnings because of lower oil prices in international markets. In fact,

several Gulf countries have already started to limit the demand for foreign workers.

5. Arab governments are fully aware of the serious political consequences of youth unemployment or under-employment. While young, educated, middle class people initially led the Dignity revolts of 2011, they found considerable support among larger numbers of young people who either did not find work at all or did not find jobs that suit their type or level of education.

The question of youth unemployment is also a major concern for EU countries, for two reasons. Firstly, some EU countries such as Spain and Italy already face this problem. Secondly, youth unemployment due to civil conflict or political instability in countries such as Syria and Iraq is among the drivers of irregular migration to Europe.

MAJOR TRENDS AND CAUSES OF YOUTH UNEMPLOYMENT IN ARAB COUNTRIES

Using the 2017 Global Employment Report published by the ILO as a major source, trends of youth unemployment in the Arab world could be summarized as follows:²

1. A declining labor force participation rate is a worldwide trend. Participation of young people in the labor force has declined globally from 55% in 1997 to 45.7% in 2017. However, it was the lowest of all regions in the Arab world where it stood at 30.6% in 2017. The major cause of this decline is the increasing enrollment of young people in schools.³
2. Higher dependency ratio. Although the ILO has adopted a moderate definition for the dependency ratio that takes into account the trend of lower youth labor force participation rate and estimated the dependency ratio globally to be around 74% in 2017, it did not give an estimate of the dependency ratio in the Arab world, which is likely to be higher given the aforesaid observation. The modi-

² ILO. Global Employment Trends. Geneva: ILO.2017.

³ Ibid. p.11-12.

fied definition of the dependency ratio of the ILO would put half the population aged 15-24 and all persons aged 25-64 in the productive sector of the population while all the others would belong to the non-productive sector. The dependency of the latter on the former would then be more than 74% in the Arab world.⁴

3. Narrowing employment gender gap. There has been a global trend of decreasing the employment gender gap in all regions. However, mostly cultural considerations stand against this global trend in the Arab world. Thus, whereas globally the gender gap has decreased in the world to remain at 16.6% higher for young males, in the Arab world - both the Middle East and North Africa - it was wider in 2017, standing at 32.7%. This figure was still lower than in 1997 when it was 37.2%.⁵
4. Youth unemployment trends to rise in the near future. Despite the fact that youth unemployment shrank in developed countries in relative and absolute terms from its highest level in 2007-2008, it is likely to increase in developing countries including the Arab world from 7.7% in 2016 to 8.2% in 2018, with the numbers rising slightly from 53.5 million to 53.8 million, with a total world figure of 71.1 million in the same year. Given the higher percentage of youth unemployment in the Arab world, the rise could be considerably higher therein.⁶
5. Young people continue to be over-represented among the unemployed. Young people in all regions are less likely to find jobs compared to the adult population. Globally, they constitute 40% of the unemployed although they are only 17% of the labor force. The situation is worse in the Arab world as the youth:adult unemployment ratio was 4.5 in 2017, relative to 3 at the global level. The sit-

uation however was worse in South Eastern Asia and the Pacific regions.⁷

6. Of all world regions, youth unemployment is the most serious in the Arab world. According to the ILO 2017 report, the global unemployment rate for young people would remain at 13.1% over the two years of 2017-2018. In the Arab world, it would rise to 29.7%. Some positive developments in a few Arab countries would be offset by slower growth in oil prices in producing countries and continued armed conflicts in other countries of the region.⁸

INTERPRETATION OF THE YOUTH UNEMPLOYMENT CRISIS IN THE ARAB WORLD

Any strategy aiming at generating more decent jobs for the unemployed or the under-employed in Arab countries, including young people, should obviously be based on a correct analysis of the wide gap between the demand for jobs and the supply of such jobs generated by Arab economies. The situation varies from one group of countries to another, despite some common features amongst them. It is agreed, however, that the crisis is due to three broad factors, namely supply-side difficulties, problems with the demand for jobs and lastly, deficiencies in labor market policies.⁹

a. Labor demand

A major cause of the unemployment crisis in the Arab world is that Arab economies generate neither a sufficient volume of work opportunities that could approximate the volume of demand for jobs, nor the quality of decent work that could meet the aspirations of educated young people. The number of jobs created by an economy depends on its rate of growth, and the labor intensity of this growth, which are

4 Ibid, p.13.

5 Ibid. Table 2.1., p. 14.

6 Ibid. p. 15.

7 Ibid. p. 16.

8 Ibid. p. 18.

9 Assaad, Ragui. Nadhrah ála souq el-ámal fi Misr- A Look at the Labor Market in Egypt". Lecture at the Shera'Association, Cairo, April 1, 2018. In Arabic.

determined, partly at least, by the volume of domestic investments and the flow of foreign investments. The situation varies definitely from one group of countries to another, although the overall ratio of investment to GDP which stood at 23% in 2016 was slightly lower (by 2%) than the average in emerging developing countries.¹⁰ Arab Gulf countries were capable in general of mobilizing a higher ratio of their GDP to push economic growth.¹¹ Other Arab countries have faced difficulties to marshal a sufficient amount of resources for development and tried to attract foreign capital.¹² Flows of foreign direct investments to Arab countries are relatively lower than those to emerging developing countries and more than half go usually to Arab Gulf countries and are concentrated mostly in extractive industries. Flows of foreign investments to Arab countries in general stagnated following the world financial crisis in 2008 and the post-Arab Spring period.¹³ A third group of Arab countries thus continued to face serious security situations ranging from civil war, the presence of armed terrorist groups that limit the government's control over its territory as well as foreign military intervention by regional and international powers, or all these together. This is particularly the case in Syria, Yemen, Libya and Iraq. Under such situations, a large part of government expenditure is allocated to enhancing security and defense capabilities. The political instability that is necessarily associated with such domestic and regional tensions does not encourage either the private sector or foreign firms to increase their investment. Moreover, this situation also results in lower domestic economic output, contributing to the army of unemployed people already in the country, and the prevailing insecurity would push hundreds of thousands or even millions of people to internal displacement or migration to

neighboring or foreign countries. This situation is particularly acute in countries such as Syria, Yemen, Libya, Iraq as well as Sudan, Somalia and Palestinian Territories.

Other countries with less serious security threats such as Arab Gulf countries, Jordan, Lebanon, Egypt, Tunisia and Morocco, have all experienced lower rates of growth in the last decade, complicated for some by lower oil prices in international markets, fiscal stabilization, macro-economic policies or by political instability in the wake of Arab Dignity revolts of 2011.¹⁴

In fact, according to a World Bank report, economic growth in the Middle East and North Africa Region has been quite slow during the last decade, falling even 1.5% below the average for the period 1991-2008. It went down from 3.2% in 2015 to 2.7% in 2017. All countries of the region, with the exception of Djibouti and Oman, had a lower than 5% rate of growth during the period 2014-2016. Again, with the exception of these two countries and Egypt, none would likely reach a growth rate of 5% during the next two years. Growth in oil-exporting countries was even lower than that of oil-importing countries in the region.¹⁵

Not only has the rate of economic growth in the region been slow over the last decade but its impact on job creation has also been quite modest. The overall rate of unemployment has been almost stagnant, and unemployment among young people has increased. The region was expected to add 100 million jobs during the first two decades of the twenty-first century. The size of employment in the region has not grown rapidly enough to absorb the new entrants to the labor force or to provide decent work conditions for those who found employment in the informal sector.¹⁶

Besides the relatively limited supply of new

10 Ibid.

11 International Monetary Fund. Investment and Growth in the Arab World. A Scoping Note. Prepared by the Staff of the International Monetary Fund. Annual Meeting of Arab Finance Ministers. April 2016. Manama Bahrain. p. 6.

12 Ibid. p.6.

13 Ibid. pp. 7-8.

14 World Bank. Global Economic Prospects. Weak Investment in Uncertain Times. Middle east and North Africa. World Bank. Group. January 2017. pp. 142-158.

15 World Bank. Global Economic Prospects. Weak Investment in Uncertain Times. January 2017. pp. 141-158.

16 ILO. World Employment and Social Outlook. 2017 Trends. Geneva. 2018. pp.22-24.

jobs in Arab economies, a good part of these jobs are usually in the services sector, particularly the government and the organized sector of the economy. The vast majority of new jobs are to be found in the informal sector.¹⁷ While the presence of these work opportunities in the informal sector eases the unemployment burden for young people, they end up carrying out jobs that do not provide them with decent conditions in terms of job security, social protection, wages or income that enable them to satisfy their basic needs. In this way, they expand the size of the army of the working poor. ILO estimated that the number of informal sector workers living under conditions of extreme poverty (less than \$1.9 a day) in any Gulf Cooperation Council (GCC) in 2016 was 7% of the total workforce whereas 27% of the entire workforce were living in conditions of moderate poverty (\$1.9 -3.9 a day).¹⁸

b. Labor supply

A second cause of the acute youth unemployment situation in Arab countries is the large number of new entrants to the labor market every year, which reflects the phase of demographic transition in Arab countries. The situation varies from one group of countries to another, but it is generally assumed that Arab countries are facing the so-called youth bulge, with the number of young people at working age reaching its maximum as a share of total population. This youth bulge could turn into a demographic dividend if well used, but it could become a major challenge for the countries concerned if they fail to provide those young people with adequate jobs in both numbers and quality. Obviously, the latter is the case in the Arab world.

In fact, commenting on the rapid increase of the region's population since the 1950s, Musa McKee et al have concluded that the region has

experienced an exceptional youth bulge. As a result of declining fertility, the youth bulge peaked in North Africa in the 1970s and in the Middle East in the 1990s. They added that the size of youth in the overall population would remain high for the foreseeable future.¹⁹ The Arab Human Development Report of 2016 stated that in 2015, almost half of the region's population was under the age of twenty-four and that more than 60 percent were under the age of thirty. The Report described the current Arab youth population as "the largest, best-educated and the most highly urbanized in the history of the Arab region."²⁰

Obviously, the high share of youth among the unemployed in the Arab world demonstrates that Arab countries have failed in turning the youth bulge into a blessing. This failure is perhaps one of the major causes of the situation of instability and conflict that the region has witnessed since 2011.

c. The mismatch between job demand and skill supply

Another major cause of youth unemployment in Arab countries is the shortage of required skills among the new entrants to the labor force. According to the Arab Human Development Report of 2016, Arab countries have made impressive progress in providing primary education to their children. In fact, their record on this indicator is slightly higher than that of all developing countries. The rate of enrollment in tertiary education however has stagnated at 23.7%, far lower than in other developing regions particularly in East Asia and Latin America. More importantly, the quality of education leaves much to be desired. International tests of student performance in certain subjects, such as mathematics and science, show Arab students lag-

17 UNDP. Arab Human Development Report 2016. Youth and the Prospects for Human Development in a Changing Reality. UNDP. New York .2016. p. 32.

18 Ibid. p. 27.

19 Musa McKee et al. 'Demographic and material factors in the MENA Region:' in the Middle East and North Africa Regional architecture: Mapping geopolitical Shifts, Regional Order and Domestic Transformations. Working Papers No.3, October 2017. p. 9.

20 UNDP. Arab Human Development Report 2016. New York. 2016.

ging behind their peers in other regions of the developing world.²¹ Government and the private sector's efforts to enhance skills among young people do not compensate for the relatively low quality of education. More than one-third of employers mentioned the shortage of skills as one of the difficulties they encountered in expanding their businesses.²² Adding to this is inequality in access to education in general and particularly to good quality education or those types of education whose graduates are in high demand in the labor market, such as engineering and medicine. Access to education in general and to good quality education in particular is determined by factors such as level of income, gender and geographic distance.²³

d. Dysfunctional labor markets

A third set of considerations, which explains the crisis of youth unemployment in Arab countries is that the labor market is far from conforming to the principle of equality of opportunity. Political and social considerations operate in such a way so as to make access to jobs, whether in the government or in the the organized public-sector subject to family connections or class background.²⁴ Even when such factors are not in play, gender discrimination is the rule. For this reason, unemployment rates are much higher among females than they are among young males, as was mentioned earlier.²⁵

EFFORTS BY ARAB GOVERNMENT TO FACE THE YOUTH UNEMPLOYMENT CHALLENGE

Being aware of the gravity of the youth unemployment challenge, several Arab countries have embarked on active labor market programs aimed at helping generate more jobs for young

people. A study by the Arab Planning Institute has classified these policies into three types:

1. Interventions which impact the supply side of the labor market, education and training programs catering for young unemployed and displaced workers.
2. Interventions seeking to impact the demand side, e.g. creating employment opportunities through supporting employers; increasing opportunities for self-employment and small businesses and using job nationalization, wage subsidies, business incentives, micro-credit, public works and service programs.
3. Interventions intending to improve the functioning and monitoring of the labor market, e.g., increasing job market information and employment databases, providing job search assistance, supporting professional guidance, employment offices, and enhancing coordination between the various employment promotion schemes.²⁶

The report observed that some countries have adopted comprehensive programs combining all these interventions. This was particularly the case of the Social Development Fund of Egypt and the Employment Fund of Jordan as well as the Social Development Fund in Yemen (before the outbreak of the civil war). Other countries have emphasized specific interventions such as developing business and entrepreneurship initiatives in Jordan, Kuwait and the United Arab Emirates and policies to improve labor market information and strengthening the role of placement offices. The latter was particularly the case in Tunisia.²⁷

The adoption of these programs did not help much in stemming the growth of youth unemployment. The 2016 Arab Human Development

21 Ibid. p. 31.

22 For details, UNDP. Arab Human Development Report 2016. New York. Chapters 1 & 3, p. 31, 74-76.

23 Ibid. pp. 32-33, 77-78.

24 Ibid. p. 80.

25 Ibid. p. 80.

26 Riadh Ben Jelili. The Arab Region's Unemployment Problem revisited. The Arab Planning Institute. API/WPS 1015. pp. 31-36.

27 Ibid. p. 36.

report attributed the modest success of these programs to the failure of what it called the Arab Development Model and suggested the search for an alternative model.²⁸

POLICY RECOMMENDATIONS TO PROMOTE YOUTH EMPLOYMENT IN THE ARAB WORLD

An alternative policy framework to promote youth employment in the Arab world must be informed by a realistic reading of the situation that contributed to the aggravation of this challenge, which is the worst of all world regions. It is true that high levels of youth unemployment are pervasive in all the world's regions. However, some features of the past policies and the present situation in the Arab world have impacted the magnitude of this challenge. There is no doubt that the threats to domestic and regional security in a number of Arab countries cast their shadow not only on youth employment but also on the physical survival of many of them in some cases.

The first requirement in an alternative policy framework dealing effectively with youth unemployment in the Arab world is restoring peace and security in all countries of the region, particularly the ones that are currently the theater of civil wars, foreign military occupation, foreign intervention or massive terrorist threats. Restoring the territorial integrity of Syria under a regime enjoying the support of the vast majority of the Syrian people, ending civil war in Yemen, achieving reconciliation between rival Libyan factions and enabling the Palestinian people to exercise their right to self-determination are necessary preconditions to restoring the normal working of their economies, including providing employment to young people. In fact, a global regional settlement that would restore peace and security to all peoples of the Arab world would save countries valuable resources that are currently used by governments and their opponents in enhancing security and military capabilities in what seem to be endless

conflicts. The European Union has an important role to play in this regard, as it is not seen as a party to any of these conflicts, with the exception of the situation in Syria where some major European governments are involved in military actions within an international alliance led by the US.

The Arab Human Development Report of 2016 observed dissatisfaction of a good number of young Arabs with the present system in their countries. Arab youth revolted against authoritarian regimes in 2011. They called for an alternative system that would ensure for all citizens bread, freedom, social justice and human dignity. These aspirations are rarely fulfilled in the Arab world at present. The alternative development model would not only enhance educational and skill levels of Arab youth, but more importantly would enable them to express their views and fulfill their potential. Restrictions on activities of civil society associations and political freedoms are major obstacles against the attainment of youth aspirations.²⁹ The “quiet diplomacy” of the EU could be useful in getting some Arab governments to move along this path.

Policy reforms specifically related to youth should cover seven areas:

1. Pro-youth macro-economic policies
2. Enhancing education and skills of Arab Youth
3. Labor market policies to improve youth employment
4. Scaling up partnerships to improve youth employment
5. Promoting entrepreneurship and self-employment
6. Protecting rights of males and females at work
7. Establish links among all these policies

These areas will be discussed below in some detail.

1. Pro-youth macroeconomic policies

There is no doubt that economic growth is usually assumed to be accompanied by expansion in employment. A higher rate of economic

28 UNDP. Arab Human Development Report. Op.cit. p. 177-188.

29 AHDR. 2016. op. cit. pp. 29-31.

growth would normally contribute to a higher volume of new job creation. Economic growth has been sluggish in most Arab countries during the last decade. A larger volume of investment is therefore required in order to push economic growth. This task should not be a problem for Arab petroleum-exporting countries as oil prices are beginning to pick up in international markets. This could be a major challenge for non-Oil exporting Arab countries that would seek external financing of their development by attracting foreign capital, seeking loans from international financial institutions, or obtaining foreign economic assistance.

For all these countries, fiscal and monetary policies should facilitate economic growth and employment creation through favorable interest rates, and perhaps subsidies for enterprises that employ larger numbers of young people.

These *macro-economic policies should be accompanied by policies aiming at structural diversification*. Although there is definitely potential for increasing employment in the agricultural sector, through the establishment of modern farms for export crops, non-farm rural activities could generate more employment through the encouragement of agro-industries. There could be also opportunities for the creation of more jobs in the financial and health services, manufacturing, transport and storage, information and communication and in trade, hotels and restaurants through the adoption of appropriate policies.³⁰

Arab governments should abandon the illusion that it would suffice to rely on market forces to generate the jobs that would cater for young people. They should adopt specific policies targeting young people. It is generally assumed that small and medium enterprises create more jobs than larger enterprises. Jeffrey M. Avina and Peter Russell had argued that *information and communication technology hold the key for creating jobs for young Arabs*. These sectors should be prioritized by Arab governments in the design of their policies to face up to the challenge of youth unemployment.³¹

2. Enhancing education and skills of Arab youth

Illiteracy levels are still relatively high in some Arab countries and despite considerable improvement in school enrollment, the quality of education - particularly in science and math - leave much to be desired in most of them. Therefore, providing good education to all citizens, besides being a fulfillment of a fundamental human right, is also a necessary requirement to improve competitiveness of national economies in a globalized world.

The educational system should provide young people with the necessary skills to cope with the requirements of fast-changing technologies. Inculcating the capacity to read and understand the technical specifications of machines and products as well as the use of information technologies are a must for a productive workforce, and important qualities for citizens' adaptation to a changing economy. Arab countries could very well learn from successful experiences in this respect in South Korea and Brazil.

The learning of such skills should be mainstreamed from the primary schools and should proceed further in secondary and post-secondary schools with continuous updating of the curriculum to cope with technological developments. Educational institutions should be also equipped to follow and foresee technological developments in advanced countries and to change the curricula accordingly.

Employers and employees alike should realize that no one-off training can resolve the matter. Some skills will become obsolete over time with the introduction of new technologies or organization of work. Retraining therefore becomes a necessity. In fact, training should be seen as life-long activity.

There is no doubt that the responsibility for training should not be confined exclusively to the government or specific training centers. *Entrepreneurs should assume a considerable part of this responsibility, not as a national duty but more*

30 ILO. Global Employment Trends for youth. 2017. ILO. Geneva. 2017. pp.77-78.

31 Jeffrey M. Avina and Peter Russell. "IT Solution for Arab Youth". MEI Policy Focus 2016-5. Policy Focus Series. Middle East Institute. Washington.

importantly because it is necessary for the survival of their enterprises in a competitive environment. The onsite training would not only reduce the cost of training to the country but also would improve the effectiveness and relevance of training as it becomes closely integrated in the process of improved productivity of the enterprise.

3. Labor market policies to improve youth employment

It is also important for Arab countries to inform young people of the presence and usefulness of labor market services that could enable them to search for jobs. In rural and poor communities, people might rely more on relatives and acquaintances in their search for jobs. *Information campaigns to disseminate knowledge of the presence of these services could help in establishing contacts between job seekers and potential employers.* For educated young people, the use of information technologies could be an effective way of reaching this goal.

Employment services should also make a good effort in surveying employment possibilities in the areas they serve and adapting their procedures to become user-friendly. It would be also useful to tailor their services to the needs of job seekers according to their level of education and skills. In this respect, they might help job seekers in learning how to apply for certain jobs that might require filling in a C.V. They should try also to reach disadvantaged groups such as unskilled workers and women or people of under-privileged ethnic groups.

*Arab governments might also learn from the good practices in developing countries with a variety of labor force structures such as India and the United Arab Emirates.*³²

4. Scaling up partnership to improve youth employment

There is no doubt that facing up to the challenge of youth unemployment is a task that necessitates cooperation and active involvement of all stakeholders. The government alone would not be able to shoulder this task, partic-

ularly at a time when the private sector is called upon to assume a larger role in pushing the growth of Arab economies. The stakeholders in this respect include private-sector enterprises and business associations including those of medium and small enterprises, civil society organizations, trade unions, vocational training and educational institutions.

Different institutional frameworks could be envisaged as a way of bringing these parties together. One simple approach to attain this goal could be *convening roundtables at local, regional and national levels to discuss dimensions of youth unemployment, responsibilities of each party and how they could cooperate together.* Another method could be inviting non-governmental parties to join in consultative committees to advise labor ministries on how to tackle together this challenge. Finally, *a national body concerned with youth unemployment could be set up with membership of all these stakeholders and with a responsibility to draw up national policies, monitor their implementation and assign specific functions* to be performed by each stakeholder.³³

5. Promoting entrepreneurship, self-employment and new forms of youth employment

Arab governments should not rely exclusively on wage labor as their approach to alleviate youth unemployment challenge. *Promoting entrepreneurship and self-employment among young people could offer additional opportunities for integrating young people gainfully in the labor market.* However, this would require providing effective training in entrepreneurship for young people as well as facilitating their access to credit and financing. However, it should be clear that *this kind of work opportunity is very different from the kind of informal activities that young people find themselves obliged to undertake in the absence of other alternatives.* In fact, the use of information technologies would facilitate training as well as the use of such technologies in startup projects by young people. *Governments should also endeavor to ease access to such training and help*

32 Ibid. pp. 79-82.

33 Ibid. pp. 82-84.

in providing credit and other types of assistance to underprivileged groups particularly women.

Other forms of youth work include community enterprises, social ownership, worker ownership, family work and platform cooperatives, which enable young people to pool resources, share risks and benefit from collective arrangements in order to gain access to credit, finance and markets. These platforms organize emerging technologies through online applications that support production, collectively owned and democratically controlled web-based marketplaces and other activities that support this economic model.³⁴

Some best practices in this regard are carried out in Kenya and the UK. According to the ILO report, a digital skills training program was launched in Kenya aiming at enabling one million young people to obtain freelance online work within a year. Similarly, the UK government offers loans and other types of support services to young tech entrepreneurs through a program called Innovate UK Tech City and other initiatives.³⁵ Arab countries could also benefit from similar programs, which are proposed by the ILO.

The ILO offers programs that help young men and women to engage in green economy activities that provide them with work opportunities and help them to promote change and mitigate effects of climate change in their communities.³⁶

6. Protecting rights at work for males and females

It is definitely important to *provide social protection for all workers and employees, young or old, males or females.* Young people in particular, may find no other employment except what they create for themselves in the informal economy or the new forms of employment that rely on information technology such as crowd work and platform cooperatives. Whether in the infor-

mal sector or in these new forms of work, they could find very little social protection. While these types of employment offer young people an income they cannot get anywhere else, it is still necessary to try to find ways to provide them with social protection and guarantee for them their workers' rights.

One way to do this is to *ease the transition of those young people to formal employment; by acknowledging the experience they acquired doing informal work or giving them access to the kind of training that would qualify them to engage in decent formal jobs.* Some countries in Latin America, particularly Brazil and Chile, have instituted practices which could be useful for Arab countries.³⁷

Some regulations would be required to provide social protection to young people involved in non-standard forms of employment i.e. self-employment, working with a single employer or several internet employers. These non-standard forms of work are flexible, carried out at home, with no limit on working hours and are mostly short term or of a temporary nature. Establishing a website to inform young people of their rights and ways of redressing violations could be one necessary first step. In addition to some government regulations for this kind of employment, engagement of all social partners, i.e. government, business associations and trade unions is required to find ways of providing social protection to young people. Cooperation in this respect could extend also to the international level with companies using this kind of work or with foreign and international trade union federations.³⁸

7. Establishing links among all these policies

None of the abovementioned policies alone would be sufficient to reduce the rate of youth unemployment in Arab countries. They should be *integrated in national strategies to deal with*

34 Gorenflo . N. "How platform coops can beat death stars like Uber to create a real sharing economy" in Shareable 3, November 2015 quoted in ILO, *ibid.* p. 85.

35 *Ibid.* p. 85.

36 ILO. *Ibid.* pp. 84-85.

37 *Ibid.* p.86.

38 *Ibid.* pp. 86-88.

the challenge of youth unemployment. A specific institution at national level should be established in order to advise stakeholders on how best to implement this strategy. This institution could be one that brings all stakeholders together. One of its most important tasks would be to see to it that all the relevant policies are well integrated and support each other. Macro-economic policies should provide incentives for improved education and acquisition of skills by young people. *The inculcation of entrepreneurial skills and capacities for self-employment should be linked to labor market policies that promote small and medium size enterprises.* Stakeholders convened within this national body should reflect on ways to provide social protection for young people involved in the new forms of work.

CONCLUSION

The question of youth unemployment is at the top of the agenda of several Arab governments that are enjoying at present a degree of political stability that enables them not to be exclusively concerned with issues of domestic violence or foreign intervention. However, their efforts have not been adequate. Among the major causes of their limited success in this regard is insufficient mobilization of domestic and foreign investments to tackle this challenge. Marshaling increased volumes of investment to push economic growth is insufficient as the youth unemployment challenge in Arab countries is also due to other factors related to the type of economic model adopted by these countries, as well as the quality of the labor force and management of the labor market. Based on this analysis and learning from the experience of other countries, the paper recommends formulating pro-youth macro-economic policies, enhancing the education and skills of Arab youth, pursuit of labor market policies to improve youth employment, promoting entrepreneurship and self-employment, protecting rights at work for males and females and finally establishing the right links among all these policies.

BIBLIOGRAPHY

- Arab Human Development Report 2016, *Enabling Youth to Shape Their Own Future Key to Progress on Development and Stability in Arab Region* (United Nations Development Programme Regional Bureau for Arab States, 2016)
- Burson-Marsteller, 'The Middle East a Region Divided' (2017) <<http://www.mena-forum.com/27738-2/#.Wwwype6FPIU>>
- Dorothea Schmidt and Dahlia Hassanien 'In Need of a Future: Causes and Consequences of High Youth Unemployment - the Case of North Africa' <www.humanityinaction.org/files/100-YouthinNorthAfrica.pdf>.
- Gregory Aftandilian, 'Youth Unemployment Remains the Main Challenge in the Gulf States.' *ACW* (2017) <arabcenterdc.org/policy_analyses/youth-unemployment-gulf-states>.
- Imed Drine, 'Youth Unemployment in the Arab World' *UNU-WIDER* (2016) <www.wider.unu.edu/publication/youth-unemployment-arab-world>.
- Injaz Al-Arab, *Opportunities for Arab Youth Employment in the Hospitality, Technology and Media Industries in the MENA Region* (2017).
- International Labour Organization, *Global Employment Trends for Youth 2015* (Oct. 2015).
- International Labour Organization, *Global Employment Trends for Youth 2017* (Nov. 2017).
- International Monetary Fund, *Investment and Growth in the Arab World* (April 2016).
- Jeffrey Avina and Peter Russel, 'IT Solution to Arab Youth Unemployment' *Middle East Institute* (2016) <file:///C:/Users/ADMIN/Downloads/AvinaRussell_ITArabyouthemployment.pdf>.
- Mckee, Musa, et al, 'Demographic and Economic Material Factors in the MENA Region' *Menara Project* (2017) <www.menaraproject.eu/portfolio-items/demographic-and-economic-material-factors-in-the-mena-region/>.
- Ragui Assaad and Caroline Kraff, 'Labor Market Dynamics and Youth Unemployment in the Middle East and North Africa: Evidence from Egypt, Jordan and Tunisia' (2016) <erf.org.eg/publications/labor>.

market-dynamics-and-youth-unemployment-in-the-middle-east-and-north-africa-evidence-from-egypt-jordan-and-tunisia>.

Riadh Jelili, 'The Arab Region's Unemployment Problem Revisited' *EconPapers* (2010) <econpapers.repec.org/RePEc:api:apiwps:1015>.

Ron Bruder, 'Discord or Dynamism? Getting the Arab World's Youth Employment Question Right' *The Huffington Post* (Mar. 2015) <www.huffingtonpost.com/ron-bruder/discord-or-dynamism-getti_b_6517300.html>.

Ron Bruder, 'How to Tackle Youth Unemployment in the Arab World' (*World Economic Forum*, Jan. 2015) <www.weforum.org/agenda/2015/01/how-to-tackle-youth-unemployment-in-the-arab-world/>.

Suparna D'Cunha, 'Plagued By A 30% Unemployment Rate, Arabian Youth Turn to Startups for a Lifeline' *Forbes* (11 May 2017) <www.forbes.com/sites/suparnadutt/2017/05/11/can-startups-drive-new-job-growth-in-the-mena-region-where-youth-unemployment-rate-is-30/>.

The Arab League Secondary Issue, *The Question of Youth Unemployment in Arab World*, (UNAS Model United Nations Preparatory Conference).

World Bank, *World Economic Prospects: Weak Investment in Uncertain Times*, (Washington, 2017).

YENA Conference 2017, *The Future on Youth and Employment in North Africa* (Sept. 2017) <ilo.org/addisababa/events-and-meetings/WCMS_574491/lang-en/index.html>.



EIUC
European Inter-University
Centre for Human Rights
and Democratisation

Monastery of San Nicolò
Riviera San Nicolò, 26
I-30126 Venice Lido (Italy)

www.eiuc.org

Global Campus of Human Rights

The Global Campus of Human Rights is a unique network of more than one hundred participating universities around the world, seeking to advance human rights and democracy through regional and global cooperation for education and research. This global network is promoted through seven Regional Programmes which are based in Venice for Europe, in Sarajevo/Bologna for South East Europe, in Yerevan for the Caucasus, in Pretoria for Africa, in Bangkok for Asia-Pacific, in Buenos Aires for Latin America and the Caribbean, and in Beirut for the Arab World.

The Global Campus Policy Observatory

The Observatory is a 'virtual hub' which comprehends a team of seven researches from the regional programmes to produce, publish and publicly present seven different policy analyses in form of policy briefs, with the aim of making of each regional programme a solid focal point for policy expert advisory in human rights issues.

This document has been produced with the financial assistance of the European Union and as part of the Global Campus of Human Rights, coordinated by EIUC. The contents of this document are the sole responsibility of the authors and can under no circumstances be regarded as reflecting the position of the European Union or of EIUC



2018

Youth unemployment in the Arab World

by Sayyid, Mustapha K. : Al-

Global Campus

<https://doi.org/20.500.11825/624>

Downloaded from Open Knowledge Repository, Global Campus' institutional repository