

### Addressing the Youth Unemployment Paradox NEW DIRECTIONS IN SOCIAL POLICY IN THE MENA REGION

In the 2000s, many countries in the Middle East and North Africa (MENA) region faced a paradox: their populations were young and highly educated, and yet they faced some of the highest rates of youth unemployment in the world. The frustrations of these young people were one of the factors contributing to the popular uprisings that broke out across the region in 2011, commonly known as the Arab Spring. This case study, part of the UNRISD research project New Directions in Social Policy: Alternatives from and for the Global South, investigates the root causes of persistent youth unemployment in selected MENA countries and examines the steps being taken by national and international actors to address these challenges.

#### The Calm before the Storm: Decades of Youth Exclusion

Prior to the spread of neoliberal policies in the 1980s, the standard arrangement in most of the MENA region was for the state to provide stable employment and extensive social welfare in exchange for acquiescence in the political arena. Although it stifled political dissent and participation, this social contract did bring about real progress in access to health care and education, with formal sector employees benefitting most from state-provided social protection.

However, beginning in the 1980s governments in many countries in the region started to implement neoliberal stabilization and adjustment programmes in order to tackle the fiscal and debt crises that loomed large in the region. Designed mainly by international financial institutions (IFIs) like the World Bank and the International Monetary Fund, the reforms emphasized macroeconomic stabilization as well as economic growth through liberalization and privatization with little regard for local contexts or social consequences. Critically for MENA countries, IFI policy prescriptions required a reduction in the role of the state as the main employer, thus breaking part of the previous social contract. The situation worsened when job growth in the private sector proved inadequate to the task of reducing unemployment rates or expanding economic opportunities.

As a result, a large proportion of job-seeking youths found themselves at risk of social and economic exclusion. The mass protests of 2011, known as the Arab Spring, that started in Tunisia before spreading to Egypt and inspiring similar social movements across the MENA region, were partly prompted by high levels of unemployment, lack of economic opportunities as well as social and political exclusion, particularly among young people. Indeed, the majority of the protesters were young,

#### Case study information

This study on Egypt, Jordan, Morocco, Oman and Tunisia is one of the seven country and cluster case studies for the UNRISD research project, New Directions in Social Policy. For more information on the overall project, see <u>www.unrisd.org/ndsp</u>

**Methodology:** The study uses a mixed method evaluation of the economic and social policies and institutions that have emerged since the Arab Spring, with a particular focus on youth unemployment policies in the selected MENA countries. Primary qualitative data is collected via field research on site, including interviews with key policy makers, civil servants and civil society actors responsible for implementing policy change on the ground. The qualitative research is complemented by a quantitative study of the relationship between certain economic and social policies pursued in these five countries and youth unemployment rates.

**Outputs:** The cluster case study will produce a report covering country-specific policies and institutions that have addressed youth unemployment since the Arab Spring.

**Research team:** Heath Prince, Amna Khan, Yara Halasa.

relatively well-educated and urban. They mobilized using social media to show their dissatisfaction with the ruling elites that over decades had failed to uphold the old social contract.

#### The "Youth Bulge"

An additional factor in the MENA region is the rapid increase of the proportion of working-age youth in the total population—the so-called "youth bulge" combined with continued access to education. As a result, the population in these countries is not only young but also well-qualified.

In other contexts, this kind of demographic dividend (in the form of increased numbers of working-age individuals) combined with increased



**PROJECT BRIEF** 

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human capital through education have been essential precursors to low unemployment rates and strong economic development, for example in newly industrialized countries in Asia like the Republic of Korea.

In the MENA region the opposite has proved to be true. Youth unemployment rates are high, with more than a third of those aged 15-24 unable to find a decent job in countries such as Egypt, Jordan or Tunisia in 2015, according to <u>a recent</u> <u>report</u> by the International Labour Organization. The situation is worse for those with more years of schooling, and among young women. On average, one university graduate out of three is unemployed, and this rate is disproportionately higher for women than for men across the region.

#### **Research Themes and Questions**

This country cluster study analyses recent developments in social and economic policy in the MENA region and whether the newly designed institutional arrangements facilitate the economic and political empowerment of different vulnerable groups, particularly unemployed young people. It evaluates the efficiency of various strategies adopted by national governments in the wake of the Arab Spring that have aimed to foster job creation and social inclusion. Comparative research on Egypt, Jordan, Morocco, Oman and Tunisia focuses on those policies and programmes that have the potential for policy transfer within the region and beyond. The research addresses the following questions.

### Have new, innovative policies emerged since the Arab Spring that address youth unemployment?

In the wake of the Arab Spring, most countries in the MENA region have modified their social policies, with many expanding benefits to previously excluded groups and developing policies intended to foster social and economic inclusion of young people. What are the innovative aspects of these social policies? And to what extent are these new social policy developments integrated with policies aiming to create full and productive employment?

### How have the role and policies of international actors, IFIs in particular, changed since the Arab Spring?

Empirical evidence suggests that the structural adjustment programmes under the guidance of

#### **New Directions in Social Policy**

By examining the emergence, nature and effectiveness of recent developments in social policy in selected emerging economies and low-income countries, this three-year research project (2015-2017) aims to contribute evidence and analysis that will improve understanding of alternative policies for social development in the twenty-first century.

This research aims to shed light on the policy options and choices of emerging/developing countries; how economic, social, political and institutional arrangements can be designed to achieve better social outcomes given the challenges of the contemporary development context; how the values and norms of human rights, equity, sustainability and social justice can be operationalized through "new" social policies; and how experiences, knowledge and learning about innovative approaches can be shared among countries in the South.

**UNRISD Research Team:** The Research Coordinator for this project is Ilcheong Yi, and Kelly Stetter is the Research Analyst.

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the IFIs led to macroeconomic stabilization, but also numerous negative social consequences including high youth unemployment, which in turn contributed to the social upheaval of 2011. Have recent interventions by IFIs changed in response to this turn of events, and if so, in which direction? Do recent IFI policies in the region address youth unemployment in a sustainable way?

#### What policies and institutions in the economic and social spheres, and in what order, can best contribute to reducing high levels of youth unemployment in the MENA region?

In the past, governments in the MENA region arguably prioritized economic growth over human development. Given the current specifics of the MENA region, should investments that underpin economic growth precede those in human development in order to create more jobs for young people, or vice versa? What policy options, and in which sequence, will be effective in increasing youth employment in the post-Arab Spring environment? The United Nations Research Institute for Social Development (UNRISD) is an autonomous research institute within the UN system that undertakes multidisciplinary research and policy analysis on the social dimensions of contemporary development issues.

Through our work, we aim to ensure that social equity, inclusion and justice are central to development thinking, policy and practice.

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Photo: Egyptian workers march to Shura Council on May Day 2013 by Gigi Ibrahim (Creative Commons via Flickr).

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