

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

Dr. Jad Chaaban

American University of Beirut

Team Leader, UNDP Arab Human Development Report 2015

Conference on Arab Youth Employment

Amman, 28/04/2015



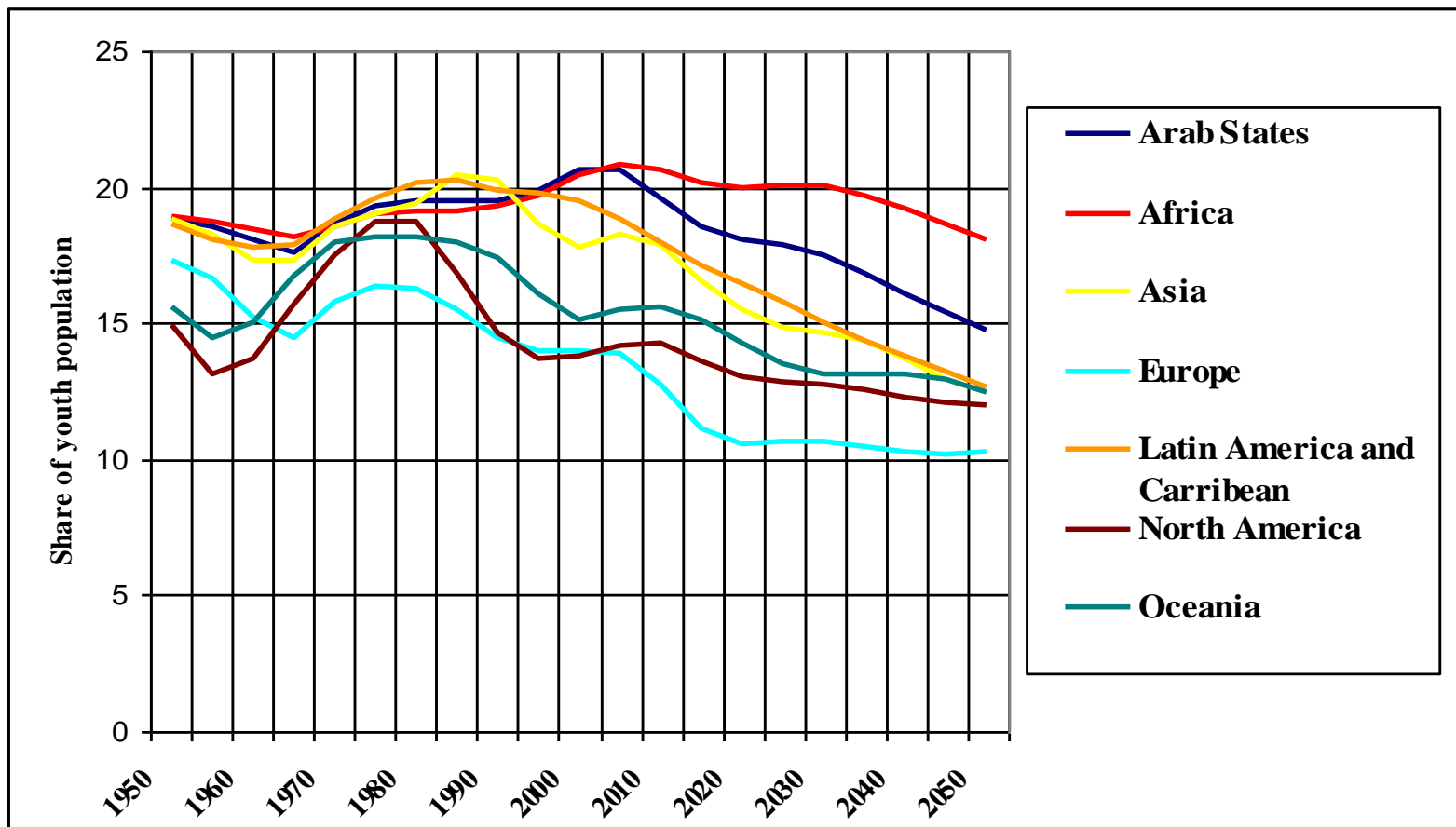
*Empowered lives.
Resilient nations.*

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

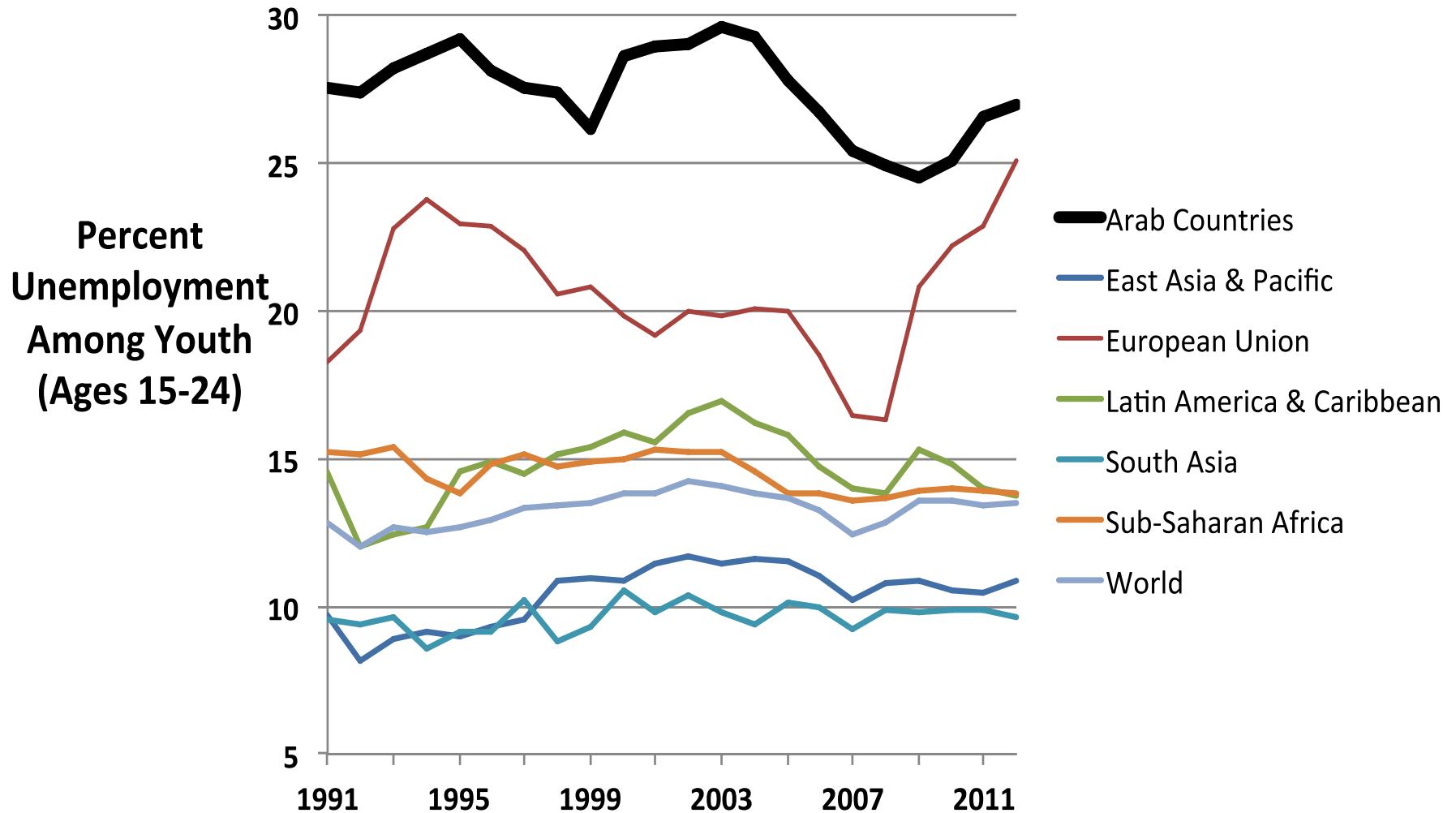
Evolution of the share of youth (15-24) in total population (highest in world ~ 20%)



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

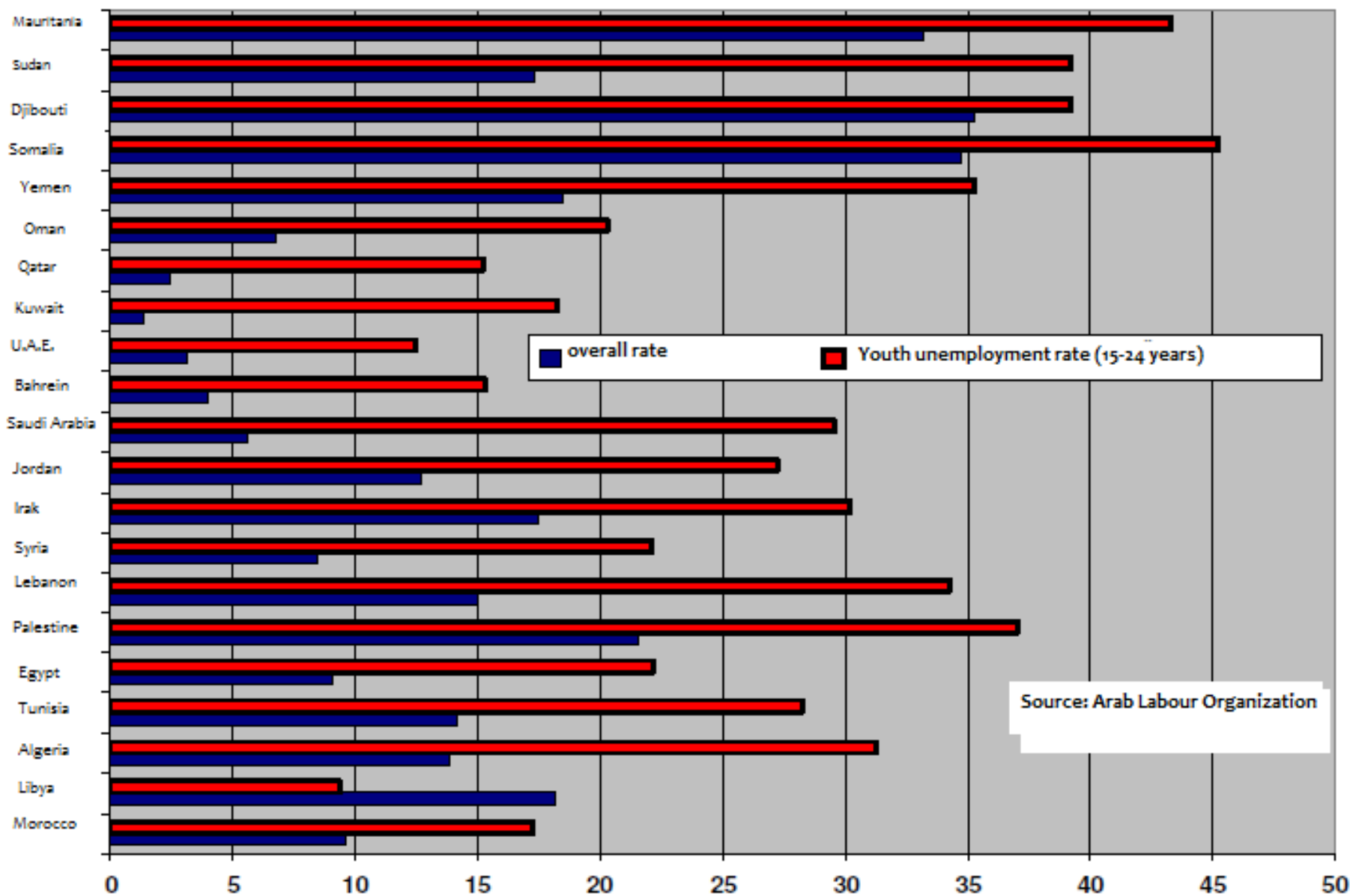
- Unemployment rate among youth is around 28%; it exceeds 35% in least developed Arab countries plagued by conflicts
- First-time job seekers represent 50% of the unemployed: the highest regional rate in the world
- Unemployment is higher among university and vocational training graduates; idle periods 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

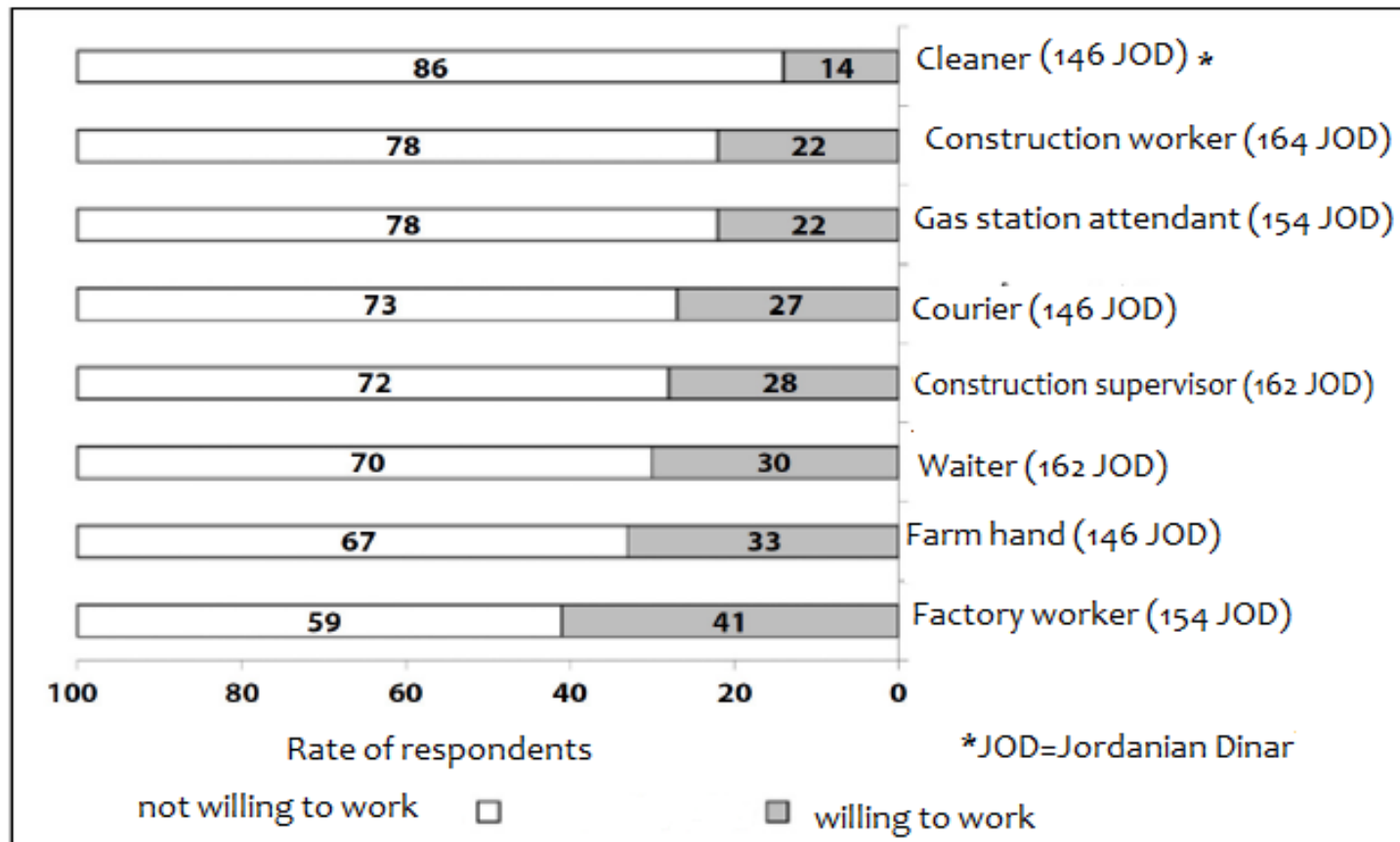


Source: Arab Labour Organization

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

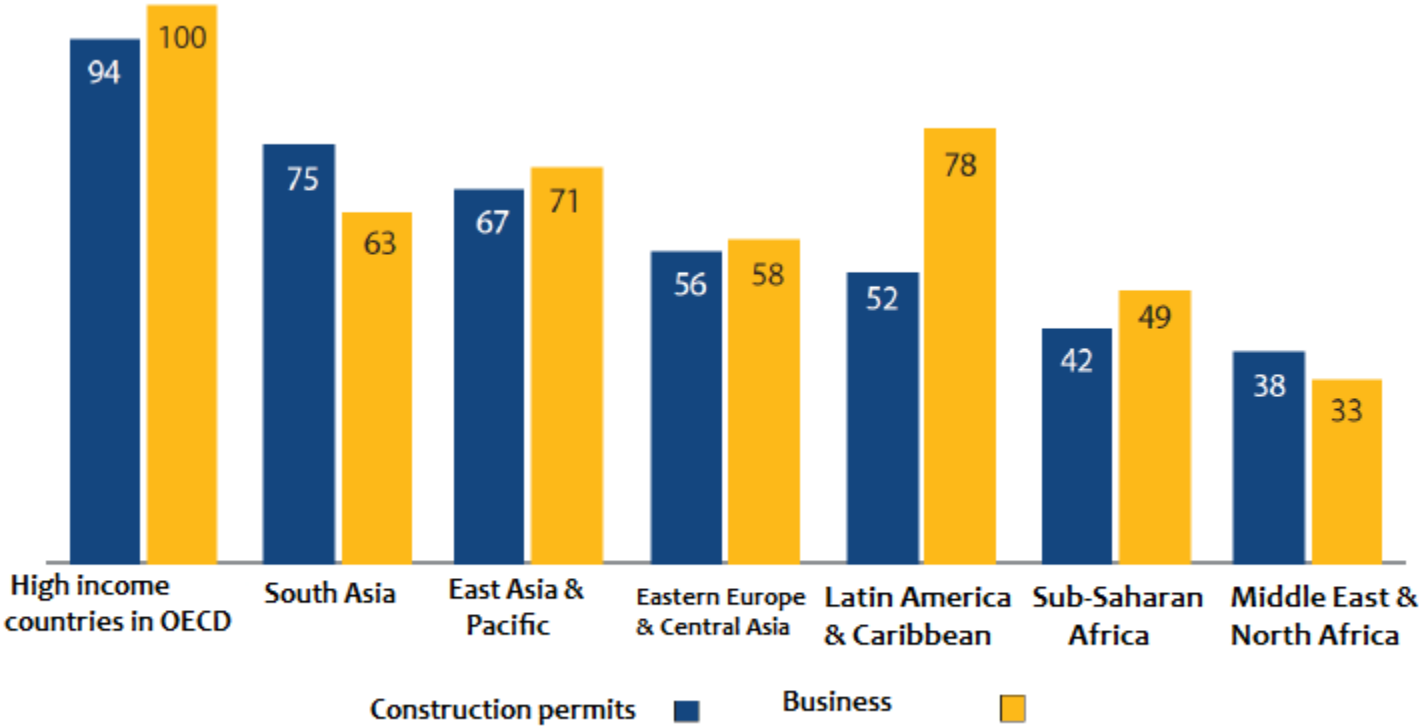
Inadequacy between Jobs and Youth Aspirations: Widespread Culture of Disgrace



Source: World Bank (2008)

1 Jordanian Dinar = USD 1.4

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



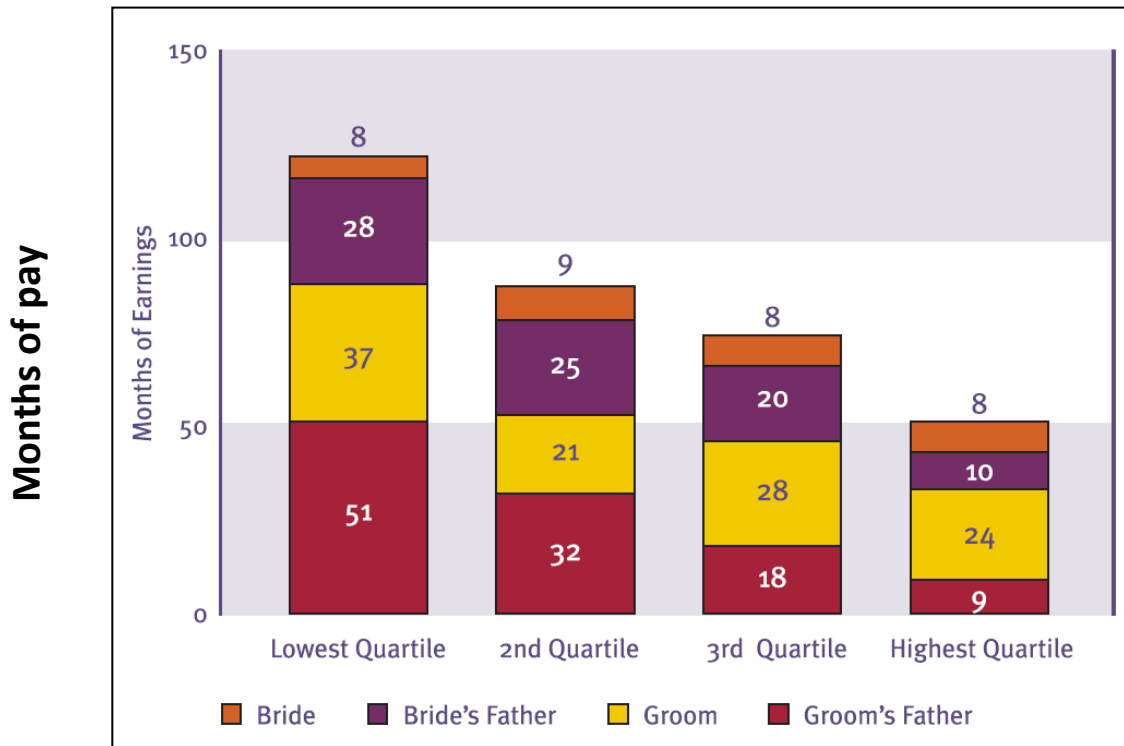
source: World Bank

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)



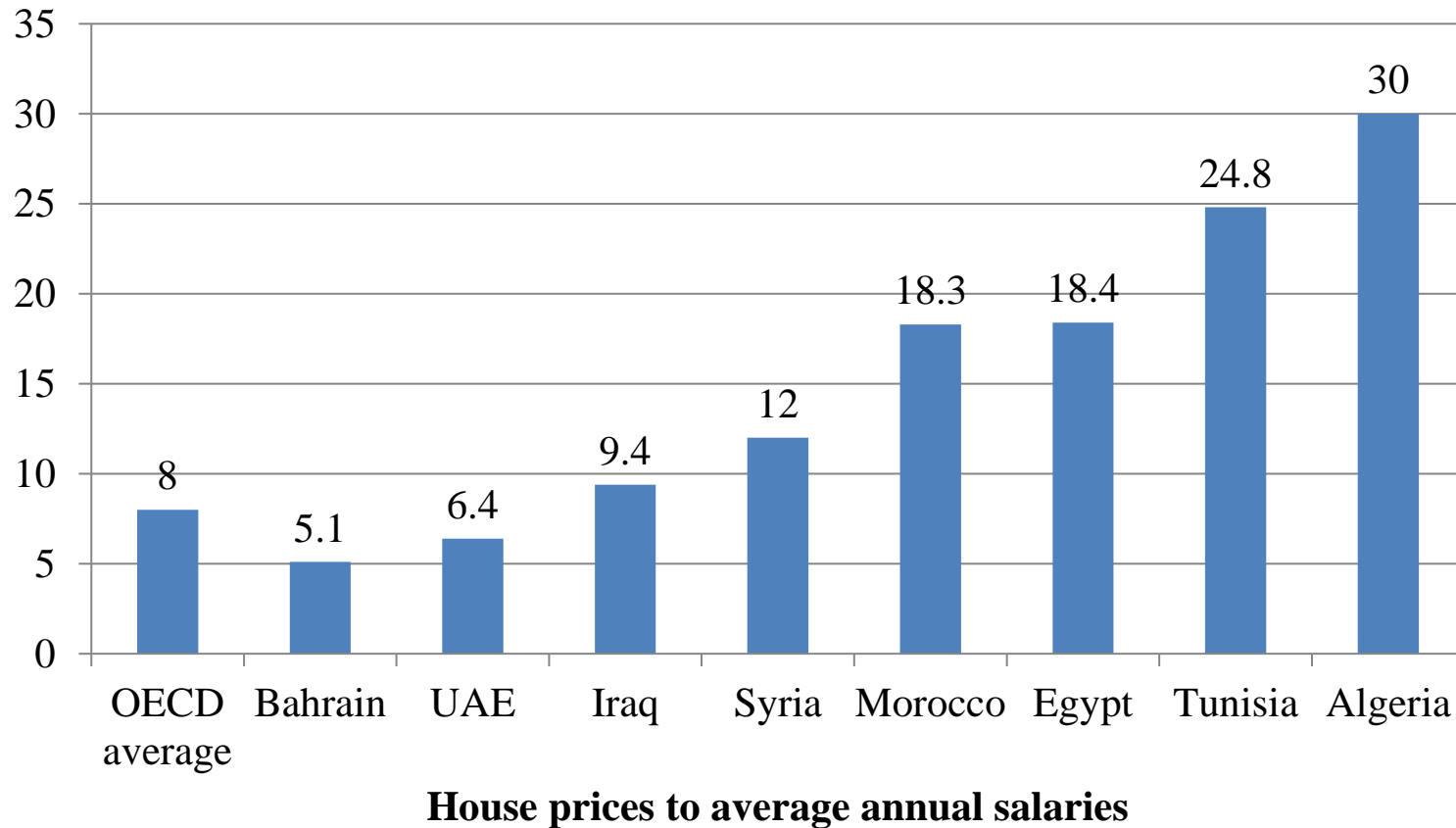
Source: Diane Singerman

- 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.

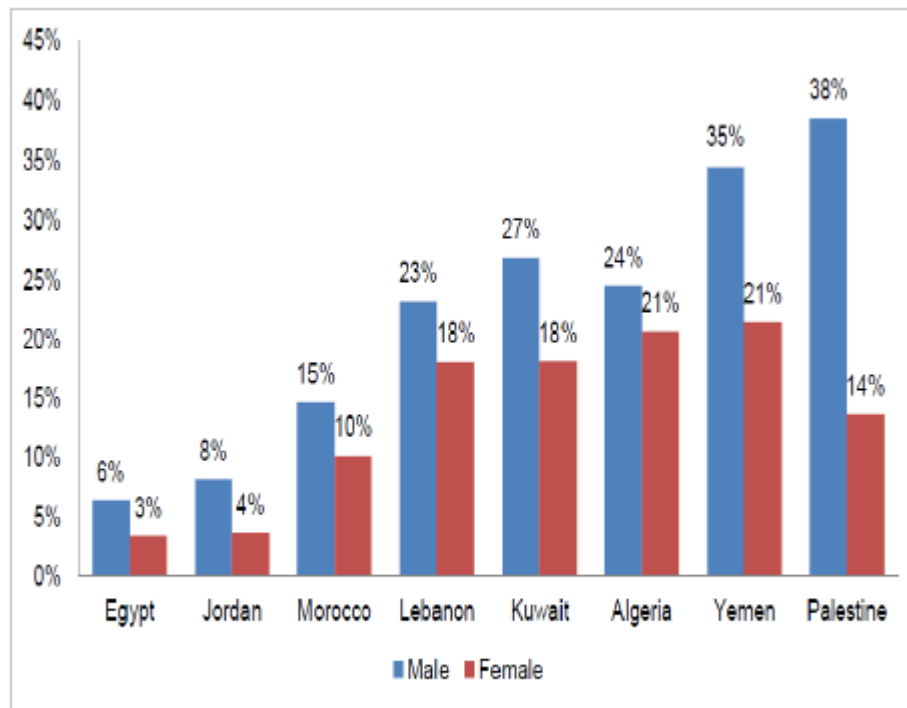
4. Towards a Comprehensive Strategy for Youth Integration in Arab Societies

- 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

jad.chaaban@aub.edu.lb