

TALKING POINTS

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I. THE ARAB YOUTH EMPLOYMENT CHALLENGE

The Arab youth employment crisis is part of a broader regional jobs challenge

- Not enough decent and productive jobs are being generated, particularly for young people.
- Youth suffer disproportionately from the lack of decent work (working poverty, low wages and informality).
- They are also the most vulnerable group when jobs are lost.
- Arab youth make up more than half of the Middle East and North African population, but remain marginalized.
- MENA has the world's highest youth and adult unemployment rates
 - Middle East (Youth 28.1% and Adults 7.5 %)
 - North Africa (Youth 23.7% and Adults 7.1 %)
 - These rates are actually higher when the Gulf Cooperation Council (GCC) economies are excluded.

Education may improve the employability of young people but does not guarantee jobs, especially decent jobs

- Improvements in access to quality education and addressing gender imbalances have had limited impact on reducing unemployment or increasing productivity.
- Learning outcomes in schools remain below international averages.
- Families increasingly rely on private education, which renders career chances dependent on family income, exacerbates inequality.

The region still remains the lowest in the world for female economic participation

- While the education gender gap has closed for Arab women in many countries, this has not translated into improved economic outcomes
- Male labour force participation average in MENA is comparable to the international average (MENA 76%; global 74%)
- Female labour force participation in MENA is less than double the international average (MENA 27%; global 56%)
- Young women are particularly inactive with labour force participation rates as low as 17 per cent compared to 46.7 per cent for their male counterparts and 40.5 per cent for young women in the rest of the world.

Job creation since the 1990s economic reforms has been concentrated in low-productivity sectors and the expanding informal economy

- Young jobseekers are often faced with **unemployment**, taking **low wage work** that does not meet their aspirations, remaining **inactive** at home, or **emigrating**.
- In the absence of productive fulltime employment, many young people wrestle with under-employment, taking casual work or engaging in **the informal economy**.

II. NEW DEVELOPMENT MODEL

The region needs a new development model that is inclusive, sustainable, and firmly rooted in social justice.

- This is underscored by the changes that have swept the Arab world since 2010, which were partially triggered by employment challenges.
- We need to **rethink economic growth** to create prosperity through equal opportunities, productivity gains and decent work.
- **Decent employment** must be at the heart of a sustainable and equitable development paradigm, including reforms that aim to improve both the quantity and quality of economic growth.
- Although the challenges appear daunting, we believe that **decent work objectives are attainable.**
- Young people across the region have the potential to turn the promise of the Arab uprisings into concrete political, social, and economic achievements.
- Youth aspirations should not be viewed as a threat but an opportunity for change towards a more developed and equitable society.
- We must shift from a model where:
 - the State is the main employer, to one where the State supports the economic role of an independent private sector.
 - A private sector that provides more value-added employment and improved working conditions.
- It's not enough to have short-term *ad hoc* interventions on youth employment that are little more than charity gestures with no measurable impact.
- Policy needs to be evidence-based, using institutional knowledge gained from programmes piloted, and aim to continuously improve approaches.
- The UN and other international organizations can play a key role in better coordinating their efforts and documenting good practices and lessons learnt.

III. PRACTICAL POLICIES

To make this new development model effective for Arab youth, we must move quickly on a number of practical fronts. The first is:

1) Linking skills with productivity and wages; by building training and education pathways

- Evidence points to the importance of incentives as a factor for education and skill development outcomes.
- The problem is not always the lack of skills, but also
 - the job that a graduate can expect to get with additional skills, and
 - the lack of pathways between skills programmes that lock many Arab youths in low skills jobs.
- To tackle the youth employment crisis in the Arab region, priority should be given to the quality of jobs offered, and to the capacity of young people to progress in the skills and education systems through a lifelong approach to learning.
- This is in line with the UN System-Wide Action Plan on Youth, particularly its goal in the area of employment and entrepreneurship, namely to: ensure greater opportunities for youth to secure decent work and income over the life cycle,

contributing to a virtuous circle of poverty reduction, sustainable development and social inclusion.

- In Palestine, an ILO- UNRWA joint initiative helped enhance opportunities for over-aged Gazan students to enter and sustain gainful employment/self-employment in the construction sector through targeted training courses. As a result of the programme, almost two thirds of the successful students are now working in jobs related to their training.

2) Putting forward concrete actions for gender mainstreaming

- A strong focus of all youth employment initiatives should also be on increasing the labour participation of Arab women, considering that it is currently the lowest in the world.
- Unlike men, women may decide to spend their time on various other family, community and generally unpaid activities, unless wages are high enough to compensate them for the lost value of their work at home.
- In Indonesia, for example, a targeted campaign of awareness raising against gender division of skills, at the time of recruitment of trainees in vocational training centres allowed for young women to choose non-traditional skills, including auto mechanic repairs, maintenance of electric appliances.
- Our **Participatory Gender Audit**, tested in many countries, including in countries from the Arab region has shown that participatory sessions can highlight the opportunities and constraints that women face in specific contexts.
- In an attempt to break barriers to traditional roles played by women in Palestine, the ILO implemented a training programme that targeted women engineering graduates in Gaza through a dual class room and on-the job training. As a result, more than a third of the trained women found a job with the private sector or opted to start their own SME.

3) Implementing well-structured apprenticeship programmes

- Countries with well-established apprenticeship systems tend to:
 - better manage school-to-work transitions for youth,
 - enjoy lower ratios of youth to adult unemployment rates,
 - as well as lower overall unemployment.
- **The Arab region has some good apprenticeship initiatives.** For example, the GIZ dual training programme implemented in several countries in the region helps run campaigns to inform young people about the education, training and labour markets, and aims to raise awareness of vocational training for skilled occupations. One of its major strengths is its ability to bring together partners and institutions from the public and private sectors. In Morocco, the heavy involvement of the employers in the design and implementation of the apprenticeship programme has ensured its relevance to the market needs; and in turn helped the young people benefiting from it in finding jobs.
- But these examples **remain isolated cases** that can only be upscaled if they become part of more structured labour market governance systems.

- Building on successful experiences from countries such as Germany, Denmark, France, Austria, and Switzerland, **a successful apprenticeship system requires:**
 - a functioning legal and tripartite institutional framework;
 - a fair package for all apprentices, including standardized contract and social protection;
 - a wide scope in terms of outreach and contents; and
 - linkages between school-based training and competency-based training.

4) Adopting youth guarantee schemes as a right-based approach to tackling youth employment issues

- Through these schemes, young people have a legal entitlement to a job, training or education, and the Public Employment Service or another public authority should provide the services and/or implement the programmes within a given period of time.
- In India, the **Mahatma Gandhi National Rural Employment Guarantee programme** provides a legal guarantee for at least one hundred days of employment in every financial year to adult members of any rural household willing to do public unskilled manual work with a set wage. Studies have shown that the programme has helped to cushion the poverty impact of the 2008 crisis.

5) Social dialogue provides an institutionalized channel of communication between government and citizens that would enable their voices to be heard and solutions to be agreed

- The transformations in the Arab region created opportunities for strengthening trade unions and employers' organizations; but a lot still remains to be done.
- Good practices can be built on from European countries in which the involvement of workers and employers organizations at all levels of governance of labour market institutions was able:
 - to guide the decision-making process;
 - to improve the TVET systems and make them more market-oriented;
 - to enhance complementarity between school based training and on-the job training
 - to promote social protection issues,
 - to protect workers' rights; and
 - to yield benefits for workers.

6) Strengthening mechanisms for promoting youth entrepreneurship

- A broad range of initiatives supporting youth entrepreneurship has been implemented in the region. In Yemen, the national agency to promote small and micro-enterprises (SMEPS) established in 2005 benefited many young entrepreneurs in both urban and rural areas. In Oman, the Sanad Programme was established by the Ministry of Manpower in 2001 with the key objective of providing job seekers, particularly youth with self-employment opportunities and support to entrepreneurship projects.

IV. CONCLUSION

The way forward: Inter-Agency Collaboration

- The UN agencies have a key role to play in guiding regional and national efforts to design more inclusive and coordinated national development policies that are rooted in social justice and have decent work at their core.
- Within the framework of the Regional UNDG Strategy that calls for *promoting an inclusive development path within a new Arab social contract*, we have agreed to work together to produce think pieces that will inform the policy making process in the Arab countries based on empirical evidence and good practices from within and outside the region. In this context, we are proud of our joint collaboration with UNDP and other UN agencies to produce our flagship report “Rethinking economic growth: Towards productive and inclusive Arab societies”.
- By the same token and line with the UN-System Wide Action Plan on Youth (UN-SWAP), we also have joint responsibility and a mandate to promote the youth agenda. Specifically, the SWAP that has been developed jointly by all agencies at the global level focuses on six thematic areas that are all very relevant to our region, namely: employment, entrepreneurship, political inclusion, civic engagement and protection of rights, and education - including comprehensive sexual education, and health.
- We must build on previous and on-going joint initiatives at both the regional and country levels and explore more joint initiatives that address both the immediate, and medium-to longer term needs in the region.
- Other broader examples related to youth employment include ILO and UNFPA’s work on promoting competency based training and enhancing life skills of young people in Iraq, and the planned ILO and WFP initiative to address child labour and the linkages between child labour and youth employment in Yemen.

We look forward to strengthened efforts with all partners moving forward.
