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# YOUTH POPULATION AND EMPLOYMENT IN THE MIDDLE EAST AND NORTH AFRICA: OPPORTUNITY OR CHALLENGE?<sup>1</sup>

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<sup>&</sup>lt;sup>1</sup>The opinions expressed in this paper are those of the author and do not necessarily reflect those of the United Nations or its Member States. This paper is reproduced as submitted by the author.

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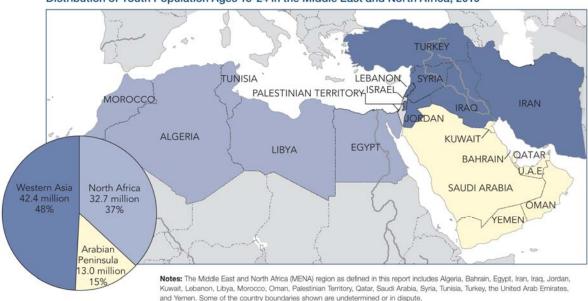
# YOUTH POPULATION AND EMPLOYMENT IN THE MIDDLE EAST AND NORTH AFRICA: OPPORTUNITY OR CHALLENGE?

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#### A. YOUTH POPULATION AND EMPLOYMENT IN THE MIDDLE EAST AND NORTH AFRICA

One in five people living in the Middle East and North Africa (MENA) region is between the ages of 15 and 24, a demographic group called "youth." The current number of youth in the region is unprecedented—nearly 90 million in 2010, according to the UN estimates (see the map below). These young people could become the backbone of strong economies and a vibrant future if they had the right education, skills, and job opportunities. Yet, young people entering the labour force over the past few decades have mostly faced tough job markets. So many have experienced persistent unemployment that today, MENA's unemployment has become a youth phenomenon. In Jordan in 2007, for example, when the country's unemployment rate stood at 13 percent, three-quarters of the unemployed were below age 30. And in Egypt, in 2006, well over 80 percent of the unemployed were below age 30, and 82 percent of the unemployed had never worked before.

The youth unemployment rate for MENA as a whole stood at around 24 percent in 2009. The rate was more than twice the 10 percent unemployment rate for all adults and the highest among world regions, according to the World Bank.<sup>iii</sup> Youth unemployment and economic hardship are directly linked to the political uprisings that began to sweep the region in late 2010. The infamous Mohammed Bouazizi, the young Tunisian fruit vender who burned himself to death in protest in December 2010, triggering the change of government in Tunisia and later in Egypt, symbolized the frustration and humiliation of young people who lack decent jobs and who face widespread corruption on daily basis that limits their ability to improve their lives. With their sheer numbers and increasing frustrations, young people have become the force behind the historical uprisings in the region, demanding change and seeking the affluence and openness enjoyed by their peers in other parts of the world.



Distribution of Youth Population Ages 15-24 in the Middle East and North Africa, 2010

Source: United Nations Population Division, World Population Prospects: The 2010 Revision (New York: United Nations, 2011).

<sup>&</sup>lt;sup>2</sup> The MENA region as defined in this paper includes Algeria, Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestinian Territory (referring to Arab populations living in Gaza and the West Bank), Qatar, Saudi Arabia, Syria, Tunisia, Turkey, the United Arab Emirates, and Yemen.

Despite their commonly shared aspirations for change, youth in MENA countries are diverse in terms of their numbers and characteristics, and therefore face different challenges and opportunities as they transition to adulthood. The most populous country in the region, Egypt, is home to 16 million people ages 15 to 24, and at the other end of the spectrum, Bahrain counts about 190,000 youth in its population. Bahraini youth are by-and-large highly literate and urban, whereas around half of those in Egypt live in rural areas, where the majority of the country's illiterates live. Another major difference is that Bahrain is a labour-receiving country and Egypt is a labour-sending one. The most extreme example of differences in economic conditions facing young people is that of neighbouring states in the Arabian Peninsula: Saudi Arabia's per capita income is ten times that of Yemen—US\$ 24,020 versus US\$ 2,330 in 2009, respectively, according to the World Bank. The unemployment rate in Yemen—a labour-sending country—is many times that of Saudi Arabia, which has been a magnet for foreign workers. Young people's economic and social circumstances vary greatly within each country as well, as national averages mask important differences among different segments of the population.

#### B. DEMOGRAPHIC FORCES BEHIND MENA'S YOUTH BULGE

Although mortality in the MENA region began to decline in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries, the decline in fertility (births per woman) did not occur until the mid-1960s and early to mid-1970s. As a result, the second half of the 20<sup>th</sup> century—particularly the last quarter of the 20<sup>th</sup> century—witnessed explosive population growth throughout the region as births far outnumbered deaths (see figure 1). The region's population growth rate reached a peak of 3 percent per year around 1980. Currently, the population of MENA is growing at nearly 2 percent, still higher than the world average. The world as a whole reached its peak of population growth of 2 percent per year in the mid 1960s and is currently growing at 1.1 percent per year.

The combination of a significant decline in child mortality during the second half of the 20<sup>th</sup> century and the relatively slow onset of fertility decline led first to an increase in the proportion of children under 15, and then to an increase in the proportion of young people ages 15 to 24, as the proportion of children fell after fertility began to decline at a faster pace (see figure 2). The increase in the proportion of 15-to-24-year-olds in the total population, combined with the rapid growth in the overall population, has resulted in rapid growth in the number of young people ages 15 to 24, increasing from 44.6 million in 1980 to 88.1 million in 2010—a doubling in 30 years (see table 1).

Today, with half of its population under age 25, MENA has the second youngest population among world regions, after sub-Saharan Africa. In Iraq, Palestinian Territory, and Yemen, where fertility still remains relatively high, half the population is below age 20 (see figure 3). Yemeni women give births to more than 5 children on average, the highest in the region, and by 2040, one in four people in Yemen is projected to be ages 15 to 24. For most countries in the region, fertility has been the driving force behind the growth and age-composition of the population. But, in the labor-receiving Gulf States such as Bahrain, Kuwait, and Qatar, international migration has played a larger role in shaping their age structure. Over the past few decades, the Gulf States have attracted such large numbers of foreign workers that foreigners have become a majority in some of these countries, pushing up their median age. Nearly 90 percent of the United Arab Emirates' population is foreign nationals.

The youth bulge is more pronounced in countries where the onset of fertility decline occurred later and the decline was sharper. It is most noticeable in Iran, where fertility declined sharply during the 1990s, from 5.6 births per woman in 1985 to 2.0 births per woman in 2000. VIII As a result, the share of population ages 15 to 24 peaked at 25 percent in 2005. As the Iranian baby-boomers born

<sup>&</sup>lt;sup>3</sup> At a 3 percent rate of growth, a population doubles in size in 23 years.

around 1980 have grown older and fertility has remained low, the share of the youth population has begun to decline, to 22 percent in 2010 and an estimated 11 percent in 2040.

Because of rapid fertility decline in a number of countries, the overall growth of MENA's youth population has slowed significantly. In some countries, the size of the youth population is on the decline. Overall, between 2010 and 2040, the number of youth ages 15 to 24 in the region is expected to increase by only 5 percent—as opposed to the nearly 100 percent increase that occurred during the 30 years from 1980 to 2010. The youth population of MENA is expected to reach its peak of [around 94 million in 2030]. The slow growth of MENA's youth population overall in the next few decades masks some important differences between countries. At two ends of the spectrum are the neighbouring countries of Iran and Iraq. The number of youth ages 15 to 24 in Iraq is expected to double in the next 30 years—an increase of 6 million—while the number of 15-to-24 year olds in Iran is expected to decline by more than 6 million (41 percent) during the same period (see table 1).

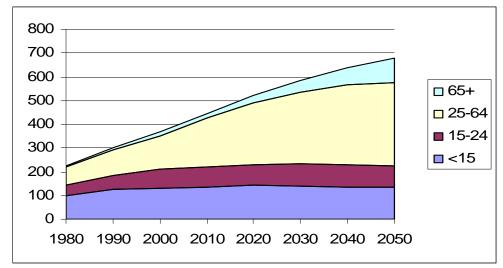


Figure 1. Population Growth in MENA by Age Group, 1980 – 2050 (millions)

Source: United Nations Population Division, World Population Prospects, the 2010 Revision.

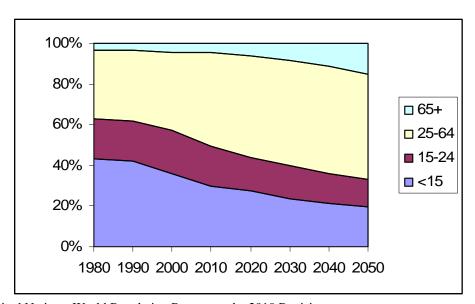
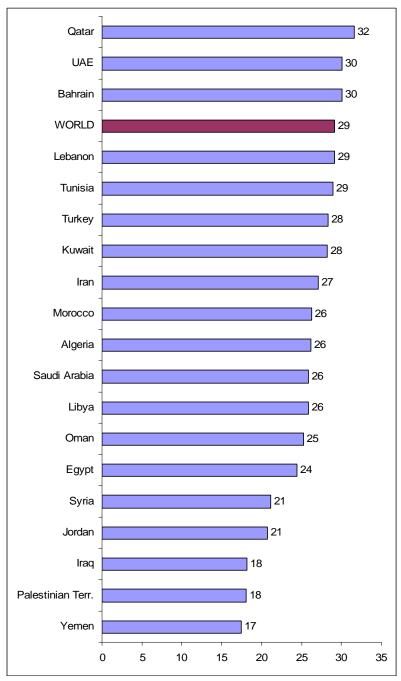


Figure 2. Population Distribution in MENA by Age Group, 1980 – 2050

**Source:** United Nations, World Population Prospects, the 2010 Revision.

Figure 3. Median Age for MENA Countries, 2010



Source: United Nations Population Division, World Population Prospects, the 2010 Revision

TABLE 1. SELECTED DEMOGRAPHIC INDICATORS FOR YOUTH AGES 15 TO 24 IN MENA COUNTRIES

		th Populat (in 1000s)	ion		hange	Youth as Percent of Total Population			Youth as % of Working- age Population
Country	1980	2010	2040	1980- 2010	2010- 2040	1980	2010	2040	2010
Algeria	3,639	7,292	6,108	100	-16	19	21	13	30
Bahrain	79	188	200	138	7	22	15	11	19
Egypt	8,889	16,009	17,624	80	10	20	20	15	31
Iran	7,648	16,253	9,559	113	-41	20	22	11	31
Iraq	2,495	6,205	12,817	149	107	18	20	19	37
Jordan	448	1,332	1,463	197	10	20	22	16	37
Kuwait	246	423	552	72	30	18	16	12	22
Lebanon	569	759	580	33	-24	20	18	12	26
Libya	558	1,124	1,170	102	4	18	18	14	27
Morocco	4,041	6,268	5,423	55	-13	21	20	14	30
Oman	208	611	448	194	-27	18	22	12	31
Palestinian Terr.	289	858	1,544	197	80	19	21	19	39
Qatar	45	256	264	474	3	20	15	11	17
Saudi Arabia	1,743	4,947	6,032	184	22	18	18	14	27
Syria	1,748	4,166	4,747	138	14	20	20	15	35
Tunisia	1,362	1,994	1,602	46	-20	21	19	13	27
Turkey	8,919	12,883	11,559	44	-10	20	18	13	26
UAE	185	1,211	1,052	555	-13	18	16	9	20
Yemen	1,524	5,327	9,955	250	87	19	22	19	42
Total MENA	44,632	88,106	92,698	97	5	20	20	15	30

Source: United Nations Population Division, World Population Prospects, the 2010 Revision.

#### B. THE YOUTH BULGE: DEMOGRAPHIC OPPORTUNITY OR CHALLENGE?

The youth bulge experienced in the MENA region poses opportunities as well as challenges for development. A demographic opportunity can be reaped when youth reach their prime working ages. When the ratio of the nonworking age group (under age 15 and 65 to 64) relative to the working age group (ages 15 to 64)—referred to as the "age-dependency ratio"—shrinks, greater productivity and higher income are possible. This so-called "demographic bonus" occurs 15 to 25 years after the onset of fertility decline. Eventually, the population grows older and dependency rises again as a greater proportion of the population reaches retirement age (see figure 2). In Iran, the dependency ratio declined by more than half over the past three decades, from 86 percent in 1980 to about 40 percent in 2010, and it is expected to stay at around that level for the next 30 years before starting to rise again.

But the economic benefits of a "demographic window of opportunity"—the 30- to 40-year period with a relatively high proportion of working-age people—are not automatic. It all depends on how well young people are educated and prepared for the global job markets that demand modern skills, and how well governments invest in improving educational systems and creating quality jobs for new entrants. The brain-drain is a major issue for most countries in the region as young, educated workers go abroad in pursuit of a career because of limited opportunities in their home countries. While for young Iranians the move has typically been permanent, costing the country billions of dollars in lost human capital, for Egyptians working abroad it has typically been a temporary move and the country has been benefiting from remittances coming in. In the Population Council's 2009 survey conducted among youth in Egypt, 30 percent of males ages 15 to 29 said they were looking to

migrate, mostly to an oil-rich Gulf state and largely because they did not expect to find work at home. ix

Demographic pressures are certainly in play, forcing young people to look for jobs abroad. Today, youth ages 15 to 24 constitute nearly **one-third** of the working-age population in MENA—more than 40 percent in Yemen (see table 1). The economies of MENA countries would be booming if a high percentage of youth—both males and females—had the opportunity to move into gainful employment. But a significant portion of young people face high rates of unemployment and low wages. There is ample evidence in scientific research and the media of young people's hardship in finding a job; too often, they settle for low-paying, unsatisfactory jobs. This is particularly the case for those who invested in their education with the hope of landing a well-paid job. Recently, the Egyptian media reported that thousands of policemen gathered to protest in Cairo in front of the Interior Ministry. The policemen were angry because apparently the new Minister of Interior had ordered the promotion of policemen with a law degree and a M.A. or Ph.D. degrees to officer ranks, but his order was ignored. In the Egyptian youth survey, 70 percent of unemployed youth said that they were jobless because there was simply no work available, and more than 40 percent thought personal connections were more important than personal skills in securing a job.

The scarcity of quality jobs relevant to the numbers of new, labour-force entrants has meant that the region's economic growth in recent decades has not necessarily translated into reduced poverty. Egypt's annual economic growth, for example, averaged 3.6 percent during 2001-2005 and 7 percent during 2006-2007—rates higher than its population growth of around 2 percent per year. But the Egyptian Council of Ministers reported that the number of Egyptians living below the poverty line increased from 17 percent in 2000 to 22 percent in 2010, with people living in rural areas making up about 80 percent of the poor. xi

In its report, *Global Employment Trends for Youth*, the International Labour Organization (ILO) notes that youth unemployment and underemployment incur costs to the economy and society as well as individuals and their families. A lack of decent work, if experienced at an early age, often permanently compromises a person's future employment prospects. Also, unemployed and underemployed youth end up using their parents' income, leaving them with less money to spend and invest. Young women are particularly dependent financially: one nationally representative study of Tunisian youth ages 15 to 24, for example, found that almost three-fourths of women and more than one-third of men relied on their parents for pocket money. Xiii

## C. THE SCHOOL-TO-WORK TRANSITION

Today's youth are attaining higher levels of education as school enrolment has risen markedly throughout the region. Primary education is universal or nearly universal in the region, except for pockets of populations in Yemen, Morocco, Iraq, and Egypt. The great majority of MENA's illiterate youth live in these four countries. Furthermore, in most countries, the gap between boys' and girls' enrolments in secondary school has disappeared, and more women than men are attending universities. Between 1980 and 2000, on average, MENA countries spent 5 percent of their gross domestic product (GDP) on education—higher than any other developing region. xiv

Yet, MENA countries urgently need to improve the quality of education to prepare the young labour force for today's job market and help them become productive members of their society. While enrolments in secondary and higher education have reached unprecedented levels for both girls and boys, they have not translated into higher employment rates and wages for the region's youth. Educational systems have largely been rudimentary and geared toward preparing students to serve in the public sector, which used to be—but is no longer—the primary employer of new graduates.

Studies of the school-to-work transition in Egypt and Syria, for example, show that young people face serious challenges in finding employment—not only because of the scarcity of jobs

relative to the number of new entrants in the job market, but also because of their lack of appropriate education and skills.\*\*

Challenges facing young people in MENA today did not exist a generation ago. In previous generation, the transition to adulthood was mediated by family and the community or state, and the career path was more or less clear for young people. For boys, it was to work alongside their father or other male family members to continue their family trade, or to get a government job. For girls, it was to marry early and have children, as they were not expected to have a career. But today girls marry later and some enter the job market.

In their article, "Generation in Waiting: An Overview of School to Work and Family Formation Transitions," Navtej Dhillon and his co-authors explain that the economic development of the MENA region following countries' independence paved the way for a "welfare life course" that dominated the structure of young people's transition from school to work. "The governments' offering of free education and stable employment encouraged families from all backgrounds to send their children to school. Youth were encouraged to stay in school through high school and university and to be hired in public sector upon their graduation if they desired. In general, MENA governments were able to use the region's vast oil resources to finance these social-protection mechanisms that went beyond education and employment opportunities, significantly improving people's health and wellbeing. The oil-rich countries, particularly those with smaller populations, were able to finance generous social benefits by spending oil-export revenues. Other countries, in part, paid for benefits indirectly through their workers' remittances coming in from oil-rich countries and through investments and aid from their oil-rich neighbours.

But, with their fast growing populations and the oil price crash of the mid-1980s, an increasing number of MENA governments found it difficult to finance such generous social benefits. They began to embrace structural adjustments and economic reforms designed to scale back state-led institutions and stimulate private-sector growth. In theory, as countries move to a post-welfare life course, young people need to navigate their career paths based on choice, better information, and the right signals from the job market. Educational systems must offer a broad range of skills, as opposed to simply the degrees necessary for public sector work, and labour laws need to be flexible to encourage job growth in private sector. But MENA countries have yet to set the necessary foundations for better governance, educational systems, and labour laws to help the private sector evolve as an engine for creating jobs.

The poor quality of education leaves graduates unprepared for the increasingly competitive labour market. Representatives of the region's private sector regularly voice concerns that new graduates lack job-ready skills. In a global survey, more than 25 percent of firms in the MENA region reported the lack of skills among workers as a major constraint to business growth—a higher rate than reported in other world regions. XVIII The demand for modern skills is increasing as the region's market economies increasingly adopt new technologies and become more integrated into the world economy, making much of the material taught in public schools in MENA obsolete. The school curricula have yet to evolve in a way that cultivates critical thinking and problem solving skills among students, preparing them with entrepreneurship skills. And because job opportunities in the formal, private sector have been limited and the public sector is not hiring at the same rate as before, new job seekers—young women in particular—increasingly turn to the informal sector to find a job, where the quality of jobs and wages are low.

#### C. YOUTH UNEMPLOYMENT RATE IS THE HIGHEST IN MENA

MENA's youth unemployment rate is the highest among world regions, despite the fact that youth in MENA have the lowest labour-force participation (see table 2). The low, labour-force participation rate of MENA's youth stems from the low participation of women in general and from discouraged youth—male and female—leaving or not even entering the job market. On average, only one-third of youth in MENA are in the labour force, compared to half of youth globally. The labour

force participation of female youth in MENA, at around 22 percent, is half of that of males in the region, and the lowest in the world.

There are two main reasons for low labour force participation among women in MENA. First, women have traditionally been barred from public spaces, considered the "male domain." Although women have increasingly been in the public sphere, they still have limited job opportunities. A second factor is the nature of MENA's economies, which are largely connected to oil. The oil industry is not labour-intensive, and it is dominated by men. Moreover, the industry pays its workers relatively high salaries. As a result, families whose income is connected to oil revenues directly or indirectly have generally been able to live on men's salaries alone, allowing women to stay in their traditional domain—the home. Thus, the region's oil economy has reinforced the culture of gender segregation, limiting young women's ability to enter the labour force and competing in the job market on similar grounds as men. Women's participation in the labour force is higher in countries such as Morocco and Tunisia whose economies are least dependent on the region's oil revenues and who have been influenced by Europe's egalitarian culture.

Social norms that discriminate against women and limit their life choices exist worldwide, but the MENA region is distinguished by its pervasive gender-based discrimination, codified in family law, commercial and criminal codes, and laws governing political participation. The World Economic Forum has tracked and quantified the magnitude of gender-based disparities among countries around the world since 2006. In its most recent report, *The Global Gender Gap 2010*, MENA countries are once again clustered at the bottom of the rankings. The Global Gender Gap Index examines differences in the status of men and women in four key categories: economic participation and opportunity, educational attainment, health and survival, and political empowerment. Overall, all MENA countries were ranked 103 or below (out of 134 countries), which means that 102 countries outside the MENA region fared better in terms of gender equality. MENA countries' rankings are even worse when it comes specifically to the gender gap in economic participation and opportunity, putting them below 106 other countries. Yemen comes in last in the overall score and the score for economic participation and opportunity.

Due to a combination of demographic pressures on the labour market and cultural biases, young women in MENA have fewer job prospects and higher unemployment rates than those in other world regions. One in three young women in MENA who are participating in the labour force is unemployed, compared to the world average of one in eight, or 13 percent (see table 2). In Egypt, the unemployment rate among young women is nearly three times that of young men: 48 percent and 17 percent, respectively (see figure 4). This is despite the fact that young Egyptian women are by far less likely than their male counterparts to be in the labour force in the first place. The 2009 Egyptian youth survey shows that only one in ten women ages 18 to 21 and only one in five women ages 22 to 29 are in the labour force, compared to half of men ages 18 to 21 and more than three-quarters of men ages 22 to 29. The gender-gap in unemployment is wider in Syria and the oil-rich Gulf States. In contrast, in Turkey, the gender-gap in unemployment among youth is closed, and in Morocco and Tunisia, the unemployment rate is even slightly higher among young men than young women. Women constitute one-fourth (26 or 27 percent) of the labour force in these countries; which is the highest for the MENA region, but still low compared to countries with comparable economies outside the region.

Youth unemployment rates shown in Figure IV mask the challenges that young men and women with different socioeconomic backgrounds experience in securing a job. Table 3 shows unemployment rates in selected MENA countries by sex and education. Overall, among those in the labour force, less educated men seem to have more difficulty securing a job than more educated men. But more educated women do not necessarily find the job market more hospitable than less educated women. Overall, with increased education the pool of unemployed is increasingly dominated by young, educated people. This trend is more visible among educated women who are pushing against cultural barriers with their increased presence in the public sphere where jobs exist. In Turkey, the unemployment rate among university-educated women is more than three times higher than that of

university educated men; in Iran and the United Arab Emirates, it is nearly three times, and in Saudi Arabia it is eight times.

Moreover, these unemployment data do not reveal the extent of underemployment or the extent to which young people are not in the labour force to begin with because they were discouraged by the lack of opportunities or they left it with disappointment. For women, cultural barriers add to the difficulties of entering the labour force. In countries such as Iran and Saudi Arabia, for example, there are laws—at least exist on the book, if not necessarily implemented vigilantly—that women need to have their fathers' or husbands' permission to get a job. Also, sexual harassment in public spaces, particularly in public transportation and the workplace, has become a major issue throughout the region as women increasingly demand their place. A World Bank study shows that 15 percent of men and 12 percent of women in Cairo who oppose the idea of women working outside the home cite potential sexual harassment as the reason.\*\*

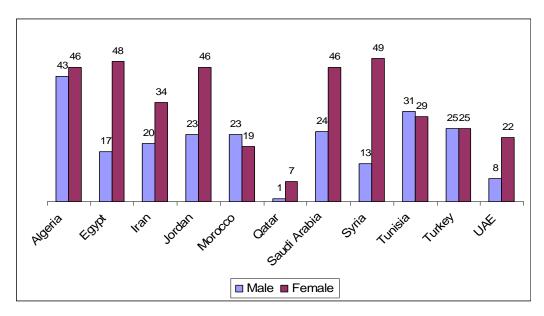
High rates of unemployment and underemployment among young people, along with the high costs of marriage and housing, are often cited as reasons for the rising age of marriage in the region. Without a steady income, many young men lack the capital to marry and support a family, which puts the only socially accepted context for sexual and reproductive life out of reach. Marriage is the gateway to adulthood and greater independence from parents because, in most communities, it is socially unacceptable for young people—particularly young women—to live on their own before marriage. Therefore, matrimony and starting a family, which are key to full social inclusion, are hardly possible for an unemployed man. Even when employed, young men rarely earn enough to be economically self- sufficient because of low wages and the high cost of marriage. According to one study, in a typical marriage in Egypt, the families of the bride and groom and the groom himself each contribute one third of the cost. For an urban, upper-class groom, his part amounts to an average of 52 months of earnings, compared to 24 months for a groom living in rural areas. \*xi

Table 2 – Labor Force Participation (LFP) and Unemployment (U) Rates (%) Among Youth Ages 15-24, by Sex and Region, 2009

	Total		Male		Female	
	LFP	U	LFP	U	LFP	U
North Africa	38	24	53	20	23	32
Middle East	36	23	51	20	22	31
Central & South-Eastern Europe (non-EU) & CIS						
	42	29	48	21	35	21
Developed Economies & European Union	50	18	53	20	48	16
Latin America & the Caribbean	52	16	62	13	43	20
South-East Asia & the Pacific	52	15	59	14	44	16
WORLD	51	13	59	13	43	13
Sub-Saharan Africa	58	12	63	12	52	12
South Asia	47	10	64	10	28	11
East Asia	59	9	57	10	62	7

Source: International Labour Organization, Global Employment Trends for Youth (Geneva: ILO, 2010).

Figure 4. Youth Unemployment Rate by Sex (Percentage of Labour Force Ages 15 to 24 Who Are Unemployed)



Note: Data refer to 2009, except for Algeria and Tunisia, which are for 2004.

Source: World Bank Genderstats accessed online on June 22, 2011.

TABLE 3. UNEMPLOYMENT RATE BY SEX AND EDUCATION

Country	Percentage of labour force participants ages 15 - 64 who are unemployed, by sex and level of education							
	Male				Female			
	Primary	Secondary	Tertiary		Primary	Secondary	Tertiary	
Algeria 2004	65	21	7		33	30	33	
Bahrain 2009	28	37	22		22	39	33	
Iran 2004	52	30	13		18	45	36	
Kuwait 2004	30	32	7		7	51	19	
Morocco 2004	57	22	16		37	25	32	
Saudi Arabia 2009	39	52	8		4	32	65	
Tunisia 2004	45	37	6		37	34	14	
Turkey 2009	60	24	9		33	39	24	
UAE 2004	30	32	14		10	45	40	

Source: World Bank Genderstats, accessed online on June 22, 2011.

#### D. THE WAY FORWARD

With political reforms in the region that aim to establish democracy and improve governance, MENA countries have an opportunity to lay the foundation for economic growth based on rule of law, innovation, equality, human rights, and freedom—the ingredients necessary for private-sector growth and job creation. These reforms will take time, while young people's need for employment is immediate. The World Bank estimates that the MENA region needs to create 40 million additional jobs to accommodate new entrants into the labour market in the next decade, or 4 million jobs per year. This estimate would be even higher if the labour force participation of women were to increase to the levels seen in other regions. XXIII

Thus, MENA countries must find the right balance between social safety nets and an enabling environment for a market economy. In response to recent uprisings, however, countries seem to have taken two different paths to address youth employment issues. In oil-rich countries in the Gulf such as Bahrain and Saudi Arabia, governments appear to be doing more of the same: They are expanding public-sector jobs and creating large-scale public projects, to help employ their new, labour force entrants and pacify their citizens with generous social benefits. But Egypt and Tunisia have taken another path, moving toward political and institutional reforms. And thereby, with international assistance, they are trying to put the necessary foundations in place to prepare the labour force to compete in a globalized economy and foster job-creating growth in a more egalitarian society.

Regardless of the path they take in finding a new balance between labour market flexibility and job stability and security, countries need to be watchful of the ramifications of their employment policies. For example, labour laws in the Gulf countries that are intended to give nationals job security, such as not allowing firms to lay off nationals, may well backfire and discourage the private sector from hiring young nationals in the first place. Also, with the current mood and desire for change spreading throughout the region, MENA countries have the opportunity to correct laws and practices in the job market that discriminate against youth and women.

Countries might also consider embracing volunteerism—another seismic cultural adjustment—to improve young people lives and set them on the right path to adulthood. Considering the long wait that young people have in finding their first jobs, voluntary work can act as a bridge between education and employment while helping youth develop new skills. Volunteerism can help young people feel good about themselves while contributing to their communities, rather than

remaining idle. Volunteerism is weak throughout the region: In the 2009 youth survey in Egypt, for example, less than 3 percent of all young people ages 10 to 29 reported to have volunteered in any activity during the previous year, that was mainly in the form of helping the poor with cash or in kind. XXIII With democracy on the horizon, governments and civil societies have an opportunity to collaborate to cultivate a culture of volunteerism, directing youth's energy, enthusiasm, and creativity into positive forces for change.

From a demographic perspective and looking to the future, countries whose youth populations are declining will naturally be in a better position than others to invest in improving the quality of their education and job-related skills of young people to prepare them for a global economy. Ironically, youth populations are growing fastest in countries that are least prepared to address their needs (see figure 5).

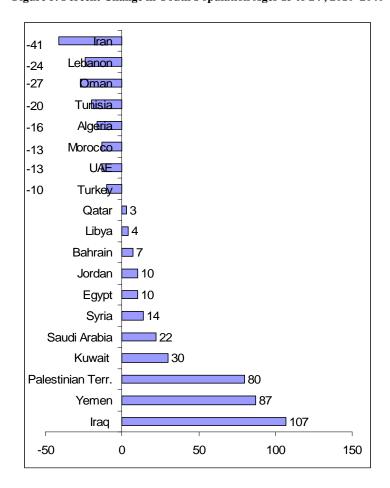


Figure 5. Percent Change in Youth Population Ages 15 to 24, 2010–2040

Source: United Nations Population Division, World Population Prospects, the 2010 Revision

#### Notes

<sup>&</sup>lt;sup>i</sup> Middle East Youth Initiative, a Joint Project of the Dubai School of Government and the Wolfensohn Center for Development at Brookings "<u>Missed by the Boom, Hurt by the Bust, Making Markets Work for Young People in the Middle East</u>" (2009): page 9.

<sup>&</sup>lt;sup>ii</sup> United Nations Development Programme and the Egyptian Institute of National Planning, , <u>Egypt Human</u> <u>Development Report 2010</u> (Cairo: Institute of National Planning, 2010): 148.

iii The World Bank News and Broadcast, "World Bank Group Announces up to \$6 Billion for Egypt and Tunisia" (May 24, 2011).

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