

The Social-Economic Situation of Middle East Youth on the Eve of the Arab Spring

December 8-9, 2012
Beirut, Lebanon

Youth Employment in the Wake of the Financial and Economic Crisis: Structural Trends and Policy Issues in Selected Arab Countries

Mona Said

Workshop Organizers



Middle East Youth Initiative
مبادرة شباب الشرق الأوسط

Host



Issam Fares Institute for Public Policy
and International Affairs

First Draft (Not for quotation)
November 30, 2012

**Youth Employment in the Wake of the Financial and Economic Crisis:
Structural Trends and Policy Issues in Selected Arab Countries**

By

Mona Said

Department of Economics
American University in Cairo
mona_said@aucegypt.edu

and

London Middle East Institute
School of Oriental and African Studies
SOAS, University of London

List of Acronyms

CAPMAS	Central Agency for Public Mobilization and Statistics
ETF	European Training Foundation
EU	European Union
Euro-Med	European-Mediterranean Region
FDI	Foreign Direct Investment
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
ILO	International Labour Organization
IMF	International Monetary Fund
INDH	National Initiative for Human Development Support Project
IOM	International Organization for Migration
JAY	Job Access for Youth
Kab	Know About Business
MENA	Middle East North Africa
NIP	National Indicative Program
ODI	Overseas Development Institute
ONS	Office of National Statistics
SDP	Skill Development Program
SMEs	Small and Micro Enterprises
TVET	Technical and Vocational Education and Training
UAE	United Arab Emirates
UNIDO	United Nations Industrial Development Organization

I. INTRODUCTION

As the world economy struggles to regain its footing and reestablish confidence in the aftermath of the 2008-2009 global financial market crisis, the ramifications of this downturn on countries around the world has been startling. Preliminary research has specifically documented the wide reaching effects of the crisis on labor markets in both the developed and developing regions. Of particular concern is the increase in unemployment, increase in vulnerable forms of employment and the swelling in the number of working poor, especially amongst young workers in low income regions.

The ILO (2010a) estimates that rate of unemployment increased significantly across the world as a result of the crisis. By 2010, the number of people globally unemployed reached 205 million, an increase of 27.6 million from 2007, with the majority, 22 million, in 2009 alone. In addition to increasing unemployment rates and decreasing employment-to-population rates, labor productivity also decreased in 2009, raising concern for further worsening working conditions (ILO, 2011). Even in countries where economic growth continued in the crisis period, the relative inexperience of youth leaves them more vulnerable to unemployment or to taking up employment under disadvantageous terms. Young women are especially prone to finding only low skill or informal positions. Employment in these positions makes them vulnerable to exploitation, poor compensation and job losses (Ha et al, 2010).

Prior to the financial crisis—and even during periods of growth, e.g., the years 2002-2008, youth were routinely excluded from the labor market within the Middle East and North Africa (MENA) region, as evidenced by substantial gaps in adult-youth labor force participation and unemployment rates. According to ILO (2011), in 2010, the youth unemployment rate for the Middle East was almost four times higher than for adults. Additionally, the gender gap continues to be twice the global average at 47.2 percent (though this represents a 8.7 percent decrease since the 1990s). North Africa also continues to see higher rates of unemployment amongst youth, measuring 23.4 percent in 2009 and increasing to 23.6 percent in 2010. Additionally, the gender gap continues to be one of the highest in the world, amongst all age brackets. Only 28 percent of women are active in the labor market, and only 24 percent of these active participants are employed.

Throughout the MENA region, high levels of unemployment can be seen across all income and educational levels. This is the result of poor education and a lack of desirable skills for the labor market and available jobs. Also compounding this age gap are the lack of intermediate institutions such as employment services; cultural barriers and laws that prevent women from free access to employment possibilities; a lack of social protection systems; high expectations by employers for highly qualified employees and high expectations by employees for high wages and ideal working conditions; a lack of sufficient economic growth compared to population growth to support the workforce; a void of social dialogue to bridge the information gap between employee and employer expectations. As a result of delayed entrance to the labor market due to long periods of waiting, and limited access to employment stemming from a lack of job relevant skills, youth workers are often employed in poor quality jobs and informal employment which often result in lack of job security and compressed wages. Further still, the full transition to adulthood has been postponed for many MENA youth, as marriage has been delayed due to lack of financial security required to start a family and set up a place for lodging (see Assaad and Barsoum, 2007; Dhillon et al).

The financial crisis did little to improve the situation for youth and young adult workers who were 2.8 times more likely to be unemployed globally than their adult counterparts prior to the crisis. This likelihood continues to be even higher for young people in the MENA region where it increases to above 4. According to ILO (2011) reports, global youth unemployment rates rose from 11.8 percent to 12.8 percent between 2007 and 2009.

From 2008 to 2009, the increase was one 0.9 percent. This change also began a trend reversal of decreasing youth unemployment rates that had been witnessed since 2004. Furthermore, labor force participation rates amongst youth workers also decreased as a result of the crisis, essentially indicating one of three trends: 1) an increase in discouraged workers who subsequently withdraw from the labor market 2) a return to the education system or 3) a prolonging of stay within the education system. This has been a global trend over the last decade, which has seen total youth labor force participation rates decrease by 2.5 percent between 2000 and 2009 (ILO, 2011)..

This Paper will investigate the effects of the financial crisis on the labor markets around the Middle East and North Africa (MENA) region with specific attention being paid to the impact on youth and youth employment. The effects on youth employment, a precarious labor market segment before the crisis, are of utmost concern to researchers as the youth represent such a large segment of the global population, and an even larger segment of the MENA population. MENA youth comprise seven percent of the global youth composition; the subregion of the Middle East comprises four percent and the subregion of North Africa comprises three percent. ILO forecasts estimate this total share to remain constant through 2015; however, the Middle East will decrease to 3 percent while North Africa increases to four percent (ILO, 2010b). This should indicate some easing for the Middle East on youth pressures, but indicates a potentially worsening situation for North Africa.

In what follows, we will present a regional overview of the phenomena of youth exclusion as well as an initial assessment of the ramification of the financial crisis on youth labor markets in MENA; followed by country specific profiles of Egypt, Jordan, Syria, Morocco and the United Arab Emirates; The Paper will then present an analysis of existing government initiatives that have been established to aid in domestic recovery from the crisis in the region, followed by further policy recommendations that should be implemented to continue in the recovery process; and finally, concluding remarks will be made on the short, medium and long term effects and policy requirements as the region recovers from the current financial downturn.

II. REGIONAL OVERVIEW

Pre-Financial Crisis

Even before the financial crisis began, high levels of youth unemployment, due in large part to the demographic bubble that exists in many regional countries, have plagued MENA; more specifically, many MENA countries currently face very large segments of the population under the age of 30. In addition, the regional working age population increased by 34.2 percent between 1998 and 2008 (Schmidt, 2009). This creates large numbers of new labor market entrants annually.

Unfortunately, most countries have thus far been unable to generate the rate of job creation required to absorb most of the new entrants, hence high levels of youth unemployment is a common stylized fact across the region. More than 30 percent of the youth of Egypt, Jordan and Syria were unemployed, at rates totaling 31.57 percent, 36.87 percent and 34.86 percent, respectively. This is compared to the adult unemployment rate of these countries all being substantially lower at 1.12 percent, 8.25 percent and 1.66 percent, respectively (Chaaban, 2008).

Insert Table 1 Around Here

Exacerbating the situation is a pervasive level of skills mismatch that is endemic to many MENA countries which stifles new entrants ability to find jobs and large public sectors, which are unable to absorb any more people. Despite the queuing, the preference for public and government sector employment has not diminished, and people are willing to wait 10-15 years for jobs in the public and government sectors. The preference is attributed to job security and non-wage benefits. In some cases, such as Egypt, queuing facilitates in making university degree holders the most highly unemployed of all educational level (see Assaad and Barsoum, 2007; Said and Ramadan, 2010). In general, the region is hampered by arcane teaching methodologies and curricula that lead to the above-mentioned skills mismatches within the labor market. A region-wide math and science deficit becomes apparent when examining national country scores for the Trends in International Mathematics and Science Study (TIMSS) in which almost every country in the region (with the exception of Jordan, Lebanon and Tunisia) scored below the lowest examination benchmark in Math. While Science fared better overall, only Jordan was able to achieve the intermediate benchmark. These results indicate that most students only have the most basic understanding of these two subjects (Dhillon et al). While many countries in the region have a history of bilingual speakers, creating a comparative advantage for many potential employees, the language skills have deteriorated over time for some countries therefore reducing the comparative advantage once afforded to them.

This inadequate skills acquisition reinforces youth exclusion – an extremely costly phenomenon for the regional governments, with the main cost being a reduction of human and social capital (Chaaban, 2008). Chaaban (2008) also illustrates how Egypt can lose 17.48 percent of GDP as a result of youth exclusion, while Jordan can lose 7.29 percent of GDP. This is shown in Table 2, based on 2002 and 2004 data, respectively. The sheer impact that youth exclusion has had on the region prior to the current financial situation, depicted below in the aforementioned graphs, shows just a glimpse of how important the issue of productive engagement of youth is to both individual countries and the region as a whole.

Insert Table 2 Around Here

Another serious issue that MENA faced prior to the financial crisis, and which has been impacted by the crisis, is the participation of women and youth within the labor market. As of 2008, only 2.5 out of every 10 women were actively engaged in the labor market as opposed to 7.5 out of every 10 men (Schmidt, 2009). The numbers were not consistent for the Middle East and North Africa, with North Africa experiencing slightly higher participation rates for both men and women, and the Middle East experiencing the lowest female participation rates in the world. There is reason to be optimistic, however, as participation rates for women have increased over the past decade for most of the MENA region, with the largest increases being experienced in Algeria, Qatar and the United Arab Emirates (UAE). Participation rates for young women in MENA is less than half the rate of the developed economies and the European Union at a staggering 21.6 percent (compared to 48.2 percent), though young men in MENA experience similar rates at 46.9 percent to those seen in the developed economies and EU (52.7 percent) (Schmidt, 2009).

The combination of economic factors, such as lack of productivity growth rates, insufficient job creation to match the number of jobs demanded, and inflation, which burden the Middle East and North Africa region has manifested in a prolonged period of waitthood amongst the region's youth. The inability to find employment or adequate employment perpetuates dependence on the family, postpones the feasibility of marriage and the starting of families, and prevents full transition into adulthood (see Assaad and Barsoum, 2007; Boudarbat and Ajbilou, 2007). Finally, evidence is indicating that as a result of this prolonged transition into adulthood, migration is becoming a more favored option amongst

the youth, as the promise of employment, higher wages, and the financial resources that will facilitate marriage and starting a family becomes almost a call of despair.

Crisis and Post-Financial Crisis Period

The above listed conditions were evident for years prior to the current financial situation, and appear to have been exacerbated by the financial crisis. While the effects of this collapse have been global, there are a combination of factors influencing individual country experiences, primarily the starting conditions in the country when the downturn began and the way in which three major channels were effect within each country, namely: the financial sector, the price of oil and the balance of payments which takes into account trade, remittances and FDI and ODA flows (World Bank, 2010a).

Gender gaps in unemployment rates were highest in the world for the MENA region; here the rates more than double those for any other region. Similarly, youth unemployment rates are the highest in the world for the MENA region; the number of unemployed youth increased by 25 percent in the Middle East between 1998 and 2008, while there was a slight decline in the number of unemployed youth in North Africa. The MENA region experienced the highest youth unemployment rates in the world at 23.3 percent for 2008, this notorious distinction continued in 2009 with a regional youth unemployment rate of 24.15 percent and is expected to hold true for 2010 with an estimated rate of 24.35 percent. In a global comparison, while the unemployment rates themselves are the highest, it was not the highest rate of increase between 2008 and 2010 experienced by a region; this was witnessed by developed economies and the European Union, with a staggering 4.9 percent increases between 2008 and 2010. East Asia was the only region to experience a decrease in youth unemployment rates during the same period (ILO, 2011).

As shown in Table 3, over the 2007-2009 crisis period, youth unemployment rates have increased for the whole world by 1 percent and for the Middle East by 0.4 percent, but has declined for North Africa by 0.9 percent.

Insert Table 3 Around Here

Insert Table 4 Around Here

Table 5 illustrates the state of the youth for several countries in the region, for the second part of the decade.

Insert Table 5 Around Here

Job quality and poverty are serious issues that need to be monitored as a result of the financial situation. Almost one-quarter of the labor force of the Middle East was engaged in vulnerable employment in 2008, and this figure increased by 0.6 percent in 2009. Figures also highlight the fact that approximately 25 percent of workers and their families in MENA countries live on less than \$2 US a day, with 18.7 percent living in the Middle East and 31.2 percent of those living in North Africa. While these numbers are staggering, they do represent a decrease from the 2003 figures of 22.7 and 39.1 percent, respectively (ILO, 2011). While reductions are positive indications of improving salaries, the rates are still vulnerable to exacerbation by reductions in employment quality, which is of concern in the wake of the financial crisis.

While the GCC countries experienced a paltry 0.8 percent growth rate in 2009, they are projected to experience a 4.4 percent growth rate in 2010, though still below the 2008 level of 6 percent, the rapid rebound is making them regional leaders in the recovery. This rebound is largely attributed to recovery oil prices and financial market stabilization but also to large reserves that allowed governments to respond monetarily and fiscally to the global

situation (World Bank, 2010a). As a result of this rapid turnaround, it is anticipated that recovery in other MENA countries will also be aided through increases in FDI and remittances.

The global economic downturn has had a wide range of impacts throughout the world. While regional trends were discussed above, the following attempts to highlight some of the effects of the downturn on individual countries of the MENA region, as the impact on each has varied. When possible, specific focus will be made on the impact of the downturn on youth and youth employment within the region. However, since youth and youth employment are only a limited aspect influenced by greater economic trends and developments, the state of the overall economy for each country will be discussed.

III. THE EFFECTS OF THE CRISIS ON INDIVIDUAL COUNTRIES

a. EGYPT

According to Egypt's Central Agency for Public Mobilization and Statistics (CAPMAS), since 1976, more than half of the Egyptian population has been under the age of 24. In 2006, 22.3 percent of the population was between the ages of 15 and 24 (CAPMAS, 2006; CAPMAS, 2007). This 'youth bulge' forms a demographic pressure that is considered one of the main challenges facing Egyptian society for almost four decades. Egyptian youth new entrants to the labor market more than doubled between the 1970's and 2000 to reach 850,000 entrants.

. Youth exclusion, or the process by which youth become marginalized within society, is both one of the causes and also the consequence of the problems in the transition to decent work. According to 2006 labor surveys results, 80 percent of those unemployed in Egypt are youth. An important area of exclusion is education and training for youth, as the youth today do not face problems in acquiring education, but in acquiring good quality-education. A "gendered" youth exclusion can also be witnessed with only 22 percent of female Egyptian youth economically active. According to year 2006 reports by young men, 75 percent report that it took up to five years to acquire their first jobs, though this represents a decrease from 1998 reports, which indicated an eight-year average to secure first employment.

Despite economic reforms that were introduced domestically in the early 2000s, the remainder of the decade has proven anything but steady. After reaching a peak of 7 percent in 2007, economic growth declined to 4.1 percent in 2009. This is coupled with rising inflation rate, more than doubling from 2007's rate of 8.4 percent to 18 percent in 2008 and a high fiscal deficit measuring 7.9 percent of GDP in 2009 (ETF, 2010a). Downsizing of the public sector, limited growth within the private sector and international downturns resulting in return migration further complicates the current economic situation. These trends, when combined with poor education systems that produce students who do not have the requisite or necessary skills to fill the labor demand have resulted in a mismatch of skills between entering labor force participants and job availability, which is also contributing to wage inequalities. These trends are further exacerbated by the lack of social dialogue that would help to bridge the gap between what employers are looking for and what potential employees can offer.

Table 6 shows many important gender dimensions of youth insertion in the labor market in 2009. While female participation is kept constant at around 18 percent starting from age 22, male participation rapidly increases to reach 96 percent by age 29.

Insert Table 6 Around Here

Further evidence on the impact of the financial crisis on youth in Egypt can also be seen from Tables 7 and 8¹ below. The two tables combined demonstrate the pre- and post-crisis change in the growth of main labor market outcomes by gender, education attainment and age. In what follows, we compare figures immediately preceding the crisis in second quarter of 2008 to the and the post-crisis year of 2009.

Table 7 shows that through the 2008-2009 period, labor force participation rate in the labor force increased by only about 1 percentage points, from around 50 percent to 51 percent. Comparing 2008 to 2009 rates, we find that, on average, there has not been a significant crisis-related impact on labor force participation rates, which in fact have been increasing for both males and females..

Insert Table 7 Around Here

By contrast, Table 8 shows that, according to the broad definition of unemployment and the market definition of labor force, unemployment rate has been unstable during the 2006-2009 period. Yet, on average, it has increased from about 8.5 percent in second quarter of 2009 to 9.6 percent in 2009. Considering only the youth (15-24) cohort, unemployment rates for remained stable at around 16 percent for males . However, for female youths, unemployment substantially increased from its characteristically high level of 52 percent in second quarter of 2008 to 56.2 in 2009.

Insert Table 8 Around Here

There were also important variations by education level, skilled females have experienced the sharpest decline in unemployment growth (4 percentage points); while unskilled women observed the highest increase in unemployment growth (2.7 percentage points).

In sum, the above analysis provides evidence that although it might seem there has not been a substantial crisis-related impact on the Egyptian labor market in general, however some subgroups of workers have been more vulnerable than others during the crisis. This is consistent with historical experience in Egypt, which suggests that young, unskilled and female workers are more likely to bear the brunt of an economic downturn (Roushdy, 2010a). What is worth emphasizing is that even before crisis, female youth unemployment rate is an incredible 3.5 times greater than the male youth rate. The clearest crisis impact is for young women with no rducation and tertiary education in urban areas between 2008 and 2009.

b. JORDAN

While the economic impact of the financial crisis for some countries around the world was overwhelmingly negative, the Emirate of Dubai for example, Jordan appears to be fairing moderately well. This is due in part to the country's low market capitalization (Behrendt, Haq and Kamel, 2009). The country's real GDP grew in 2009 by 2.8 percent, though this does represent a decline from 2008's rate of 8.7 percent, but the GDP rate was supported by growth in exports and remittances.

¹ These two tables focus on market work, i.e. economic activity engaged in for the purpose of market exchange. We also use two definitions of unemployment: the standard and broad definitions. Both definitions require that the individual have not worked or been attached to a job during the week prior to the interview, and to have desired work and been available for it. The standard definition also requires that the individual have actively searched for work in the three months prior to the interview. The broad definition loosens the search requirement to include the discouraged unemployed, i.e. those who are no longer actively searching for a job.

Insert Table 9 Around Here

Data shows that unemployment rates fluctuated during the crisis, with youth (both males and females, aged 15-24) experiencing higher rates than their older counterparts across all years (see Table 10). Males with tertiary levels of education or higher experienced higher levels of unemployment than their lesser educated male counterparts, while mature men (aged 45-64) also experienced higher rates of unemployment than their younger male counterparts. During the crisis, female unemployment rates decreased across all categorical points of analysis, though with greater decreases for the lesser educated and adults (aged 25-44). The effects on unemployment rates can be seen in Table 10. Despite the improvement for women in terms of unemployment after the crisis, the gender gap that existed prior to the crisis continues after the crisis.

Insert Table 10 Around Here

Jordan experienced a decline in employment rates for secondary and university graduates between 2007 and the end of 2009, while pre-secondary degree holders increased their employment levels. Also declining during the period are the, female labor force participation rates, which reached very low levels by the third quarter of 2008 and continued to grow at negative rates for the following three quarters. On average, the female labor force participation rate declined by 0.2 percent between 2007 and 2009 (Murian and Salamat, 2010).

When labor force participation rates are compared by age and educational attainment levels the gender gap becomes more apparent. Table 11 reveals substantial gender disparities in terms of participation rates in both pre and post crisis periods. There is little evidence, however, that youth were more effected than young or mature adults by the crisis for either male or female constituencies. Gender differences are also noticed, however, as the decline in the participation rate can only be seen for females and not for males.

In sum, the evidence above highlights that male labor force participation rates and unemployment rates remain unchanged when comparing before and after crisis levels for Jordan. For females, unemployment rates also remained the same, but there was a clear decline in labor force participation rates. The implication of these findings is that employment actually increased for females after the crisis. This is an observation that is validated by data presented by Murian and Salamat (2010) and seen in the tables below. When comparing age, it is concluded that older males were more affected by the financial crisis than their younger counterparts, however, for females the young adult category was harder impacted by the crisis.

Insert Table 11 Around Here

Insert Table 12 Around Here

With the highest average years of schooling on record for MENA countries at an average of 7.37 in the year 2000, the position of Jordan before and after the crisis is slightly different than some of its regional neighbors (Selehi-Isfahani and Dhillon, 2008). Additionally, Jordan has been able to fairly successfully reform the national curricula, though it too still suffers from obsolete pedagogy, which includes rote memorization and a lack of critical analysis development amongst students. These educational techniques leave students unable to critically assess or problem-solve in work place settings. Additionally, the labor market has become more informal and the Jordanian youth are rejecting positions in low skilled positions. Recent data indicates that 200,000 new jobs will need to be created between

2009 and 2015 to satisfy the number of new entrants, while an additional 172,000 new jobs will have to be created to eliminate the current unemployment (Dhillon et al).

c. SYRIA

The financial crisis has affected several aspects of the Syrian economy. Declines in exports, foreign direct investment, tourism and remittances were being reported as early as the beginning of 2009. These declines were attributed to the global impact of the crisis. The country experienced decreases in agriculture and oil prices, falling export revenue, and reductions in remittances due to return migration from labor receiving countries such as GCC countries, which were also impacted by the crisis. This is all being compounded by a three-year long drought, reducing agriculture output and creating a domestic supply shock. Between 2008 and 2009, the country's GDP decreased from 3.7 percent to 2.5 percent, mirroring the trend for the entire MENA region, which also decreased (Kouame, 2009).

This signals a significant departure from the average GDP growth rate of 5 percent experienced by the country between 2004 and 2008. Prior to the crisis, and during the period of GDP growth, unemployment rates were shown to have decreased from 12.3 percent in 2004 to 8.3 percent in 2006. Reductions in inflation also coincided with the improving economy (Araujo, 2009). Moreover, the country's current account deficit measured 2.7 percent in 2008, and is expected to worsen as a result of the crisis, making it necessary for the country to find new sources to fund the deficit, a difficult task in the wake of the global downturn (Saif and Choucair, 2009b).

The unemployment rates indicate a worsening of the country's conditions in the wake of the financial downturn. According to 2001 and 2002 labor force surveys unemployment rates amongst male youth (age 15-29) were the highest for vocational and intermediate institute degree holders at 22 percent, while they were the highest for female youth at 53 percent for vocational degree holders (Table 13). (Kabbani and Kamel, 2007) When youth inactivity is explored, the major reasons presented by men were lack of interest, lack of suitable jobs and health reasons, while women revealed that housework/ child care and family refusal were the two major attributes to their inactivity.

Insert Table 13 Around Here

Like Egypt, Syria faces a similar demographic situation, with more than 70 percent of the population is under the age of 30. Syria has generally insulated from the global financial downturn, in large part due to the country's lack of global integration. As a result of the effect the financial situation has had on the Gulf Cooperation Council (GCC) Syria has also been impacted through decreasing remittances and foreign aid. Approximately 300,000 returnees from the Gulf will need to be re-integrated into the already tight labor market. Further complicating the labor market is the continued arrival of Iraqi refugees (ETF, 2010b).

Adding to the pressures of the labor market is its rapid expansion of 250,000-300,000 new entrants annually (which is expected to continue for the next 20 years), putting further pressure on the high rates of youth unemployment and the overall unemployment rate for the country, which currently sits at 9 percent. This is broken down into a 15 percent male unemployment rate and a 36 percent female unemployment rate (ETF, 2010b). The government reports the total unemployment rate to be 8.5 percent for 2009 (Central Bureau of Statistics).

Like many MENA countries, the government and public sector remains the primary employer, currently responsible for employing 30 percent of the work force. As expected, this preference for public sector employment revolves around higher wages and better non-wage benefits. The rate of new jobs opening up is slow, resulting in many young workers queuing

for jobs, who prefer to wait unemployed rather than take a job in the private sector. Contrarily, those with little or no education have few options, and are often forced to work in low paying jobs in the informal economy.

One reason for the preference for public sector employment amongst young Syrians is the state of education, which prepares students for national exams that provide a good basis for public sector employment but which ignores training in skills demanded by the private sector. Pre-crisis data indicates that over 80 percent of young Syrians desire to work in the public sector while over 60 percent of these pursue employment exclusively within the public sector. While young females have a higher demand for public sector employment, at 90 percent, research suggests that family necessity and societal norms encourage young men to look elsewhere if public sector employment is not secured (Kabbani, 2009).

Syria received 130 million Euros from the European Union between 2007-2010. Of this, 20 million Euros was earmarked for education and National Indicative Program (NIP). Starting in 2008, as part of the NIP package, programming and reforms are being targeted towards social reform with the intention of reducing poverty and promoting active labor market policies. To achieve these goals, the assistance targets four critical areas for programming: upper secondary education, continuing training, employment, and social assistance and health. Additionally, Syria is working with the ILO to create programs that would create new jobs, particularly for youth. (European Commission, 2008) The reforms being implemented are important steps in expanding youth employability by ensuring they possess the necessary skills demanded by the labor market, and addressing some of the labor market shortfalls such as youth exclusion.

d. MOROCCO

Like many of its MENA neighbors, Morocco too experiences a noticeable youth bulge, which until now has not yet been capitalized upon. By 2004, the youth totaled more than 21 percent of the country's population (Bourdarbat and Ajbilou, 2007), by 2009 this figure increased to more than 25 percent of the population (ODI, 2009). This large segment of the population is exacerbating unemployment rates by expanding the labor force faster than the labor market is able to create jobs (Bourdarbat and Ajbilou, 2007).

Insert Table 14 Around Here

While a quick examination of Morocco's key economic indicators illustrates a strong improvement in recent years, a more thorough investigation and analysis reveal a more complicated and worrisome truth. GDP in Morocco grew at 6.5 percent in 2008 and unemployment was at a 35 year low at less than 10 percent as of 2007. There has also been a witnessed decline in labor force participation. This indicates that youth are choosing to stay in school longer, or are becoming discouraged with labor market prospects and removing themselves from the market altogether. Though this itself can prove disadvantageous as educated youth are more disadvantaged within the labor market than those with limited or no education, and those with secondary degrees or higher are more at risk for long-term unemployment (Dhillon et al).

Insert Table 15 Around Here

Youth exclusion in Morocco has been associated with five factors: poor macro-economic performance which tends to effect young workers as they are more vulnerable to these pressures; rabid urbanization which has resulted in a 3.5 percent annual average urban

growth rate and which influences youth expectations and subsequent disappointments and discouragements; persistent poverty which effects approximately 14 percent of the youth population as of 2001 which perpetuates economic exclusion; poor labor markets which hide underemployment, decline in wage work and an increase in the informal sector, which challenge youth more than older, skilled workers; and changing family dynamics which propel youth to want independence and yet economic conditions that force youth to continue to rely on families for continued financial support (Bourdarbat and Ajbilou, 2007).

In relation to the financial crisis, and the resulting economic impact, Morocco has fared better than both Egypt and Jordan. The first wave of financial shocks had little impact on the country though the second round hit harder. The country's phosphate exports is credited with cushioning the impact; despite Morocco's dependence on energy imports (and the subsequent value fluctuations) phosphate exports tripled in value in 2008, which was enough to cover the oil deficit (UNICEF). Meanwhile the most pressing threats to the country's financial stability are the decline in the textile and garment industry, remittances, reductions in tourism revenue and decreases in external investment, which has already declined by 17 percent (UNICEF). There are rising fears the combination of increasing unemployment and inflation due to higher food and fuel prices have started to instigate social unrest (ODI, 2009), which seems to have materialized given the recent protest outbreaks.

Return migration and the loss of remittances are important financial and economic issues as the loss of remittances creates a major source of insecurity amongst Moroccans in the areas of health, education and employment needs as they have become dependent upon the cash flow and the government will find it difficult to supplement additional expenditures to help alleviate these new problems (ODI, 2009).

There has been a delayed response in Morocco to address the effects of the crisis. In 2009, the Moroccan government implemented an emergency response plan that addressed only very minor segments of the nation's economy. Under the plan, the government aimed to maintain 2008 levels of employment and social coverage. To do this, the plan consisted of addressing the automotive industry and the textile and leather industries. The automotive industry represents only one percent of manufacturing firms, 10 percent of employment and 17 percent of exports while together the leather and textile industries comprise 20 percent of manufacturing firms, 39 percent of employment and 39 percent of exports (Carnegie Endowment, 2009). These response measures failed to address the needs of the majority of the population, and made little impact on youth employment and other vulnerable groups. The issues of youth exclusion continue unabated as a result of this emergency response plan as the plan failed to address issues of employment generation.

Expected additional response measures include stimulus packages, the subsidization of national purchasing power, tax cuts for small and medium enterprises and increased spending on both the health and education sector. While the measures have the potential to ease the financial burden, the program has been criticized for a lack of explicit eligibility requirements (Saif and Choucair, 2009). Unfortunately, to date, there has been little evidence that any packages have been implemented.

e. ALGERIA

Immediately prior to the financial crisis, Algeria experienced a GDP growth rate of 3.8 percent and debt of 4.2 percent of GDP. The participation rate for youth, those aged 15 to 24 years of age, in 2007 was only 28.2 percent, almost identical to the 28.7 percent labor force participation rate recorded in 2003. Similarly, the gender dimension to the participation rate remained nearly unchanged between 2003 and 2007, with young men participating at rates of 48.9 percent and 47.5 percent, respectively, and girls participating at 7.5 percent and

8 percent, respectively. For this group, the levels of inactivity can be contributed to either enrolment in education or pure economic inactivity.

The total number of youth employed rose from 1.19 million in 2003 to 1.58 million in 2007, marking an increase of 32.4 percent for the period. The unemployment rate for this group in 2007 was recorded at 44.3 percent for males and 40 percent for females, also indicating a decrease from the 2003 rates of 48.5 percent and 45 percent, respectively (ONS, 2007).

Insert Table 16 around Here

While the above-mentioned economic factors are important indicators of the economy in general, there are other important factors that must also be examined. Remittances also play a role in the economy of Algeria, and total 2.2 percent of GDP. Furthermore, deficit rates are expected to worsen by the year 2012, falling from a surplus of 28 percent in 2008 to 10 percent by 2012 (Saif and Choucair, 2009b). The GDP growth rate for the country showed a steady decline from 3 percent in 2007, to 2.4 percent in 2008 to 2.1 percent in 2009. Despite this, the GNI per capita (in terms of purchasing power parity) rose over the same period, from international dollar value of 7,670 in 2007 to international dollar value of 8,130 in 2009. The inflation rate (as measured through consumer prices) worsened, increasing to 5.7 percent in 2009 from the 2008 rate of 4.4 percent. Also indicating a worsening in the state of the economy is the decreasing value of exports from 47 percent of GDP in 2007 to 46 percent of GDP in 2008 to 40 percent in 2009 and the increasing value of imports from 23 percent of GDP in 2007 and 2008 to 36 percent of GDP in 2009 (World Bank).

By the end of 2009 the overall unemployment for Algeria was estimated to be 1.07 million, or a rate of 10.2 percent. There is a gender gap in the rate of unemployment, with men totaling 8.6 percent and woman registering 18.1 percent. Youths of course remain with a higher rate of unemployment than their adult counterparts, with 73.4 percent of those unemployed being under the age of 30 and 86.7 percent being under the age of 35 (ILO, 2009).

Insert Table 17 Around Here

f. TUNISIA

Tunisia is considered to be a country vulnerable to external financial and economic shocks due to its integration into the world economy and dependence on imports. Furthermore, exports, foreign direct investment, remittances, and tourism are key national economic sectors and major sources of job creation for the country. However, with declining rates being experienced in all sectors, and the inability for the government to be able to start investment projects to overhaul the economy, the country faces continued economic difficulty as the rest of the world recovers. The extent to the potential effect is seen in the fact that tourism is responsible for 450,000 jobs in the country, and remittances were responsible for 5 percent of GDP or US\$1.7 billion for the year 2007, and between 2005 and 2006 the country experienced a threefold increase in FDI (Drine, 2009).

Insert Table 18 Around Here

Insert Table 19 Around Here

Like many of its MENA counterparts, Tunisia is experiencing a youth bulge, and as is indicated in the table above, substantially higher rates of unemployment for those aged 15-29 than for older workers. While Tunisia also has a history of high birthrates, governmental programs that began in the 1960s have helped to reduce the birthrate to a replacement level of 2.1 children per woman. This is down dramatically from levels higher than most current fertility rates in Africa when the programs of female education, family planning and legal reform began (World Bank, 2008b). Since 2006, the population growth rate has remained

constant at one percent, while the percentage of females has also remained constant at 49.7 percent during the same period. The employment to population ratio for youth aged 15-24 has decreased slightly from 22.8 in 2006 to 22.3 in 2008. While the female youth employment to population ratio remained constant at 15.4 percent during the same period, and the level for youth males has decreased from 29.7 percent in 2006 to 28.9 percent in 2008 (World Bank, 2010).

Youth unemployment is of serious concern for Tunisia. Three regions in particular suffer high rates of youth unemployment, namely: Larger Tunis, where one-quarter of all youth are unemployed. It also hosts a large number of first time job seekers; the rural El Kef Governorate has the highest unemployment rate; Gafsa Governorate is an historically mining region, though this is waning creating a concerning unemployment situation compounded by the region's inability to create new jobs (UNIDO). While this focuses three regions of the country, it indicates the precariousness of the employment situation for youth in the country as a whole and the need for programs to address such concerns.

Due to the growing number of graduates from the higher education system in Tunisia, more and more individuals are affected by unemployment. The number of young unemployed graduates has nearly doubled in 10 years- 336,000 in 2006-2007 compared to 121,800 in 1996-1997 (World Bank, 2008a). To address this issue, the Ministry of Employment and Professional Integration of Youth, in collaboration with the World Bank, conducted a survey at the end of 2005 on young graduates to attempt to identify some mechanisms for their integration in the labor market. Unemployment remains a serious problem among young graduates, notably those who graduate with a postsecondary degree, and particularly effects graduates with two year technical degrees and master degrees which have an unemployment rate that reaches 50%. The results of this study also underline the problems of lower jobs (given their qualifications) and graduates not having appropriate skills for employment.

These unemployment rates only worsened as a result of the crisis. Therefore, it becomes increasingly important that appropriate steps be taken to ensure that recovery and government expansion programs target the youth population of the country. To this end, the government has taken steps to improve the number of jobs available to youth, by encouraging and creating business incubators. For the year 2010, 1,100 projects were started creating 4,600 new jobs. The project aims to coach and train youth, especially university graduates to increase not only job availability, but job quality as well (Ministry of Vocational Training and Employment, 2010).

g. THE UNITED ARAB EMIRATES

While some countries have faired better than others, the United Arab Emirates (UAE), and Dubai in particular, has struggled more than other Gulf Cooperation Council countries, and it appears to still be unfolding as opposed to resolving. By the end of 2009, the UAE stock market dropped and the rest of the GCC experienced higher volatility. However, it has been shown that Dubai's current situation has not had a large spillover effect for the rest of the MENA region. Loans funded by Abu Dhabi to Dubai have been instrumental in helping to curb further problems within Dubai by increasing confidence. Furthermore, Abu Dhabi has continued to implement large fiscal spending which has been expected to ease the recovery and continue to support economic development (World Bank, 2010a). The current debts of Dubai are totaling more than \$10 billion while debts associated with Dubai total more than \$70 billion. In addition to the loans by Abu Dhabi, the UAE Central Bank and the Finance Ministry have provided more than \$32 billion in bailout funds (Saif and Choucair, 2009).

Public debts of this magnitude can have substantial effect on job creation, as companies cut back expenses in an effort to stay financially afloat.

Despite the large dependence on foreign workers, national unemployment rates have remained relatively stable given initiatives to introduce government quotas of nationals employed in the private sector. These trends are currently being challenged and the employees are now holding the government responsible for securing their employment (see section IV for government responses). As a result of the unemployment threat against national workers, working conditions for foreign workers have worsened, and many workers do not have basic rights. Illustrative of these claims are official statistics, which indicate that more than half of foreign workers have a family or friend who have lost their job (Saif and Choucair, 2009).

While the UAE has fared better than most of their MENA neighbors in terms of youth exclusion, the country still faces a significant gender imbalance in the workforce, with a 34 percent difference between male and female participation rates amongst Emirati youth. Also evident is the much higher unemployment rate amongst female youth than their male counterparts. Table 21 below illustrates these differences. Significantly, female youth face a higher rate of unemployment than their male counterparts, despite the fact that their tertiary enrollment is double than their male counterparts, at 36 percent (compared to 17 percent for males) (Brookings Institute, 2010a). This indicates that the labor market is more geared towards skilled work such as carpentry as opposed to professional training on computers etc. The higher female tertiary enrollment, however, could help to explain the lower female youth labor force participation rate, as they are delaying entrance into the market while they complete their degrees. Despite the gender differences it should still be noted that based on the data, the gaps in labor force participation are still less than many of their MENA counterparts. Additionally, the unemployment rates sit lower than countries like Egypt and Morocco.

Insert Table 20 Around Here

IV. EXISTING INITIATIVES TO ADDRESS YOUTH UNEMPLOYMENT AND THE FINANCIAL CRISIS

This section aims to address existing initiatives that have been implemented in the wake of the financial crisis to address the economic downturn and youth unemployment concerns. As Saif and Choucair (2009) succinctly explain, developing effective policies to mitigate the impact of the crisis is not always a straightforward process, especially given the interconnectedness of the world economy. As such, they point to five main drivers that influence responses to address the economic effects of the crisis: different economic drivers, such as remittances, FDI and trade; the political atmosphere of the country developing the policies can contribute to speed and effectiveness of response implementation; the fiscal context will dictate the way in which countries can realistically respond; the institutional structure of lobbying bodies and agencies; the ability for public and private entities to act efficiently; the deficiencies of social safety nets prior to the crisis (Saif and Choucair, 2009). While some programs pre-date the crisis and specifically aim to protect and promote youth employment, warranting their inclusion in this discussion, other programs have either fallen short of the intended success or have served a counter-productive function. These measures can be classified into three main categories: macroeconomic and financial initiatives that have an impact on youth labor demand, direct labor market and skill development initiatives, and policies related to regulating labor migration.

1. Macroeconomic and Financial Initiatives

Egypt has taken a variety of steps to help curb the impact of the economic and financial crisis. According to the country's ETF report, three major steps have been taken. First, a stimulus plan has been prepared which includes infrastructure and local development projects including water, sewage and roads. Second, reforms and strategic development through strengthening key economic sectors; particularly agriculture and tourism have been supported. Finally, supporting the development of new international partnerships, particularly with India and China, in the hopes that new markets and outsourcing possibilities will be accessed in an effort to maintain levels of FDI (ETF, 2010a). Additionally, the Egyptian government has committed 5 billion EGP to education programs designed at reducing the skill mismatch observed in the labor market. While the ILO believes that the introduced stimulus package of 2009 and the proposed package for 2010 are strong starting points, it is argued that they do not do enough to address the concerns of integration for women and youth workers into the labor market, which would help to strengthen Egypt against similar future downturns (ILO, 2010a).

The GCC countries, and Saudi Arabia in particular, responded quickly to the financial crisis and implemented similar policies to those of the United States, European Union and Eastern Europe with the main objective of maintaining financial sector stability. General policies introduced include: government guarantees on deposits and debt; capital injections; asset purchases; monetary easing. More specifically, Saudi Arabia introduced fiscal stimulus packages to ensure both short and long-term growth. The Saudi government has spent over \$200 billion since the downturn began and is credited with contributing to the global recovery process as the country has such a large import ratio (World Bank, 2010a). Given the dependence many countries, like Egypt, have on FDI and labor migration to the Gulf countries, their recovery could help to protect jobs in other countries.

Jordan focused its policy responses on deposit guarantees and monetary easing, while Tunisia and Morocco offered liquidity support. Tunisia supplemented this policy with further support for small and microenterprises (SMEs) (with similar support being offered in Bahrain, Egypt, Jordan, Morocco, and the UAE) (Tzannatos, 2009) and employment, while Morocco supplemented the above policies with working capital loan guarantees, debt rescheduling and an easing of regulation (World Bank, 2010b).

The above measures mainly relied on government spending and financial sector interventions to cushion economic activity and prevent further drops in growth rates. However, for them to have more specific youth impacts, they need to be better targeted to sectors that disproportionately employ young and new entrants to the labor market.

2. Labor Market Interventions

Table 21 shows key initiatives that have been introduced in several Arab countries to cushion the negative impact of the crisis on youth employment. These include training and skills development initiatives in Egypt, Jordan and Syria, employment subsidies and coverage of social security contributions (which is not just a labor market intervention) in Tunisia, Algeria and UAE, and multi-dimensional programs that include financial and non-financial services to promote youth entrepreneurship and income generating projects targeting youths in Egypt, Jordan, Morocco and Tunisia. In addition, countries including Algeria, Lebanon, Libya, Morocco and Tunisia have implemented wage increases for civil servants (Tzannatos, 2009). While this may alleviate immediate income concerns and help to counter some of the crisis effects, it may also result in exacerbating queues for public sector jobs, which are already of serious concern in parts of the region. Similarly, minimum wage increases and civil servant salary increases have also been introduced, or are soon to be introduced, in a number of countries including Algeria, Jordan, Lebanon, Morocco and Tunisia, while new

forms of unemployment insurance and assistance have been implemented in Bahrain and will soon be implemented in Jordan and Syria. Egypt is also trying to offer greater support for income generating projects. Tunisia has introduced early retirement options in an effort to reduce unemployment by opening new positions through retirement; subsidies for SMEs have also been introduced in Bahrain, Egypt, Jordan, Morocco, Tunisia and the UAE. (Tzannatos, 2009).

Insert Table 21 Around Here

Egypt

In the wake of the crisis, the Egyptian government is reported to have increased financial support for training institutions to expand the participation of youth in training programs (ILO, 2010b). During 2009, an initiative for the design of a specific strategy for reform of technical and vocational education and training (TVET) was also launched, with an action plan for short, medium and long term implementation (ETF, 2010). Although the strategy provides an integrated policy umbrella for existing programs (e.g. EU TVET reform program and World Bank skills Development Project, SDP), its short-term measures can be thought of as part of response mechanisms to address the continued exclusion of youths, in an environment of economic slowdown.

Several Multi-dimensional projects were also put in place following the crisis. Besides the announced \$3 billion spent on a fiscal stimulus packages, the Egyptian government also spent some \$2.6 billion on labor intensive projects (which the government calls social solidarity measures) to combat unemployment. The youth- specific impact of these packages is unclear. The main program in the wake of the crisis that specifically targets young job seekers is conducted through the Social Development Fund to fund labor-intensive and small-scale income generating projects targeting youth (ILO, 2010b).

Jordan

In the wake of the crisis, Jordan implemented a multi-component initiative that addresses training, employment in both the public and private sectors and income subsidies. Furthermore, the initiative aims at providing specialized vocational training for labor intensive sectors of the economy; the program also intends to provide secure employment for at least one year after training, social security, medical insurance and transportation to work (ILO, 2010b). Education reform is further highlighted as a priority with curricula reform, governance and quality assurance in keeping with the Bologna Process, and with the 2008 Jordan Employer Driven Skill Development, which includes three technical components. Specifically, E-TVET Council Development, Vocational Training Cooperation (VTC) and the Employment Driven Training Fund. Together these projects total an \$8.8 million (US) commitment to reform (ETF, 2010c). Although started in the pre-crisis period, the program was enhanced and strengthened in the wake of the crisis.

Algeria

Realizing the precarious situation of youth in the country, steps have been taken to both promote job creation and preserve existing jobs in Algeria. The National Commission for the Promotion of Employment includes funding of an emergency program for youth employment and job preservation. Additionally to address the issues of employment and unemployment, proposals have been submitted addressing preservation of employment, measures to boost employment, policies regarding medium and long-term employment promotion, and measures related to social protection and solidarity (ILO, 2009). These measures indicate the awareness of the government as to the importance of not only

immediate youth inclusion but also of long term sustainability within programs targeting employment and labor market reforms.

Tunisia

The government of Tunisia is taking an active role in trying to preserve and promote youth employment in the country. In this regard, in addition to the above-mentioned promotion of business incubators, the country has implemented a series of programs to further promote and boost youth employment. First, 18 million dinars has been allocated for incentives to businesses who hire university graduates. Second, the company has created a call center to provide real time information for job seekers. Third, establishing programs within the universities to help build skills and vocational training to bolster youth employment by providing recent graduates and new job seekers with labor demanded skills. Fourth, increase the capacity of existing vocational training within the country and increase the emphasis on youth-oriented training programs. Fifth, increase the power of regional councils to help promote, design and implement employment schemes for the region (ILO, 2009). These policies clearly indicate an acknowledgement on the part of the government as to the importance youth play in the economy. However, warning should be paid to isolated, short-term policies that are reversed when the current economic situation eases, and long-term development plans implemented to ensure the continued integration of youth into the economy and labor force.

One additional program that has been initiated by the Tunisian government in collaboration with a number of international organizations, specifically FAO, IOM, UNDP, UNIDO and ILO is a program geared to address youth unemployment concerns throughout the country, with specific attention being paid to the youth unemployment concerns in the Larger Tunis region, El Kef Governorate and the Gafsa Governorate. The three-year program was signed into effect in December 2008 and geared towards the needs of unemployed university graduates and low skilled youth. Specifically, the program aims to incorporate migration policies with labor market trends to satisfactorily address these youth labor concerns (UNIDO).

UAE

A policy that the UAE implemented in 2009, in an effort to protect Emirati jobs, is to prohibit the dismissal of national employees except in the case of “serious misconduct.” Securing national employment is a serious concern for the Gulf country, which mostly employs foreigners in the private sector, while the national labor force is primarily engaged in the public sector. Needless to say, such policies are highly controversial and may prove to be counterproductive. They may especially discourage productivity by Emirati workers, since employment will be guaranteed despite productivity, and will dissuade the hiring of national workers in the first place, as foreign workers would not be bound to the protection laws (Dhillon et al). This could disproportionately affect younger Emirati workers who lack the experience and skills of their older national counterparts and exclude them further from hiring due to the potential for extended employment and low productivity.

3. Policies Relating to Regulating Labor Migration

The above country analyses show that, generally, unemployment rates among youth either remained at their high pre-crisis levels or worsened during the crisis. Aside from low wage employment outlets in informal sectors, it is expected that increasing numbers of excluded youth, currently marginalized from the labor market, will intensify their search and effort to seek employment outside their countries of origin. Traditionally, the policies enacted by countries in the region, which are net recipients of labor migration have generally

attempted to protect national workers at the expense of expatriate workers. For example, Kuwait and Saudi Arabia both plan to reduce the number of migrant workers in an effort to protect national jobs. Kuwait's plan includes reducing the number of expatriates working in the public sector, and deporting approximately 15 percent of the country's population made up of migrant workers who either lack skills, are unemployed or are residing illegally in the country. Similarly, Saudi Arabia plans to reduce the migrant population from nine million to two million people over the next eight years (Tzannatos, 2009).

Interestingly, the crisis has triggered many other labor receiving countries to also try to adopt more flexible approaches and introduce much needed reforms to their migrant worker policies. In Oman, bans on expatriate workers in some sectors may be eased, as the full impact of the crisis is determined. Policy retractions would be conceivable given the small domestic labor force and the country's historic dependence on foreign labor. Other labor receiving countries have instead tried to reform their migrant labor standards to improve standards for expatriate workers. In Lebanon, the new policies of unified contracts and improved employment oversight are targeted for domestic workers, a typically exploited and neglected foreign worker contingency in Lebanon and the GCC. Jordan has passed important anti-trafficking legislation in 2009 and additional measures addressing protections for migrant workers are also being considered. They have also introduced an initiative to protect their own migrant workers abroad, particularly in the GCC, Egypt and Libya to cover the costs of dispute resolution should the case be lost. Bahrain has implemented the most expansive policies of labor receiving countries which now allows migrant workers greater freedom to change jobs, higher levels of inspection for labor recruitment offices, new arbitration policies for migrant workers (including domestic workers), wage protection, unemployment insurance eligibility during job transitions, increased fees for work visas, and a previously implemented law which prohibits working in the sun from 12:00-16:00 during July and August (Tzannatos, 2009).

These new laws have the potential to attract additional migrant workers from the region as job stability and employment conditions have become more attractive, especially given the alternative in some of their originating countries. With expanded opportunities to work in some MENA countries, the draw for migrants from countries like Egypt where the waiting time for public sector jobs can reach 10 to 15 years, becomes appealing. Additionally, the new protections of domestic workers in Lebanon and Bahrain are an important step forward in worker protection and in the rights of women.

Migration is not a panacea, however, without addressing the underlying skill mismatches and deficiencies in the social safety net. Migration policies in general need to be incorporated within an overall strategy focused on skill acquisition and creating productive youth. These issues will be addressed in more detail in the following section.

V. POLICY RECOMMENDATIONS

The above analyses point to the need for concrete and coordinated policies by Arab countries in an effort to create effective recovery strategies that will not only allow for resumed growth, but which will not exclude the youth in the process. These policies become even more important when the 2010 and 2011 unemployment projections are analyzed. The ILO projects that the youth unemployment rate will increase for both the North Africa and Middle East while adult unemployment for both regions will remain constant despite the fact that the world projections decreased for both age groups. Policies can be classified as either short-term or long-term, with short-term policies attempting to directly address the issues associated with the financial and economic crisis, while the long-term policies aim to correct larger underlying concerns within the labor market. As such, this section will be divided to address both.

ENHANCING EXISTING SHORT RUN MEASURES TO ADDRESS THE CRISIS

In making policy recommendations to address the impact of the global economic downturn, the ILO has argued that recovery plans should enhance support to susceptible women and men hit hard by the crisis including at risk youth and other vulnerable groups. The need for policies that will allow for the simultaneous expansion of investment, job creation and enhancement of skills are of major concern (ILO, 2010a). The list of labor market interventions discussed in Section IV above although certainly constituting steps in the right direction, has been widely criticized for short-sightedness, lack of co-ordinated effort across the region and for not being well targeted to underprivileged youths

Saif and Choucair (2009a) have critiqued many of the existing policy responses to the crisis as shortsighted in nature. While admittedly steps in the right direction, overall, countries have been late to respond and arbitrary in nature when they do respond. Hence, in order to adequately address the effects of the crisis, pre-existing programs and initiatives need to be expanded while additional programs need to be introduced. This should include, specifically, implementing safety nets and cash transfers for households impacted by the financial crisis and reprioritizing financial allocations for social sectors, such as education, health and youth specific programs (ODI, 2010).

Given the global nature of the crisis, Saif and Choucair (2009a) recommend a more coordinated effort amongst countries to alleviate the impact on vulnerable groups, including youth. According to existing analyses of the crisis, it appears as though the only multi-national coordinated response in the MENA region has been within the GCC group. Even there, however, it was a primarily fiscal and monetary response and failed to address the social issues in a synchronized manner.

Further critique reveals that the informal economy has been largely overlooked in policy responses disregarding the fact that the informal economy employs large segments of the labor force throughout the MENA region (Saif and Choucair, 2009a). As a result of these realities, recovery strategies and practices need to be more transparent and inclusive of not only selected institutions, but of the general population at large, particularly the youth, through large scale expansion of major social protection policy interventions.

Components of the EuroMed Programme Job Access for Youth (JAY), and other similar programs, should be employment promotion agencies with a focus on encouraging youth entrepreneurship and employment of unskilled youth. A regional coordinating system for matching labor demand and supply by disseminating job offers throughout the EuroMed, including the Arab region, is also necessary to ensure a coordinated response to the common issue of skill labor demand mismatch across countries. Finally, extending current Erasmus Mundus programs, which are currently limited to the exchange of university students, to also cover training in companies for vocational education and technical skills would address the particular needs for youth with inadequate human capital resources (Martin, 2010).

LONG TERM MEASURES TO ADDRESS THE CRISIS

While addressing the immediate concerns of the financial crisis is of importance to governments, and for the affected youth labor force, the required response should not be limited to short-term alleviations of an immediate need. Instead, governments and stakeholders need to develop policies and programs that will help to reform the deficiencies that existed within the economies even prior to the financial crisis. Long-term policies have to include coordinated action plans and implementation by all requisite stakeholders, unemployment insurance, credit availability and accessibility by all segments of the

population, labor market monitoring, and the establishment or overhaul of social security as applicable. These reforms in conjunction to the more immediate training, job promotion and job creation initiatives discussed in this paper will not only help to better incorporate marginalized groups within the society, but will help to smooth labor outcomes for youths in the wake of potential similar crises in the future.

Addressing the long-term effects of the crisis can pave the way for overcoming the structural challenges that the region faced even prior to the crisis. Critiquing the existing policy creation motives, Schmidt analyzes several existing youth initiatives and determines that the limited impact is largely associated with poor program development, which did not look at long-term needs, but rather created programs in light of business cycles. The focus of most programs is on pre-employment issues and did not focus on poor working conditions and informal employment

A starting point can be Dhillon et al's broad policy recommendations to support economic recovery while simultaneously alleviating the youth exclusion that is prevalent across the region. They argue that: fiscal stimulus should address job creation for youth; increase access for marginalized groups to education at the secondary and tertiary levels; change tertiary admissions policies to promote skill development; address public sector hiring practices; increase service learning and volunteer programs for youth; expand training programs geared towards youth; improve skills to increase the value of informal jobs; build human capital through investment in social services; increase technology for job information and matching; provide social protection for all workers. In addition, Tzannatos (2009) adds the following three recommendations at the institutional level: strengthening the capacity of labor ministries to promote and monitor employment generation, enhancing consultation between social partners (expanded social capital dialogue) before economic and labor policies are implemented, lastly, improving statistical and administrative requirements to improve the design, implementation and monitoring and evaluation of crisis related policies.

While these recommendations provide the broad outline of reform, they fail to develop specific policies to address the above-mentioned needs that can be implemented either region-wide, or individually by country. Expanding more specifically on the discussion above, based on the aforementioned recommendations, it becomes apparent that the greatest means to recovering from the financial crisis and support young people in their transition to decent work opportunities is three fold: fundamental educational reform across all levels, focus on vocational and technical education and temporary (circular) migration policies.

The development of skills for the labor market is one of the areas identified as in critical need of revision. Reforming the training system to make it more relevant to the labor demand is a starting point. General curricula reform is critical for the development of skills that are relevant for the world of work. Rote memorization, a lack of critical thinking and problem solving skills, literacy and arithmetic, compounded by over-crowding and poor-quality education that leads to private tutoring beleaguers the education system throughout North Africa and the Middle East (Said and O'Neill, 2010). As a result, graduates often enter the labor market without the skills desired by the private sector, and resort to queuing in the public sector until a job becomes available. Addressing these problems is a pertinent first step in creating a more competitive and aptly suited workforce.

The second area of reform concerns vocational and technical education. Many of the critiques applicable to general education can be applied to the technical and vocational education programs throughout the region. Studies, particularly on Egypt and Morocco, indicate that vocational and technical education is seen as a "second best" option, given the selectivity of enrollment into general secondary education. Furthermore, hampered by its own set of pitfalls, technical and vocational education produces graduates who are poorly educated in specific, obsolete skills that leave them undesirable in the workforce and unable

to adapt to changing opportunities and skill demands (Said and El-Hamdid, 2005). Further distressing the situation is the exclusion from university enrollment for technical and vocational graduates in both countries, limiting potential skill acquisition, and condemning students to poor quality jobs with equally poor compensation.

Finally, an area that has not been sufficiently explored is how to utilize circular migration programs, or facilitated, short term migration, to help alleviate immediate youth unemployment concerns, while simultaneously increasing the skills of return migrants. These skills will hopefully be channeled into entrepreneurial activities, and reducing the long-term dependence on remittances. With proper facilitation and institutional support, youth could prove advantageous in the labor market if return migrants had sufficient access to capital and investment opportunities that would allow for capitalizing on entrepreneurial ambitions and the newly acquired skills learned abroad.

Successful programs would require greater cooperation between governments, institutions and the private sector to facilitate the crossing of borders, encourage return migration, provide skill and job matching services, and subsequently, assist in post-return investment. The International Organization for Migration (IOM) explores the issue of migration and discusses many issues that when channeled into appropriate policies can maximize the benefits to both sending and receiving countries. Their recommendations include codes for ethical recruitment practices. They also highlight the need for channeled remittance investment to promote sustainable growth and long-term development, return migrant skill and knowledge transfers to help improve the skill balance in the labor market of their home countries. The greatest contribution that can be made to facilitate productive migration is to allow for greater cooperation and coordination between and within sending and receiving countries. This includes not only border security in terms of both regulating regular migration and combating irregular migration, but also streamlining the processes of visa acquisition and skill matching between receiving countries and willing migrants (IOM, 2004). It also includes coordinating policies between government ministries in the same country to ensure that migration policies are working in ways that promote the health of the economy (IOM, 2005).

VI. CONCLUSION

Globally, the economic downturn has hit youth hard, with increases in unemployment and decreases in the labor force participation rate amongst this vulnerable age group. When coupled with declines in productivity, there is increased fear that these trends are going to result in worsening working conditions for youth. When job creation is taking place, the inexperience and lack of market driven skills on behalf of the potential youth employees pose major concerns and barriers to employment. These factors combine to create an increase in the informal sector and a perpetuation of youth exclusion.

Regionally, in MENA, youth comprise major percentages of the total population, which results in large numbers of new labor market entrants annually. As projected by the ILO (2010b), the situation for youth employment continues to be a precarious situation for 2010 and 2011, with rates worsening for 2011. Projections indicate that North Africa will experience slightly higher rates than the Middle East, suggesting that the effects of the crisis will continue into 2011, with a youth unemployment rate of 23.9 percent for the Middle East and a rate of 24 percent for North Africa. This is in contrast to the world projections for youth unemployment, which appear to decrease from 13.1 percent in 2010 to 12.7 percent in 2011. Poor education and mismatches in labor market demanded skills exacerbate youth insertion in the labor market, resulting in labor force participation rates averaging 35.9 percent in 2008 for youths in the Middle East and 37.1 percent for youths in North Africa. Furthermore, unemployment rates totaled 21.7 percent for youths in the Middle East and 23.5

percent for youths in North Africa for the same year (ILO, 2010a). Prior to and during the crisis women remain marginalized within the labor market with only 2.5 of every ten women actively engaged, compared to 7.5 of every ten men. Excluding North Africa, women of the Middle East are experiencing the lowest participation rates in the world (Schmidt, 2009).

The specific country data analysis for Egypt, Jordan, Morocco, Algeria, Tunisia, Syria and the UAE indicate that there have been delayed responses to the labor market implications of the crisis, partly due to the fact that there has not been a substantial crisis related impact on unemployment and labor force participation rates. However, the effects of the crisis have been varied throughout the region. To conclude a general trend for all country's analyzed would be minimalistic, instead the economy as a whole needs to be examined to determine the full impact of the financial crisis. However, generally speaking most countries did experience worsening conditions for youth and women in general as a result of the 2008 financial and economic downturn.

The post crisis analysis indicates that country experiences differed throughout the region. The overall rate of unemployment has decreased slightly between the 2006 to 2009 period from 10.5 percent to 9.3 percent, respectively. However, in general, the effects of the crisis have been minimal on the Egyptian labor market (Roushdy, 2010).

The Jordanian experience indicates that there is little evidence signifying that youth were more effected by the crisis than other age groups in terms of labor force participation rate, although slight gender discrepancies were noticed across all age points, with females experiencing declines in participation rates (Murian and Salamat. 2010). However, during analysis of all findings, it is concluded that employment for females actually increased after the crisis. Despite this, almost 375,000 new jobs will need to be created between 2009 and 2015 to employ the total number of new entrants to the labor market in addition to eradicating current unemployment rates (Dhillon et al).

In Syria, general economic conditions worsened as a result of the crisis. The country suffers from high youth inactivity rates attributed to lack of interest, lack of suitable jobs, and health reasons, for men. Women stated that housework and childcare, and their family's' refusal for them to work were major contributors to their inactivity (Kabbani and Kamel, 2007).

Morocco's large youth bulge complicates the country's unemployment rates by expanding the labor market faster than jobs can be created to absorb the new entrants (Bourdarbat and Ajbilou, 2007). The government has attempted to address major industrial sectors to maintain 2008 levels of employment, however, the majority of the population was left without feeling the benefits of preventative measures, and the response measures failed to address any of the youth labor concerns for the country.

By the end of 2009, Algeria's youth were experiencing higher rates of unemployment than their adult counterparts and a larger gender discrepancy being experienced between men and women of all ages, with 8.6 percent of males unemployed and 18.1 percent of females unemployed (ILO, 2009).

Tunisia has a serious issue of youth unemployment with three regions particularly vulnerable to high youth unemployment rates, namely, Larger Tunis, El Kef Governorate and Gafsa Governorate. To address these concerns steps are being taken by the government to try to curb the high rates of youth unemployment pre-existing the crisis and worsening as a result of the crisis.

The United Arab Emirates, and Dubai in particular, suffered significantly from the financial crisis. However, protective measures have tried to insulate the national workforce from these effects. However, youth exclusion does exist, though arguably to a lesser extent than in countries such as Egypt. The female gender gap measures 34 percent for the labor

force participation rate of youth. Female youth also experience higher levels of unemployment than their male counterparts, despite higher levels of tertiary enrolment than youth males (Brookings Institute, 2010a).

While the effects of the financial and economic crisis have varied in intensity throughout the region, the overall trend indicates that the youth were already excluded prior to the economic downturn. The crisis resulted in economic stagnation for many countries, who in the years leading up to the crisis experienced positive trends within the labor market. This stagnation has interrupted this growth and created what is essentially a lost period in the continued development projectile.

What the crisis highlighted, was the need for long-term alternatives that will address the causes of youth exclusion to help bring them into the labor market as productive and efficient workers. Education reform at all levels including curricula, technical and vocational education to make them more relevant for the labor market will be an important step to help diminish gaps in the skills demanded in the labor market. Furthermore, creating greater partnerships between the private sector and public institutions in charge of provision of vocational and technical education and other training programs will contribute to improve access to skill development programs more relevant for the world of work. Finally, intergovernmental cooperation and coordination will enable circular migration as part of a strategy for investment and youth entrepreneurial encouragement will create stronger economies and better trained, higher skilled workers domestically.

REFERENCES

Achy, L. 2009. "Government Response to International Crisis: The Case of Morocco," Carnegie Middle East Center, Available at: <http://carnegie-mec.org/events/?fa=1456> [30 Nov. 2010]

Araujo, J. 2009. "Short and Medium-Term Growth Prospects: Challenges and Opportunities," in *Development Horizons: The Financial Crisis: Impact on the Middle East*, World Bank Group

Assaad, R. and G. Barsoum. 2007. "Youth Exclusion in Egypt: In Search of 'Second Chances'," The Middle East Youth Initiative Working Paper, Wolfensohn Center for Development and Dubai School of Government

Behrendt, C., T. Haq and H. Kamel. 2009. "The Impact of the Financial and Economic Crisis on Arab States: Considerations on Employment and Social Protection Policy Responses," ILO Regional Office for Arab States, Lebanon.

Boudarbat, B. and A. Ajbilou. 2007. "Youth Exclusion in Morocco: Context, Consequences and Policies," The Middle East Youth Initiative Working Paper, Wolfensohn Center for Development and Dubai School of Government

Brookings Institute. 2010a. "Understanding the Generation in Waiting in the Middle East. Available at: http://www.brookings.edu/~media/Files/rc/articles/2010/06_middle_east_youth/06_middle_east_youth_map.swf

Central Bureau of Statistics, Syria

<http://www.cbssyr.org/index-EN.htm>, [25 Sep. 2010]

Chaaban, J. 2008. "The Costs of Youth Exclusion in the Middle East," Working Paper; Wolfensohn Center for Development and Dubai School of Government

Council, T. N. 2005. *Human Development report in Algeria*. The National Economical and Social Council.

Dhillon, N. D. Salehi-Isfahani, P. Dyer, T. Yousef, A. Fahmy and M. Kraetsch, "Missed by the Boom, Hurt by the Bust: Making Markets Work for Young People in the Middle East," Wolfensohn Center for Development and Dubai School of Government

Drine, I. 2009. "Impact of the Global Economic Crisis on the Arab Region," World Institute for Development Economics Research. Available at;
http://www.wider.unu.edu/publications/newsletter/articles/en_GB/05-06-2009/ [29 Nov. 2010]

Elbadawy, A. and R. Roushdy. 2010. "Gender and the Labor Market in Egypt: A Background Paper for the Egypt Gender Policy Note Based on SYPE Data (2009)," World Bank and Population Council

European Training Foundation (ETF). 2010a. "ETF Country Information Note 2010: Egypt"

– 2010b. "ETF Country Information Note 2010: Syria"

– 2010c. "ETF Country Information Note 2010: Jordan"

European Commission. 2008. "European Neighborhood and Partnership Instrument, Syrian Arab Republic: Revised National Indicative Programme 2008-2010." Available at:
ec.europa.eu/external_relations/syria/csp/nip_2008-2010_final_en.pdf [28 Nov. 2010]

Ha, Byung-jin, C. McInerney, S. Tobin and R. Torres. 2010. Youth Employment in Crisis; International Labour Organization (International Institute for Labour Studies)

INJAZ, Available at :
www.INJAZ.org.jo [25 Sep. 2010]

International Labour Organization (ILO). 2009. *Youth Employment in Algeria*. Algiers: ILO.

– 2010a. "Global Employment Trends", International Labour Organization; Geneva

– 2010b. "Global Employment Trends for Youth," International Labour Organization; Geneva

International Organization for Migration (IOM). 2004. "Valuing Migration: Costs, Benefits, Opportunities and Challenges," MC/INF/276, 15 November 2004

– 2005. "International Dialogue on Migration 2005: Towards Policy Coherence on Migration," MC/INF/279, 21 October 2005

Kabbani, N. 2009. "Why Young Syrians Prefer Public Sector Jobs," Middle East Youth Initiative Policy Outlook, No. 2

Kabbani, N. and N. Kamel. 2007. "Youth Exclusion in Syria: Social Economic and Institutional Dimensions," the Middle East Youth Initiative Working Paper, No. 4, Wolfensohn Center for Development

Kouame, A. T. 2009. "The Financial Crisis: Impact on the Middle East," in *Development Horizons: The Financial Crisis: Impact on the Middle East*, World Bank Group

Martin, I. 2010. "20+10: 30 Proposals to Develop a Genuine Social Dimension in the Euro-Mediterranean Partnership,"

Ministry of Vocational Training and Employment (November, 2010), "President Ben Ali takes interest in business incubators and centres," Available at: <http://www.emploi.gov.tn/?id=3&L=2> [30 Nov. 2010]

Murian, N. and M. Salamat. 2010. "The Impact of the World Financial Crisis on the Labor Market in Jordan," World Bank and Population Council

Office of National Statistics (ONS). 2007. *Labor Survey Data*. Algiers: Office of National Statistics.

Overseas Development Institute (ODI). 2009. "Impact of the economic crisis and food and fuel price volatility on children and women in the MENA region," Working Paper 310, November 2009

– 2010. "The global financial crisis and developing countries: Phase 2 Synthesis," March 2010.

Press, N. (2007). *Governmental Ecomic Policy and the Obsession for Youth Employment*. Tunis: National Press.

Roushdy, R. 2010. "The Impact of the World Financial Crisis on the Labor Market in Egypt," World Bank and Population Council

Said, M. and F. El-Hamidi. 2005. "Taking Technical Education Seriously in MENA: Determinants, Labor Market Implications and Policy Lessons," Economic Research Forum Working Paper No. ERF-05-EG/005

Said, M. and M. Ramadan. 2010. "Expert Meeting on "Labor Market Policy and Social Security in the MENA Region: The Case of Egypt", organized by the Friedrich Ebert Foundation, Cairo Marroitt Hotel, Cairo, July 18, 2010

Said, M. and K. O'Neill. 2010. "The 'Youth Bulge' in Egypt: Is Labor Migration the Solution?" *Viewpoints: Migration and the Mashreq*, Middle East Institute. Washington, D.C.

Saif, I. and F. Choucair. 2009a. "Arab Countries Stumble in the Face of Growing Economic Crisis." Carnegie Endowment for International Peace, May 2009.

– 2009b. “Arab Countries Stumble in the Face of Growing Economic Crisis.” Carnegie Middle East Center, Available at:
<http://carnegie-mec.org/publications/?fa=22997> [29 Nov. 2010]

Schmidt, D. 2009. “Youth Employment and Regional International Experiences,” International Labour Organization

United Nations Industrial Development Organization (UNIDO). “Engaging Tunisian Youth to achieve the MDGs: A UN Joint program.” Available at:
<http://www.unido.org/index.php?id=7772> [5 December 2010]

Tzannatos, Zafiris. 2009. “The global financial, economic and social crisis and the Arab Countries: A review of the evidence and policies for employment creation and social protection.” Arab Employment Forum; Beirut, Lebanon 19-21 October, 2009.

World Bank. 2008a. “For a better integration into the labor market in Tunisia” Available at:<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/MENAEXT/TUNISIAEXTN/0,,contentMDK:21671683~pagePK:1497618~piPK:217854~theSitePK:310015,00.html>

World Bank (2008b). “Africa’s Population Set to Double by 2036.” World Bank. Accessed: 3 April 2011
Available at:
<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,contentMDK:21709116~menuPK:258659~pagePK:2865106~piPK:2865128~theSitePK:258644,00.html>

World Bank. 2010a. “Recovering from the Crisis,” World Bank Middle East and North Africa Region-A Regional Economic Update; Washington, DC

– 2010b, “Morocco Fights Poverty Through ‘Human Development’ Approach” 3 August 2010. Available at:
<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/0,,contentMDK:22665028~menuPK:64282137~pagePK:41367~piPK:279616~theSitePK:40941,00.html> [25 Sep. 2010]

Table 1. Unemployment Rate and Labor Force Participation Rate for Youth and Adults, Years 2005-2008, %, MENA Region and World

	Unemployment Rate			Labor Force Participation Rate		
	Middle East	North Africa	World	Middle East	North Africa	World
2005						
Youth	22.6	26.8	13	37.5	38.9	51.8
Adults	6	6.5	4.6	58.4	57.1	69.2
2006						
Youth	21.6	24.2	12.4	37	38.1	51.5
Adults	11.8	6.2	4.4	58.3	57.4	69.2
2007						
Youth	21.4	23.6	11.8	36.5	37.2	51.1
Adults	5.6	6.1	4.2	58.2	57.7	69.2
2008						
Youth	21.7	23.5	12.1	35.9	37.1	50.8
Adults	5.6	6.1	4.3	57.8	57.7	69.3

Source, ILO 2010a

Table 2. Total Cost of Youth Exclusion for Egypt and Jordan (% of GDP)		
	Egypt	Jordan
Costs of Unemployment	1.51	2.57
Cost of Joblessness	7.559	5.329
Cost of Early School Leaving	6.94	1.447
Cost of Adolescent Pregnancy	7.99	3.13
Cost of Youth Migration	1.037	0.153
Total Cost of Youth Exclusion	17.48	7.29

Source: Chaaban

Table 3 . Change in Youth and Adult Unemployment Rates Between 2007 and 2009, by Region (%)

	Change in Youth Unemployment	Change in Youth Unemployment Rate
World	1	0.7
Middle East	0.4	-0.1
North Africa	-0.9	0.1

Source: ILO, 2011

Table 4. Projected Youth and Adult Unemployment Rates, 2010-2011, %, MENA Region and World

	2010		2011	
	Youth	Adult	Youth	Adult
Middle East	23.7	6.2	23.9	6.2
North Africa	23.8	6.5	24	6.5
World	13.1	4.8	12.7	4.7

Source, ILO, 2010b

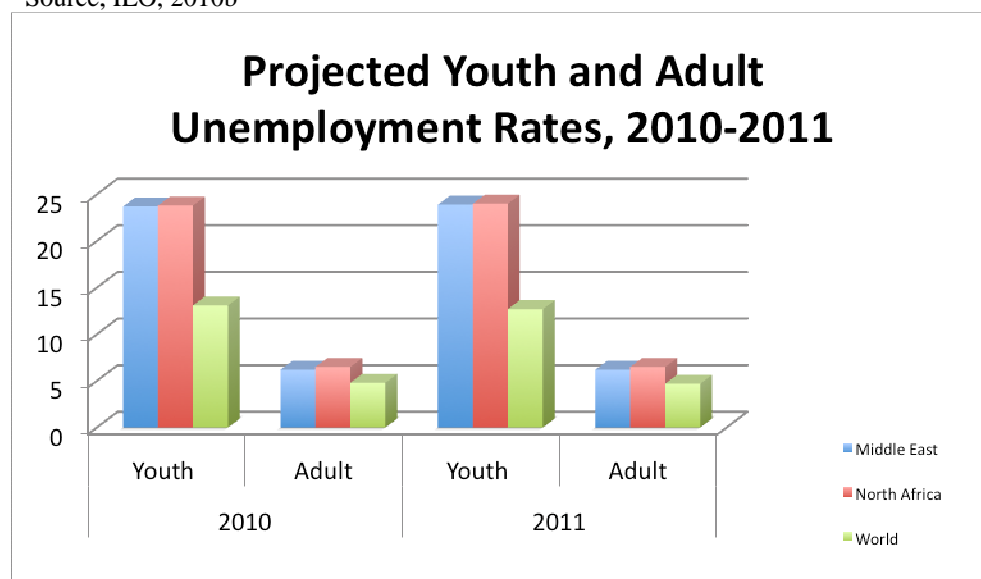


Table 5. The Youth in Populations and Labor Markets in Selected MENA Countries

	Sex	UAE	Syria	Jordan	Egypt	Morocco	Tunisia	Algeria
Youth Share of Population (% , Projected 2010)	Total	25	31	30	29	29	29	31
Youth Share of Population (% , Projected 2020)	Total	24	26	27	24	24	22	23
Youth Unemployment Rate (%)	Total	7.6	16.5	22.2	21.7	18.3	27.3	45.6
	Male	4.2	10.8	17.7	15	19.1	27.1	47.2
	Female	15.8	42.7	39.8	41.5	16.1	27.8	56.4
Youth Labor Force Participation Rate (%)	Total	62.5	38.8	38.7	40.4	38.9	42	53.2
	Male	77	63	59.7	57.4	56.5	56	70.7
	Female	43.1	14	16.7	21.5	21.3	28.1	35

note: Except for Algeria, the age bracket is 15-29 .

Source: Brookings Institute, 2010

Table 6. Labor Force Participation Rates and Employment Rates by Age, Egypt

Age	Males		Females	
	Participation	Employment	Participation	Employment
15	13.1	11.8	3.6	2.8
16	24.0	19.1	2.9	2.6
17	30.5	25.6	4.8	4.0
18	50.4	41.3	10.7	8.4
19	56.4	47.9	7.5	5.9
20	46.5	37.3	7.9	4.6
21	50.0	38.6	14.4	8.4
22	66.5	54.7	20.0	12.4
23	85.5	73.8	17.9	10.8
24	88.4	81.7	22.7	15.1
25	92.2	85.4	21.1	13.2
26	89.6	78.9	17.9	13.1
27	92.5	87.5	22.3	13.5
28	96.0	88.6	18.1	14.9
29	96.0	91.5	18.1	13.9

Source: Said and Ramadan, 2010

Table 7. Labor Force Participation by Sex, Age, Education Status and Urban/Rural Location for Egypt, 2006-2009 (Market Labor Force and Broad Definition of Unemployment, WAP)

	2006				2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

Males																
No Education/Primary	71.9	71.8	72.2	72.5	71.5	71.5	72.6	73.4	72.3	71.8	72.7	72.6	71.9	71.6	72.9	71.9
Secondary	74.8	76.4	76.3	75.5	76.9	74.7	75.9	76.5	76.2	75.6	77.6	76.1	74.7	74.9	77.2	76.9
Tertiary +	92.4	93.1	92.6	88.6	91.7	92.5	93.2	93.1	92.6	92.4	92.1	91.4	91.8	91.8	92	92.3
Youth (15-24)	45.9	46.5	48.2	45.1	48	46.8	49.1	51.5	49.8	48.8	51.2	50.2	48	47.1	51.1	49.9
Young Adults (25-44)	98	98	97.8	97.4	97.9	98	98.1	98.4	98	97.9	98.4	98.1	98.4	98.1	98.2	98.3
Mature Adults (45-64)	84.5	85.3	84.5	86.9	85.7	85.3	85.5	84.9	85.8	85.2	83.7	84.2	85	85.3	85	84.9
Urban	72.8	73.8	73.5	73	73.3	73.3	74.9	75	74.5	73.5	74.7	74.2	74	73	74.9	75
Rural	77.7	77.6	78.2	77.7	79.2	78.1	78.5	79.6	78.8	78.7	79.5	78.8	78.1	78.6	79.6	78.8
All	75.5	75.9	76.1	75.6	76.6	76	76.9	77.6	76.9	76.3	77.3	76.8	76.3	76.1	77.5	77.1
Females																
No Education/Primary	13.5	11.7	7.9	15.2	12.3	12.8	13.5	16.2	14.6	13.5	14.3	15.2	16.1	15.9	15.4	14.7
Secondary	35.7	34.6	32.1	30.3	31.2	29	31.1	31.9	27.9	26.8	27	27.9	26.2	26.7	28.4	28
Tertiary +	64.8	66.6	63	58.5	60.2	60.5	63.1	63.1	62	61.2	56	56.6	59.5	59.5	60.6	60.9
Youth (15-24)	21.1	20.9	19	17.3	19.9	18.4	21.4	22.6	19.7	18.2	18.3	19.8	18.8	20.4	20.5	19.7
Young Adults (25-44)	29.2	26.3	22.5	30.9	27.8	27.6	28.1	30.2	28.3	26.5	26.4	27	28.7	27.3	28.2	28.1
Mature Adults (45-64)	19.6	16.3	14.7	19.1	19.7	21	20.3	23.6	22.3	22.1	21.4	22.7	24.4	24.1	23.6	24.2
Urban	22.2	21.5	20.1	21.4	21.8	21.7	22	23.6	23.4	22	21	22.1	23.3	22.8	23.2	24.3
Rural	25.6	22.4	18.7	25.2	24.4	24	25.5	28.1	24.5	23.3	23.9	24.9	25.4	25.6	25.8	24.7
All	24.1	22	19.4	23.5	23.2	23	24	26.1	24	22.7	22.6	23.7	24.5	24.3	24.6	24.5
Total																
No Education/Primary	40	39.2	37.2	41.6	39.4	39.8	40.6	42.5	40.9	40.3	41.1	41.8	41.8	41.4	41.9	41
Secondary	57.4	57.9	56.7	55.7	56.9	54.7	56	56.8	55.3	54.5	55.6	54.8	53.2	53.8	55.6	55.2
Tertiary +	81.6	83.2	80.9	76.5	78.4	79.2	80.6	80.5	79.5	79.2	76.8	76.6	78.1	78.2	78.7	78.7
Youth (15-24)	34.2	34.6	34.6	32.3	35.2	33.9	35.4	38.5	36.1	35.2	36.4	36.7	34.9	35.2	37.4	36.5
Young Adults (25-44)	62.1	60.7	58.3	62.9	60.9	61	61	62.3	61	59.9	60.5	60.3	61.4	60.6	61.2	60.8
Mature Adults (45-64)	52.7	51	50	53.7	53.4	54	53.7	54.8	54.5	54	52.9	53.8	54.9	54.8	54.4	54.5
Urban	47.8	48	47.1	47.7	47.7	47.8	48.6	49.4	49.1	48	48	48.3	48.9	48.1	49.2	49.7
Rural	51.8	50.2	48.6	51.9	52.3	51.7	52.4	54.4	52.1	51.5	52.3	52.5	52.2	52.6	53.3	52.2
All	50	49.2	48	50	50.2	49.9	50.7	52.2	50.8	49.9	50.4	50.6	50.7	50.6	51.4	51.1

Table 8. Unemployment Rate by Sex, Age, Education Status and Urban/Rural Location for Egypt, 2006-2009
(Market Labor Force and Broad Definition of Unemployment, WAP)

	2006				2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Males																
No Education/Primary	1.2	1.4	1.4	1.4	1.6	1	1.1	1.6	0.9	1.4	1	1.5	0.9	0.9	1	0.9
Secondary	13.3	12	12.3	9.8	14.2	10.4	11.3	10.5	10	8.7	9.4	8.2	7.6	7.8	7.6	7.4

Tertiary +	13.4	13.6	13.8	11.9	13.3	12.3	14.5	14.1	12	10.5	12.5	12.1	11.6	11.4	12.1	12
Youth (15-24)	23.4	20.7	22.1	16.4	24.6	18.9	19.7	20.1	17.9	15.7	17.2	17.5	15.3	15.2	15.7	16.8
Young Adults (25-44)	4.2	4.2	4	4.7	5.2	4.3	5.1	4.3	3.8	3.8	3.7	3.3	3.8	3.9	3.3	3
Mature Adults (45-64)	0.1	0.4	0.3	0.4	0.3	0.3	0.1	0.3	0.2	0.2	0.3	0.1	0.1	0.2	0.2	0.2
Urban	8.7	8.8	10	7.8	10.1	8.9	9.5	10	7.8	8	8.3	8.5	7.7	7.5	8.3	7.8
Rural	6.3	5.4	5.1	4.7	6.7	4.4	5.1	4.8	4.8	3.6	4.1	3.7	3.5	3.7	3.2	3.6
All	7.3	6.9	7.2	6	8.1	6.4	7	7	6.1	5.5	5.9	5.7	5.3	5.3	5.4	5.4
Females																
No Education/Primary	0.8	0.8	1.5	2	2.8	1.8	1.8	1.1	1.3	1.6	1.7	1.6	6.4	9.1	5.1	2.2
Secondary	48.2	42.5	37.9	32.1	42.9	37.8	38.3	37.1	39.7	34.8	33.4	36.1	38.1	37.4	36	36.3
Tertiary +	28.7	27.1	26.4	26.3	28.1	26.6	32.3	31.5	28	23.5	24.3	26.4	30.3	28.2	31.7	32.8
Youth (15-24)	64.5	53.9	54	45.9	60.3	55.9	55.7	54.1	56.2	52.2	53	56.5	50.7	60.1	56.2	57.7
Young Adults (25-44)	16.2	16.2	17.1	14.2	17.7	15.4	16.2	14.8	14.3	12.4	10.4	11.4	14.7	13.5	14.1	17.7
Mature Adults (45-64)	0.1	0.2	0.1	0	0.5	0.4	0.2	0.3	0.3	0.4	0.2	0.1	14.4	6.8	7.5	2.7
Urban	32.1	29.3	26.9	26.3	28	28	31.1	29.3	24.7	23.7	22.4	26.7	29	29.8	32	29.5
Rural	23.5	21.6	24.5	13.9	23.4	17.6	18.8	17.2	19.3	15.3	15.5	15.1	18.6	18.5	16.2	17.9
All	27	24.9	25.6	18.8	25.4	22	23.9	22.1	21.6	19	18.4	20	23.1	23.3	23	23.1
Total																
No Education/Primary	1.1	1.3	1.4	1.5	1.8	1.2	1.2	1.5	0.9	1.4	1.1	1.5	2	2.6	1.8	1.1
Secondary	22.9	20.1	18.7	15.1	21.1	16.7	17.9	17.2	16.5	14.2	14.4	14.5	14.3	14.2	14	13.9
Tertiary +	18.2	17.6	17.7	16.3	18.1	16.8	20.3	19.8	17.3	14.8	16.2	16.6	17.6	16.8	18.5	19
Youth (15-24)	35.4	30	30.3	23.7	33.8	28.1	29.4	29.2	27.4	24.1	25.3	26.9	23.8	26.8	25.6	26.5
Young Adults (25-44)	7.1	6.9	6.7	7.1	8.2	6.9	7.8	7	6.4	5.8	5.2	5.2	6.5	6.2	5.9	6.6
Mature Adults (45-64)	0.1	0.3	0.3	0.4	0.3	0.3	0.1	0.3	0.2	0.2	0.3	0.1	3.3	1.7	1.8	0.7
Urban	14.1	13.3	13.5	11.8	14.2	13.2	14.4	14.6	11.8	11.6	11.4	12.6	12.7	12.7	13.8	13.1
Rural	10.5	9	8.8	6.9	10.5	7.4	8.4	8	8.2	6.2	6.7	6.3	7.1	7.2	6.2	6.9
All	12	10.9	10.9	9	12.1	9.9	11	10.7	9.7	8.5	8.7	9	9.5	9.6	9.5	9.6

Source: CAPMAS, Egyptian Labor Survey (ELFS) during the period February 2006 to December 2009

Table 9. Labor Force Participation Rates by Age, Sex in Jordan (2006-2009)

	2006				2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
All Males	67.6	66.5	65.9	66.5	67.8	66.8	68.5		67.9	68.6	67.1	67.8	67.9	69.6	68.1	68.8
Youth (15-24)	45.8	42.4	43.90.	41.7	44.1	41.90.	43.5	43.6	43.6	43.2	42.8	44	42.3	44	43	42.8
Adult (25-44)	91	91.5	9	90.9	90.9	5	6	92.9	92.9	6	4	91.9	92.6	1	1	92.7
Adult (45-64)	60.3	61.9	59.3	61.9	62	62.4	62.1	60.7	60.7	62.5	65.6	57.9	61	67.2	63.6	65.1

	2006				2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
All Females	12.5	11.9	12.6	13.4	15.8	13.9	17	15.8	15.3	16.1	14.7	14.6	14.8	17.1	16.5	15.2
Youth (15-24)	9.5	7.6	9.8	10.6	10.5	9.4	13.1	11.5	11.3	11.1	9.7	10.6	11.1	11.7	11.7	10.1
Adult (25-44)	19	18.5	18.2	19.1	23.7	21	24.4	23	22.4	23.8	21.8	21.6	21.7	25.2	24.1	22.9
Adult (44-64)	3.7	5.1	5.8	5.8	6.6	4.9	6.2	6.2	6.1	7	7.1	5.1	5.1	8.5	7.8	6.6

Source: Murian and Salamat, 2010

Table 10. Unemployment Rate of Male Labor Force Participation by Sex, Age Group, Jordan (2006-2009)

	2006				2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
All Males	12.7	11.8	12.6	11.2	11.9	9.1	10.4	10.2	11.6	9.7	9.7	9.9	9.9	10.4	10.8	10.6
Youth (15-24)	27.2	25.2	25.5	23.4	26.7	21.7	23.5	22.5	24.9	20.1	22.4	23.3	22.5	20.3	23.6	24.1
Adult (25-44)	8.3	8	8.8	8.1	7.7	6.1	6.9	6.9	8.2	7.1	6.5	6.5	7	7.2	7.4	7
Adult (45-64)	4.2	5	6	5.2	4.9	3.2	4.4	4.6	4.8	4.6	3.3	3.1	3.3	7.5	5	4.9
	2006				2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
All Females	24.9	21.3	31.4	22.5	25.4	19.3	30.9	26	26	25.5	23.7	22.1	23.3	24.3	28.1	20.3
Youth (15-24)	47.2	41	55.8	37.6	46.9	39	55	48	47.2	49.5	49.9	48.9	44.6	44.2	52.7	41.3
Adult (25-44)	17.7	16.8	23.2	17.8	20.5	14.2	23.9	20.2	20.8	15.3	20	18.2	14.8	17.5	19.8	22.1
Adult (45-64)	1.5	3.9	11.9	6.8	4	3.5	7.7	7	4.5	3.4	1.4	2.3	3.9	8.2	7.8	1.8

Source: Murian and Salamat, 2010

Table 11. Labor Force Participation Rates for Jordan (2006-2009)

	Male Labor Force Participation			Female Labor Force Participation		
	Before Crisis	After Crisis	Change	Before Crisis	After Crisis	Change
Total	68.1	68.2	0.2	15.7	15.5	-0.2
Education						
No Education/ Primary	65	66.1	1	4.4	4.3	-0.2
Secondary	54	52.4	-1.6	7.7	7.3	-0.4
Tertiary+	89.1	88.5	-0.5	52	50.5	-1.5
Age						
Youth (15-24)	43	43	0	11.2	10.8	-0.3
Young Adults (25-44)	91.8	92.4	0.6	23.1	22.9	-0.2
Mature Adults (44-64)	62.7	62.7	0	6.2	6.7	0.5

Source: Murian and Salamat, 2010

Table 12. Male and Female Unemployment Rates for Jordan (2006-2009)

	Male Unemployment Rates			Female Unemployment Rates		
	Before Crisis	After Crisis	Change	Before Crisis	After Crisis	Change
Total	10.5	10.2	-0.3	25.5	23.6	-1.9
Education						
No Education/ Primary	11.8	11.3	-0.6	24.4	19	-5.4
Secondary	9.1	8.2	-1	23.7	20.1	-3.6
Tertiary+	8.6	9.1	0.6	26	25	-1
Age						
Youth (15-24)	23.2	22.7	-0.5	47.6	46.9	-0.7
Young Adults (25-44)	7.2	6.9	-0.2	19.9	18	-1.9
Mature Adults (44-64)	4.4	4.5	0.1	5	4.2	-0.8

Source: Murian and Salamat, 2010

**Table 13. Activity, Participation and Unemployment Rates
Among Syrian Youth (15-29), 2007**

	Labor Force Participation Rate		Unemployment Rate	
	Males	Females	Males	Females
Illiterate	84	42	12	19
Literate	98	36	11	24
Primary	89	26	16	43
Preparatory	47	12	16	39
General Secondary	35	16	18	38
Vocational Secondary	72	43	22	53
Intermediate Institute	95	79	22	24
University	84	70	18	25
Total	74	27	16	35

Source: Kabbani and Kamel,
2007

**Table 14. Unemployment Rate by Sex, Age and Geographical
Location for Morocco**

	Age	Male	Female	Total
Urban	15-24	30.1	35.9	31.6
	25-34	19.5	27.8	21.6
	35-44	7.3	12.2	8.4
	45-59	3.5	3.2	3.4
	60+	0.9	1.9	1
	All	13.8	20.7	15.4
Rural	15-24	8.7	3	7
	25-34	5.7	2.5	4.8
	35-44	2.8	1.3	2.3
	45-59	1.8	0.5	1.3
	60+	0.4	0.2	0.4
	All	4.7	1.6	3.7

Source: HCP-Employment Survey, 2007

Table 15. Monthly Salary (Dinars) for Moroccan Youth and Number of Months Worked per Year (in relation to social security)

Gender	Age	Number of Days Worked Per Year				Total
		< 3 Months	3-6 Months	6-9 Months	9+ Months	
Males	15-19	1203.47	1507.18	1563.29	1934.77	1449.89
	20-24	1385.53	1740.16	2038.11	2251.3	1824.28
	25+	1897.86	2455.26	2554.09	4561.4	3644.7
	Total	1770.64	2336.04	2489.23	4425.52	3440.73
Females	15-19	872.64	1818.21	1349.58	1633.66	1339.68
	20-24	1121.47	1433.42	1524.46	2216	1655.79
	25+	1306.19	1707.83	1925.57	3514.07	2654.73
	Total	1212.22	1659.14	1822.64	3304.14	2416.43
Total	15-19	997.99	1707.55	1414.1	1722.04	1377.8
	20-24	1280.91	1611.33	1780.48	2234.11	1749.01
	25+	1715.8	2227.61	2350.49	4282.69	3362.53
	Total	1577.26	2109.18	2251.37	4103.76	3119.62

Source: HCP Employment Survey, 2008

Table 16. Change in Unemployment Rates by Sex and Age in Algeria, 2003 and 2007

Year	Age	Males	Females	Total
2003	16-24	44.7	50.9	45.5
	25-59	16.2	18	16.5
	16-59	23.4	25.4	23.7
2007	16-24	25.3	40.1	27.4
	25-59	9.3	13.5	10
	16-59	12.9	18.3	13.8

Source: ONS Labor Force Survey, 2003, 2007

Table 17. Key Indicators for the Algerian Labor Market (2009)

	Males	Females	Total
Labor Force Participation Rate			
15+	68.7	13.9	41.4
15-24 Years	47.8	8.4	28.3
25-54 Years	90.9	19.9	55.3
Unemployment Rate			
16-59 Years	8.6	18.1	10.2
16-24 Years	19	34.6	21.3
25+	5.7	14.4	7.2
Ratio Youth Unemployment Rates to Adult Unemployment	3.3	2.4	2.9
Proportion of Unemployed Youth in Total Unemployed	47.3	34.8	43.6

Source: ILO, 2009 Employment and Unemployment, 4th Quarter 2009

Table 18. Unemployment Rate for Selected Age Brackets in Tunisia, Years 2005-2007, %

	2005	2006	2007
15-19	31	30.5	34.1
20-24	30.5	23	30.2
25-29	23.4	10.2	23.9
25-69+	10.2	N/A	10.1

Source: Labour Force Survey, ILO

Table 19. Change in Unemployment Rate by Age in Tunisia (2005-2009)

Age	2005	2006	2007	2008	2009
15-19	27.7	27.9	29.3	29.6	33.6
20-24	28.4	27.6	27.3	27.9	29.9
25-29	21.6	21.1	21.8	22.9	25.7
30-34	11.6	11.1	11.6	11.5	11.4
35-39	6.3	6.6	5.8	5.4	5.6
40-44	4.8	4.4	3.9	3.3	4.3
45-49	3.8	3.9	3	2.9	3.9
50-59	3.2	3.5	2.5	2.6	3.2
60+	1.2	2.2	2.4	1.8	1.2
Total	12.9	12.5	12.4	12.4	13.3

source: Ministry of Vocational Training and Employment, 2010

Table 20. The Youth in Populations and Labor Markets in the United Arab Emirates

	Sex	UAE
Youth Share of Population (% , Projected 2010)	Total	25
Youth Share of Population (% , Projected 2020)	Total	24
Youth Unemployment Rate (%)	Total	7.6
	Male	4.2
	Female	15.8
Youth Labor Force Participation Rate (%)	Total	62.5
	Male	77
	Female	43.1

Source: Brookings Institute, 2010

Table 21. Country Response Policy Targeting Youth Employment in MENA

Country	Training	Employment Subsidies and Protection	Multi-Component
Algeria		National Commission for Employment Promotion: to help prevent the rise of unemployment, especially amongst youth; youth targeted employment programs, promotion of job creation, job preservation	
Egypt	Financial support for training institutions to expand the participation of youth in training programs		1) \$2.6 billion on labor intensive projects and social solidarity to combat unemployment; 2) \$3 billion on fiscal stimulus packages; 3) the Social Development Fund has been put in charge of labor-intensive and small-scale income generating projects targeting youth
Jordan	Injaz- a variety of training programs to build the capacity of youth and give them more market demanded skills		Training, private sector supported employment and income subsidies. Specialized vocational training for labor intensive sectors. Guaranteed employment for at least one year after training. Monthly rewards. Medical insurance, social security, transportation to work.
Morocco			INDH- works to eradicate poverty, particularly amongst women and youth
Syria	Know about business (Kab), a joint training program which will introduce new vocational schools and train both teachers and students		
Tunisia		Subsidies to small and micro enterprises (SMEs) to encourage job preservation if not job creation. Utilizing migration to address problems of unskilled youth.	Training and private sector support. Coverage of part of employers' social security contribution and of the costs of insertion and training by State.
United Arab Emirates		Job Protection for nationals, making dismissal extremely difficult	