

# OPPORTUNITIES, CHALLENGES AND REQUIREMENTS FOR EFFECTIVE YOUTH ECONOMIC EMPOWERMENT IN ARAB COUNTRIES

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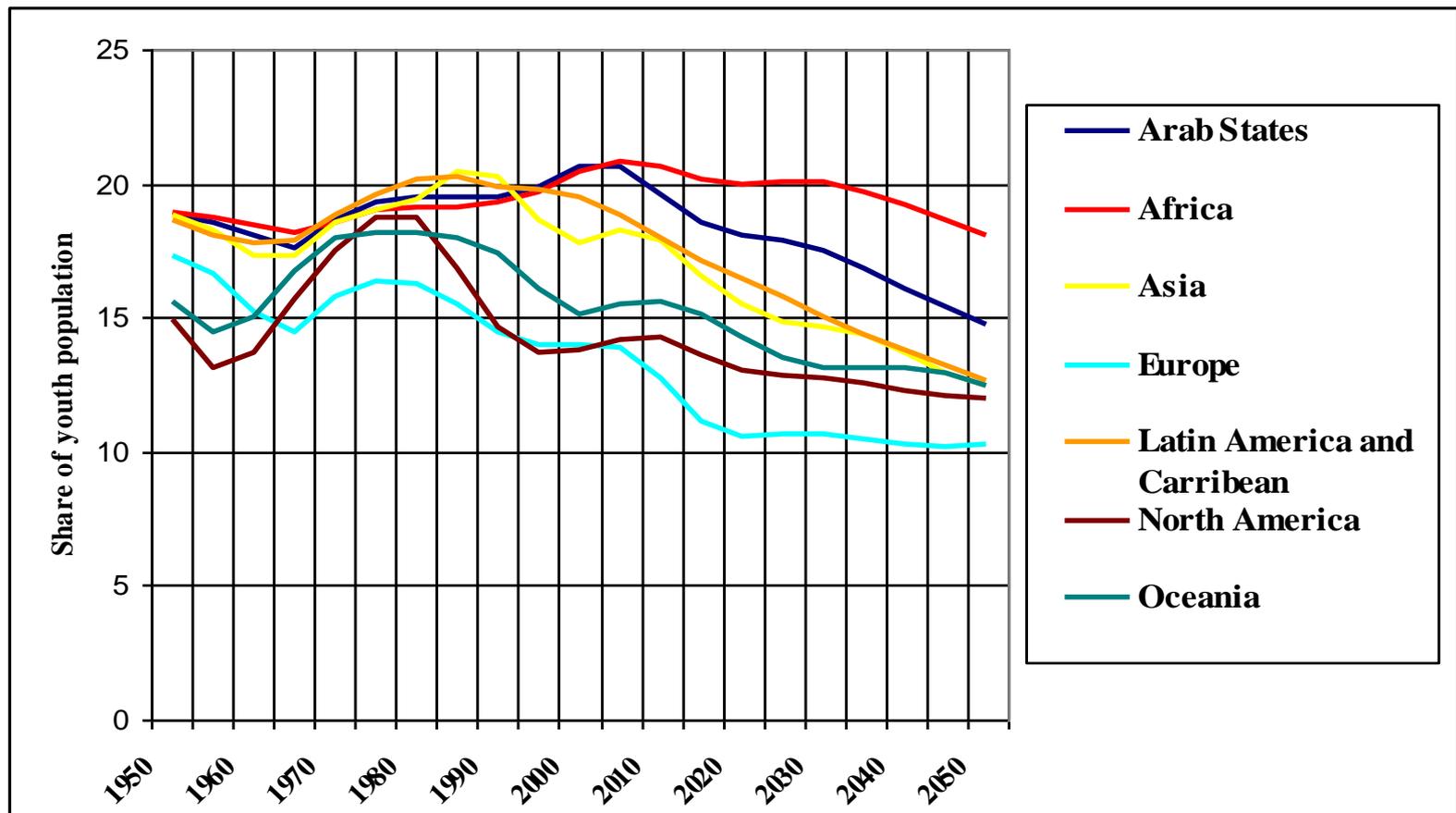
*Empowered lives.  
Resilient nations.*

# **Main Topics:**

- 1. Status of Youth in the Arab World: Social Exclusion**
- 2. Exclusion from the Labour Market: Unemployment and its Causes**
- 3. Exclusion from Marriage and Autonomy**
- 4. Towards a Comprehensive Strategy for Youth Integration in Arab Societies**

## More than 100 million young men and women (15-29) in Arab countries 30% of total population – among the highest rates in the world

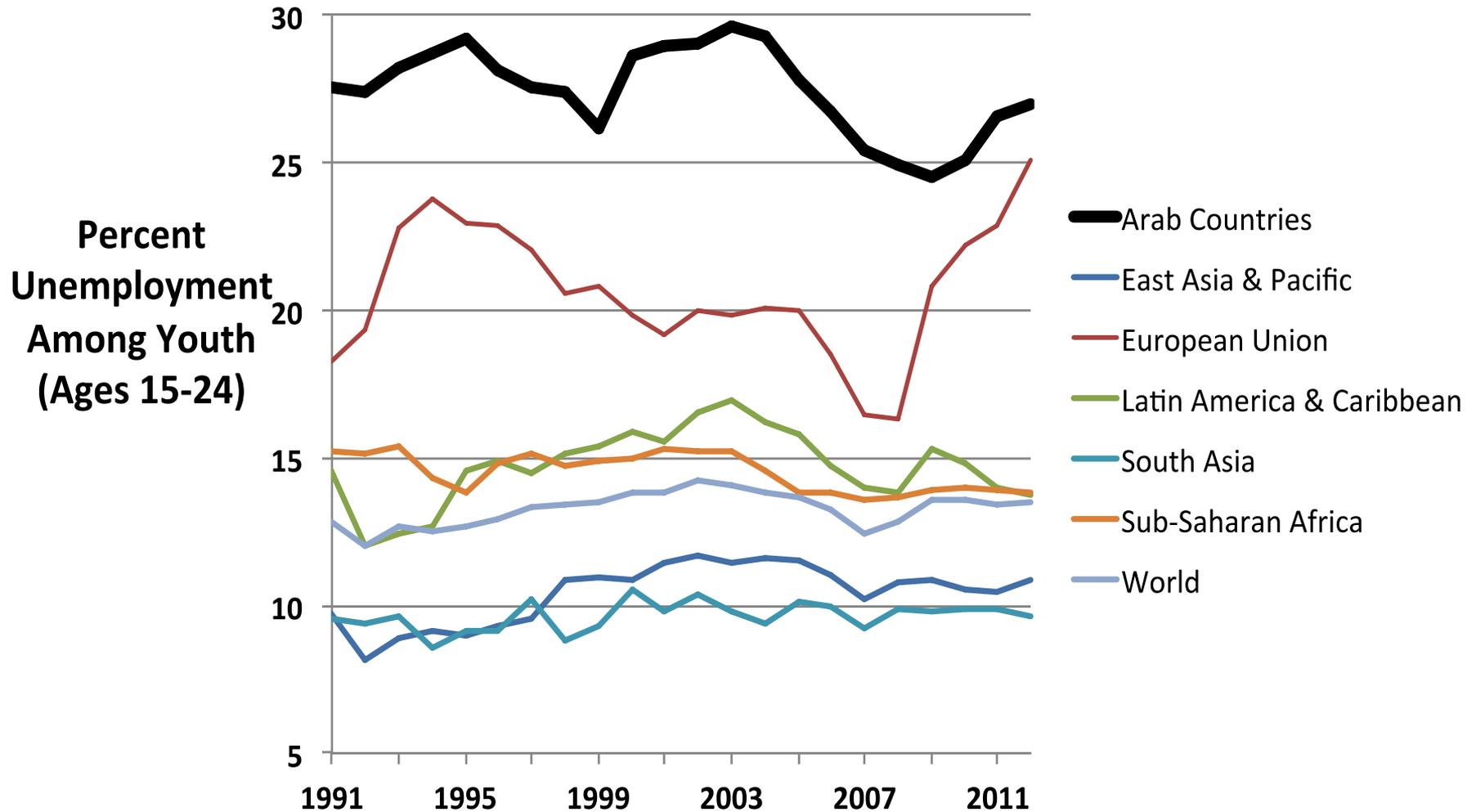
Evolution of the share of youth (15-24) in total population (highest in world ~ 20%)



# 1. Situation of Youth in the Arab World: Social Exclusion

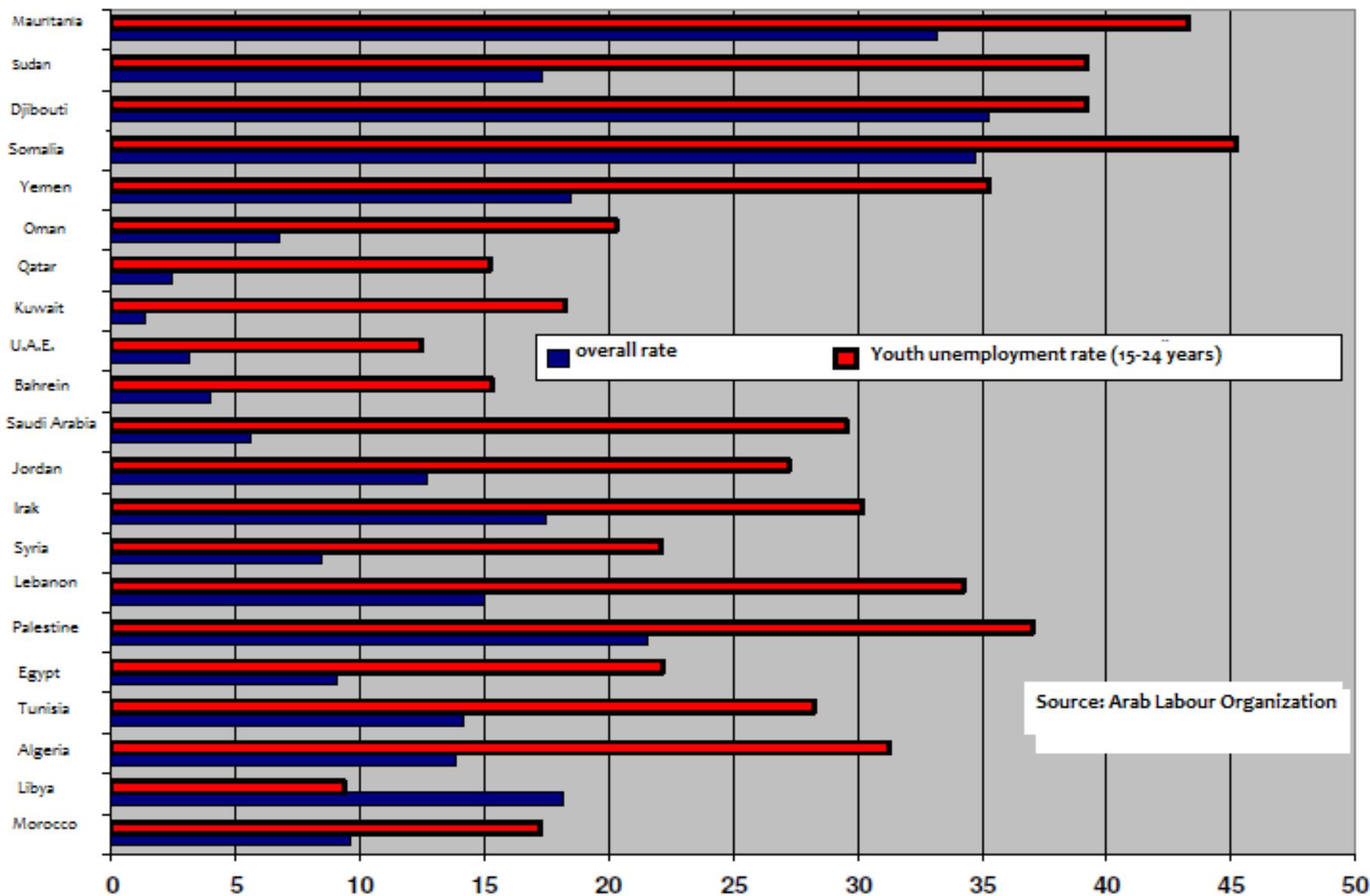
- Unemployment rate among youth is around 28%; it exceeds 35% in least developed Arab countries plagued by conflicts
- First-time job seekers represent 50% of the unemployed: the highest regional rate in the world
- Unemployment is higher among university and vocational training graduates; idle periods of up to 3 years in Morocco and 2½ years in Egypt
- Participation rate in the labour market is lowest in the world among young women who suffer from unemployment, more than young men

# Historical Global Youth Unemployment Rates



Source: World Bank, World Development Indicators 2014. "Unemployment, youth total (% of total labor force ages 15-24) (modeled ILO estimate)"

## UNEMPLOYMENT RATE AMONG YOUTH MUCH HIGHER THAN OVERALL RATES

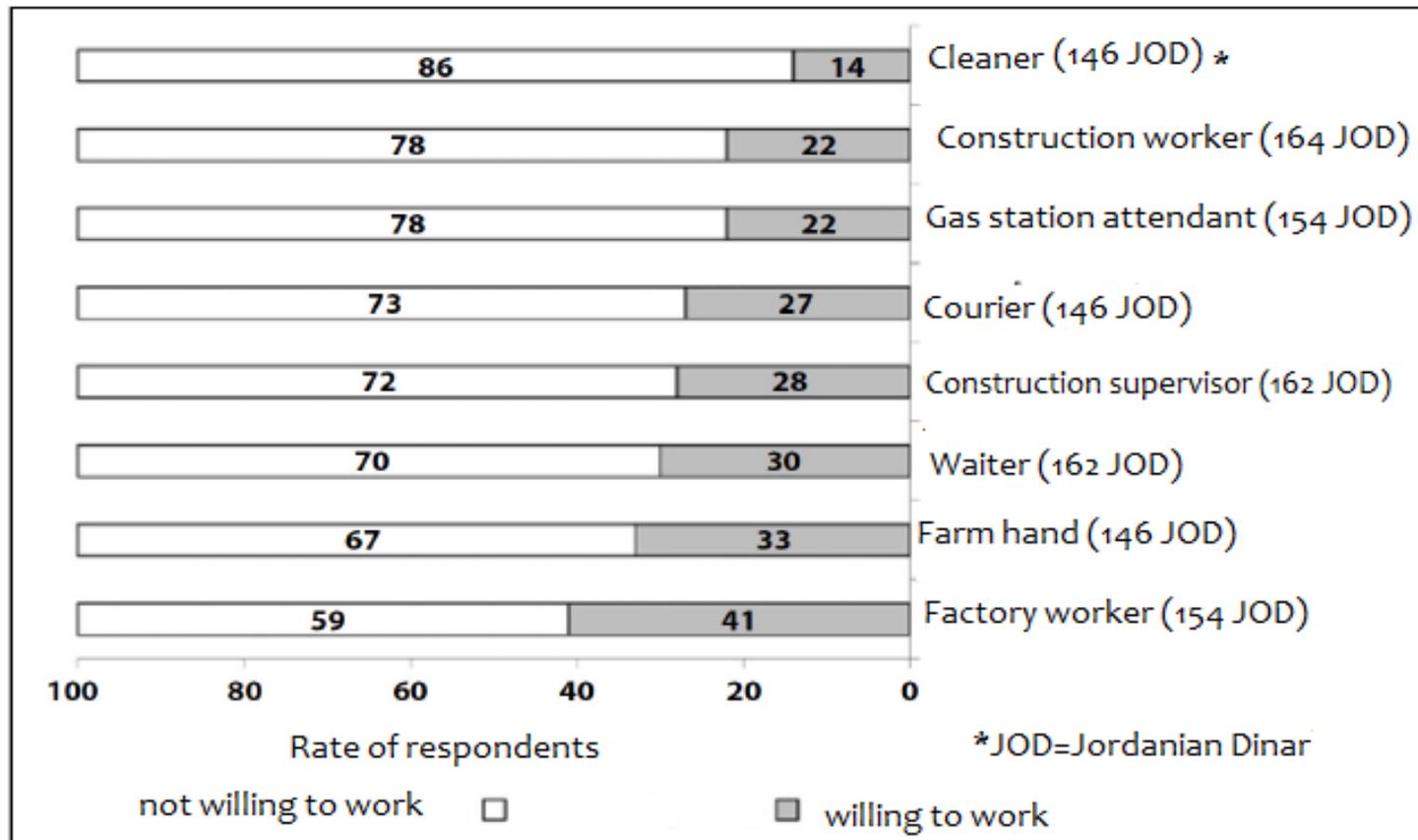


Source: Arab Labour Organization

# Exclusion from the Labour Market: Unemployment and its Causes

- Role of education quality: Skills not suited to market requirements
- Search for jobs in public sector: In Syria, for example, 80% of graduates preferred jobs in the public sector, while 60% did not accept jobs outside this sector
- Job growth in the private sector is limited due to a lack of a business-friendly environment
- Jobs in the private sector often lack funding:  
short-term employment, sometimes with no work contract
- Need to create 5 to 6 million new jobs a year for new job seekers in order to stabilize unemployment rate

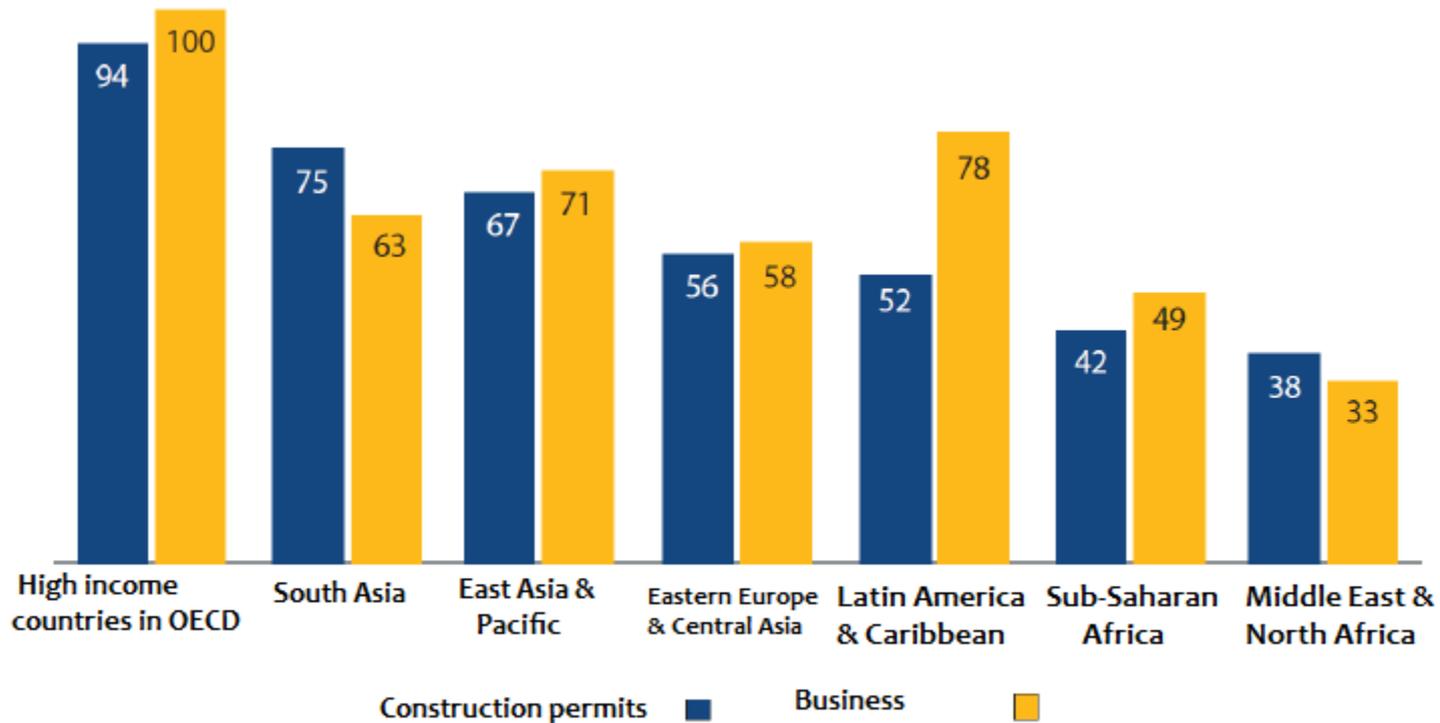
# Inadequacy between Jobs and Youth Aspirations: Widespread Culture of Disgrace



Source: World Bank (2008)

1 Jordanian Dinar = USD 1.4

# Deteriorating Business Environment: A Major Impediment to Corporate Growth and Job Creation



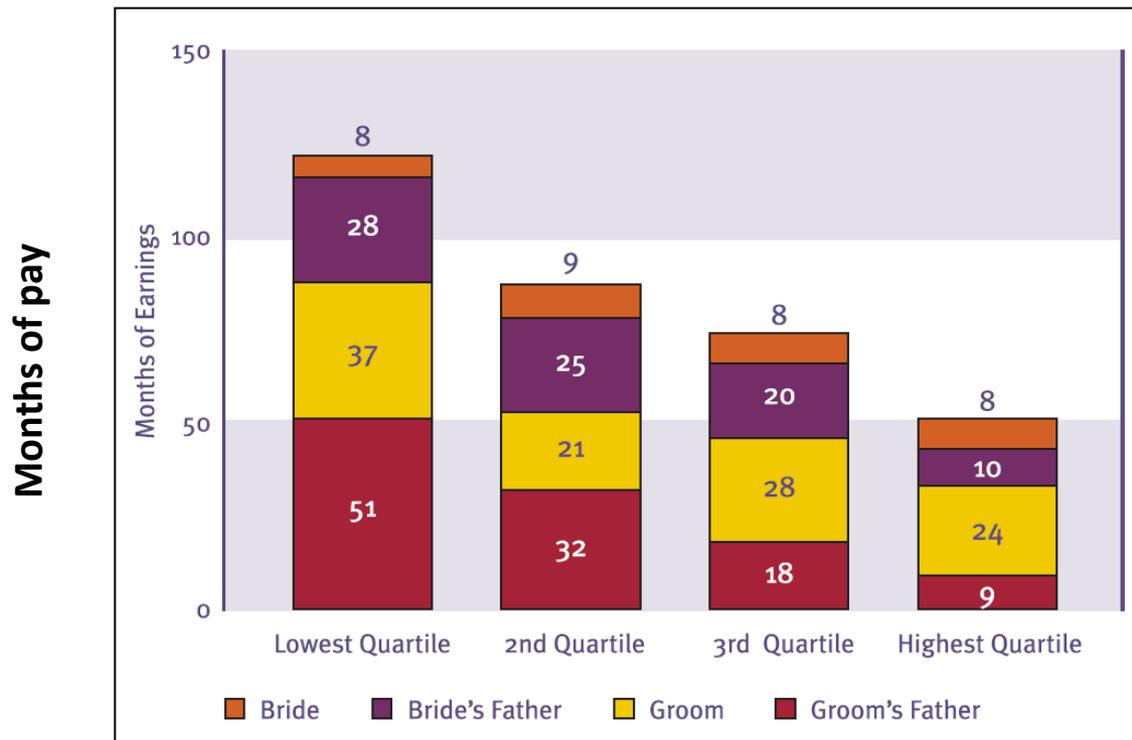
source: World Bank

### 3. Exclusion from Marriage and Autonomy

- The search for a job is closely linked with marriage and family building: rising costs of autonomy affect the quality of in-demand jobs
- 50% of men (aged between 25 and 29) are still unmarried, compared with 23% in Asia and 31% in Latin America. Prohibitive marriage costs and economic problems contribute to delaying marriage.
- Late marriage leads to new social and economic problems because it delays young people's autonomy
- What is the effect of family support and free housing for children on continuing poor salaries earned by young people, especially in the private sector?

# Rising Cost of Marriage and Incompatible Customs and Traditions Affect Family Building

Cost of marriage in Egypt by income category (2005)



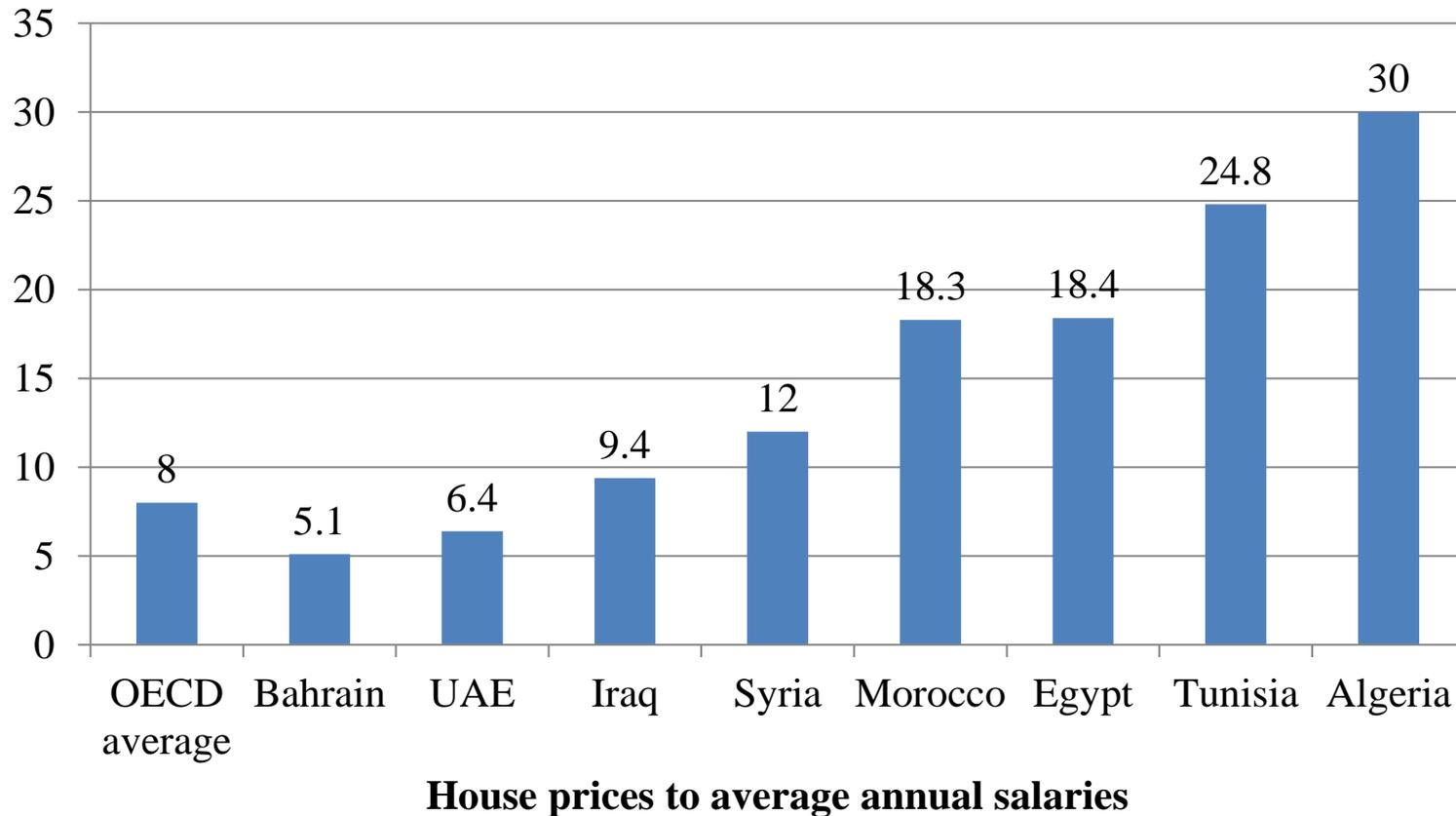
Source: Diane Singerman

- The cost of marriage in Egypt equivalent to 43 combined monthly salaries of a young man and his father

- In poor families, the cost of marriage equivalent to 7 years of combined pay of a young man and his father

# Difficulty of Acquiring Decent Accommodation: A Flat Costs >8 Years of Salary for an Individual

Ratios of house price to income, 2011



Source: Chaaban, 2013 (AHDR research paper series: "Expanding Youth Opportunities in the Arab region").

## 4. Towards a Comprehensive Strategy for Youth Integration in Arab Societies

- Experiences show Arab societies' failure to integrate youth:
  - Failure of neo-liberal economic reforms to create job opportunities and failure to establish links between educational systems and public sector jobs
- Rehabilitation of the role of Government and public services, especially those with an impact on young people's lives: formal education, housing, reduction of inflation, modern infrastructures
- Development of a package of effective policies and programmes to support youth in transitional periods:
  - Education, employment, marriage, housing, civil participation.
  - Countries need policies that shorten transitions and establish clear paths for youth.

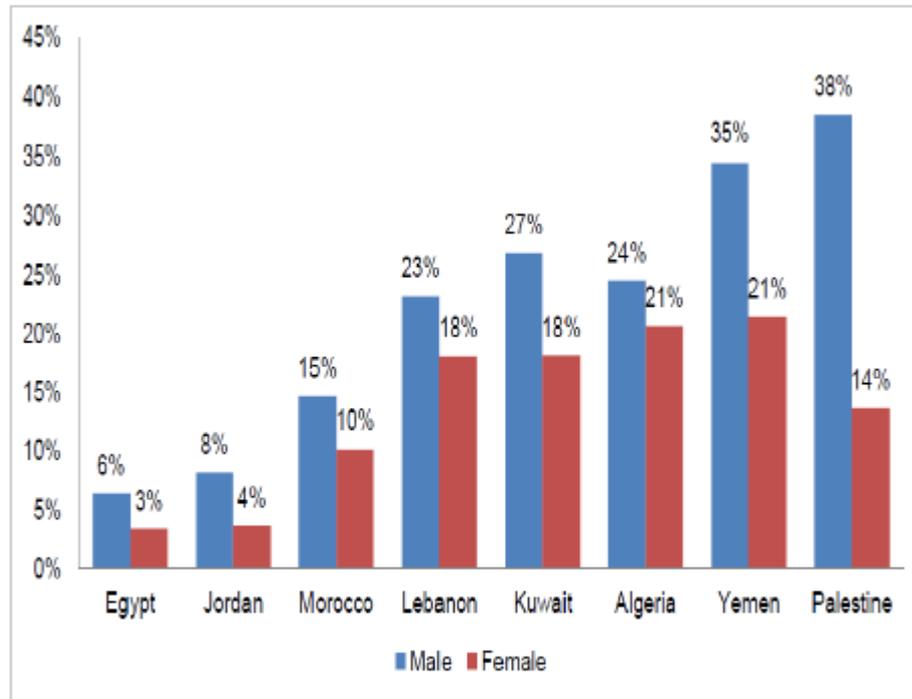
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- Stimulate the process of worker qualification and improve skills by upgrading the quality of education and admission in universities and training initiatives; target marginalized categories and groups such as young women
- Provide social security for all workers, develop programmes and incentives to reduce the cost of housing for young people; provide housing loans and financial aid for workers who move from rural to urban areas
- Invest in transport infrastructure; provide subsidized transport services; encourage job creation in areas with high unemployment rates through tax cuts and other incentives .

## 4. Towards a Comprehensive Strategy for Youth Integration in Arab Societies

- Generating jobs in sectors that need skilled workers will require major reforms in the business environment, funding facilities, and the reduction of access constraints
- Women should be given more attention and more opportunities to increase their contribution in the labor force: increase their access to learning and offer them better options to balance between work and family care
- An advanced system of maternity leave and a flexible employment system will enable women to take up part-time jobs.

# Importance of Civic Participation: Low Participation of Youths, especially Women, in Organized Political Action



n=4358, Source: Arabbarometer Round 1 Surveys

- The average participation rate of Arab youth in protests and demonstrations (29%) is twice the global rate (15%)

- Less participation of Arab youth in civic groups compared with African ones (32%) and in the production process (48%) compared with the global rate (59%)

# A central cross-cutting concept across the AHDR 2015 is ‘youth empowerment’.

- “The expansion in people’s ability to make strategic life choices in a context where this ability was previously denied to them” (Kabeer, 1999).
- Key to the empowerment concept is the sense of agency, where Arab youth themselves must be significant actors in the process of change that is being described or measured.
- The AHDR 2015 delves deeper into the status and determinants of youth empowerment in the region, exploring why and how young Arabs can be effective agents of change.

# THANK YOU

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