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## Active Labour Market Policies Targeting Youth in the Arab Region: A Regional Review

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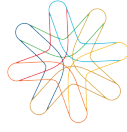
### Abstract

The Arab Spring of 2010 has not yet quite turned to summer, even after 14 years. The hopes of increased inclusion and life with dignity are yet to come to fruition for many in the region. This is especially the case for the youth, who continue to struggle for a secure future and make the most of their potential. The question is how can young people realize their full potential to contribute as agents of sustainable development? Active Labour Market Policies (ALMPs) are one way to empower youth to secure employment. Employing a literature review and case study approach, this paper explores the context of youth unemployment across the Arab region. It reviews the status of youth-focused active ALMPs in the region, delving into their nature, strengths, and weaknesses. It offers a regional picture in addition to presenting two case studies of Egypt and Jordan. Finally, the paper offers several concrete policy recommendations for the way forward. These include maximizing the potential benefits of ALMPs alongside other policies, improving the targeting of ALMPs towards youth, reforming Technical and Vocational Education and Training (TVET) systems in the region, ensuring systematic and rigorous monitoring and evaluation of ALMPs, and improving coordination among stakeholders involved with ALMP provision. Still, more research is needed to support the charting of a new path that enables youth in the Arab region to realize their potential in the economic realm.

**Keywords:** Active Labour Market Policy; Youth unemployment; Arab region; Egypt; Jordan

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## سياسات سوق العمل النشطة المستهدفة للشباب في المنطقة العربية: مراجعة إقليمية

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### ملخص

لم يتحول الربيع العربي لعام 2010 إلى صيفٍ بعد، حتى بعد مرور نحو 14 عامًا. وما زالت الآمال في حياة كريمة للجميع بعيدة المنال للعديد من سكان المنطقة. وهذا ينطبق بشكل خاص على الفئات الشابة، التي تواصل النضال لضمان مستقبلها وتحقيق أقصى استفادة من إمكاناتها. والسؤال هو: كيف يمكن للشباب استغلال إمكاناتهم ليكونوا عوامل مساهمة في التنمية المستدامة؟ تُعدّ سياسات سوق العمل النشطة (ALMPs) إحدى الوسائل لتمكين الشباب من تأمين فرص عمل لائقة. يسعى هذا البحث إلى استكشاف سياق بطالة الشباب عبر المنطقة العربية من خلال استخدام مراجعة الأدبيات ونهج دراسة الحالة، ويستعرض وضع السياسات النشطة الخاصة بالشباب في المنطقة، مع الغوص في طبيعتها ونقاط قوتها وضعفها. يقدم البحث صورة إقليمية بالإضافة إلى عرض دراسي حالة لمصر والأردن. ويخلص البحث إلى عدة توصيات مرتبطة بالسياسات للمضي قدمًا، منها تعظيم الفوائد المحتملة لسياسات سوق العمل النشطة جنبًا إلى جنب مع سياسات أخرى، وتحسين استهداف هذه السياسات لفئة الشباب، وإصلاح أنظمة التعليم والتدريب المهني والتقني في المنطقة، وضمان المراقبة والتقييم المنهجي والدقيق لسياسات سوق العمل النشطة، وتحسين التنسيق بين الأطراف المعنية بتوفيرها. وتبقى الحاجة موجودة إلى مزيد من البحث لدعم رسم طريق جديد يمكن الشباب في المنطقة العربية من تحقيق إمكاناتهم في المجال الاقتصادي.

**الكلمات المفتاحية:** سياسة سوق العمل النشطة، بطالة الشباب، المنطقة العربية، مصر، الأردن

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## 1. Introduction

The Arab Spring of 2010 has not yet turned to summer, even after 14 years. The hopes of increased inclusion and life with dignity are yet to come to fruition for many in the region. This is especially true for the youth, who struggle to guarantee their futures and make the most of their potential. In numbers, 21 million Arab youth are not in employment, education, or training (NEET), which accounts for 1 in every 3 youth in the region (World Bank, 2022). This is in comparison to a global average of 1 in every 5 youth (ESCWA, 2020). Young women are particularly excluded with 43 percent of them being in the NEET group compared to 19 percent of young men (ESCWA, 2020). When looking at unemployment, many Arab countries suffer from a skills mismatch between those offered by educational systems and those demanded by the job market. The question is how can young people realize their full potential to contribute as agents of sustainable development?

The topic is certainly not new. Yet, it is increasingly gaining attention. The 2013 Cairo Declaration called for States in the region to consider “*training programs, using formal and non-formal curricula, education, vocational and employment counseling, quality paid internships, [and] social protection*” (UNFPA, 2013). UN agencies organized a high-level event in May 2022 on young people’s learning, skilling, and transition to decent work, aiming to address means of strengthening links between learning and the labour market. At this event, 16 countries from the region committed to reforming the learning and labour systems to ensure more effective and equitable outcomes for young people across the region (UNICEF, 2023). At the Arab Forum for Sustainable Development (AFSD) in March 2023, a side event was held on “*Moving forward on the learning-to-earning agenda in the Arab region*”.

The labour market is rapidly evolving globally, and to a lesser extent, regionally. With the Fourth Industrial Revolution, the labour force skill profile will change dramatically across the skills spectrum, with the proliferation of knowledge-intensive and innovation-based professions and the continuity of jobs that cannot be automated (ESCWA, 2022a). The Arab region is not well equipped to keep pace with this revolution (ESCWA, 2022a). Although countries in the region are making efforts to adjust, they are still lagging. For example, several countries have mentioned the importance of Technical and Vocational Education and Training (TVET) in their national development plans. Some others have included the right to vocational education in their Constitutions (ESCWA, 2020). Nonetheless, the availability, quality, and focus of these programs leave much to be desired. The hopes and aspirations of the next generation are big and require more progressive and evidence-based policy.

In light of the context described above, one solution is developing active labour market policies (ALMPs) that target youth. ALMPs encompass a broad range of policies that are aimed at matching labour supply and demand, improving worker productivity, and fostering job creation (ESCWA, 2012). ESCWA conducted a review of ALMPs in the Arab region after the Arab Spring (ESCWA, 2012).

Since then, little scholarship has been published on the topic. The scholarship that exists is largely piecemeal and there have been no significant attempts to develop a regional overview of ALMPs for the Arab countries. This paper aims to fill this critical gap. It offers a review of youth-targeted ALMPs in the region, contributing to research on a critical policy tool to support youth employment outcomes in a region in dire need of action on this front.

The article is structured as follows:

1. First, it explores the context of youth unemployment across the Arab region. This section looks at the main reasons behind suboptimal youth employment outcomes in the region.
2. Second, it reviews the status of youth-focused ALMPs in the region. This section offers an overview of the programs in the region, delving into their nature, strengths, and weaknesses. It offers a regional picture in addition to delving into case studies of Egypt and Jordan.
3. Finally, it offers concrete policy recommendations for the way forward. These will have to be adapted based on the contextual nuance of each country in the region. Nevertheless, the recommendations offer a blueprint for how to proceed with developing and implementing ALMPs that can help address the youth unemployment crisis across the region.

## 1.1 Methodology

This paper employs a literature review and case study approach. This involves reviewing the prevalent literature on the topic by surveying academic journals and International Government Organization (IGO) knowledge products. While most of the literature cited is quantitative, some employ a mixed-methods approach, including qualitative data gathered through interviews. To ground the research, this paper also delves into two case study countries, Egypt and Jordan. These are chosen because they have substantial literature, contrasting youth unemployment trends, and substantially different population sizes. A key limitation of this approach is that the case studies are also based on secondary research and both come from the Mashreq subregion. Nevertheless, by combining these methods, the paper aims to present a robust and nuanced exploration of the topic, highlighting broad trends and particularities.

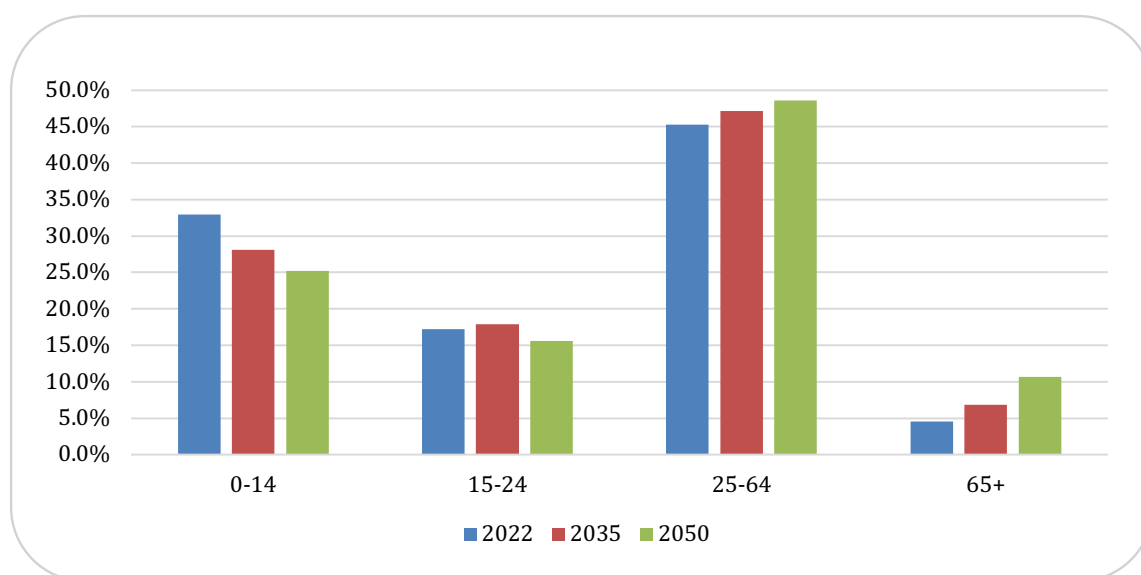
## 2. Context of Youth Unemployment in the Region

*Any society that does not succeed in tapping into the energy and creativity of its youth will be left behind. —Kofi Annan*

The Arab region is not heeding the call of former UN Secretary-General (SG) Kofi Annan. As mentioned above, the share of Arab youth who are not in employment, education, or training (NEET)

is the highest in the world. Yet, this is not the full picture. Indeed, according to the ILO (2020), over 85 percent of youth in the region hold ‘informal’ jobs, which are often low-wage, and carry limited benefits and opportunities for career advancement (ILO Regional Office for Arab States, UNICEF Regional Office for MENA with the European Training Foundation, 2023). Thus, there is a significant unemployment and vulnerable employment challenge that youth face in the Arab region.

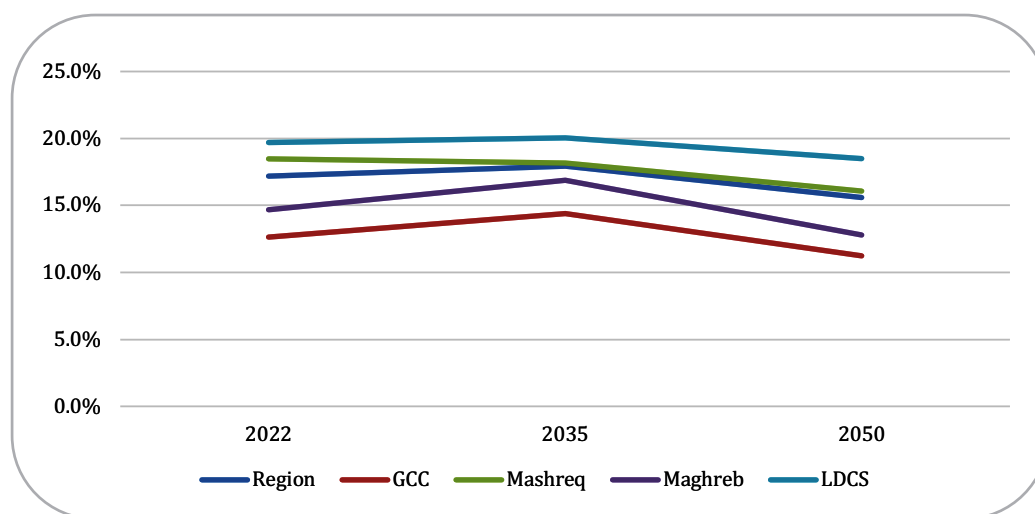
Demographic data show that the region is and will continue to be a predominately young region (see Figure 1). The share of youth (15-24) in the population stood at 17.2 percent in 2022 and is expected to increase to 17.9 percent by 2035, which is considerably greater than the global average of 14.9 percent (ILO Regional Office for Arab States, UNICEF Regional Office for MENA with the European Training Foundation, 2023). Yet, it will decline to 15.6 percent by 2050<sup>1</sup>. There are substantial variations in the youth population by the sub-region (see Figure 2). Using 2022 figures, this ranges from a low of 13 percent in the Gulf Cooperation Council (GCC), to 15 percent in the Maghreb, to 18 percent in the Mashreq, and finally to 20 percent in the Least Development Countries (LDCs) of the region<sup>2</sup>. Looking forward, these proportions are projected to increase up until 2035 and then fall afterward. The data thus further underscores the urgency of developing and implementing youth-focused policies.



**Fig. 1:** Age distribution for the Arab region (2022, 2035, and 2050)

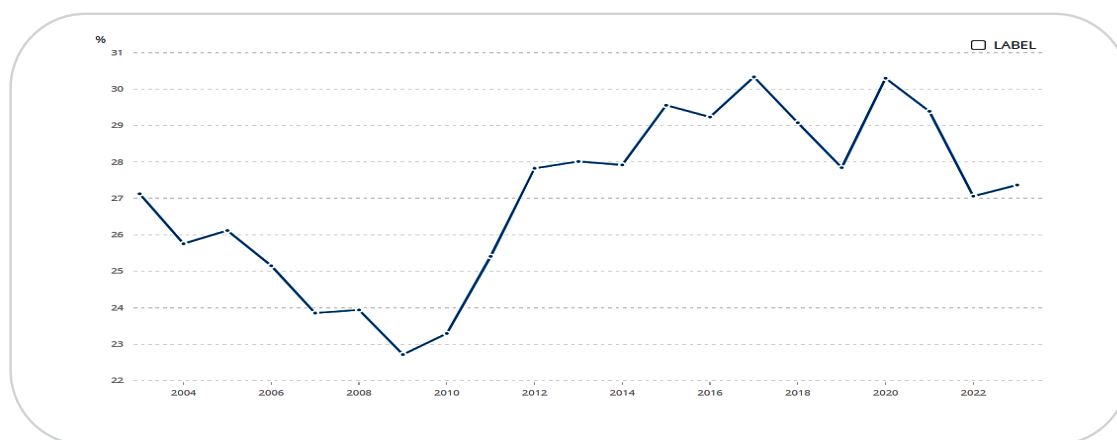
<sup>1</sup> Author calculations using UN DESA data.

<sup>2</sup> Author calculations using UN DESA data. The GCC is composed of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates. The Maghreb is composed of Algeria, Libya, Morocco, Tunisia. The Mashreq is composed of Egypt, Iraq, Jordan, Lebanon, State of Palestine, Syrian Arab Republic. The LDCs are composed of Comoros, Djibouti, Mauritania, Somalia, Sudan, Yemen.



**Fig. 2:** Sub-regional analysis of Youth/Share of Total Population (2022, 2035, and 2050)

Figure 3 (World Bank, 2024) reveals several notable trends. First, there was a consistent and gradual decline in the figures between 2003 and 2009, reaching a low of just under 23 percent in that year. Second, youth unemployment was quickly on the rise in 2010 and 2011, surpassing the 2003 number by 2012. Finally, the data shows that youth unemployment in the region reached a high of just above 30 percent in 2017 and 2020 before falling to 27 percent in 2022 and slightly going up in 2023. It should be noted that the COVID-19 pandemic may have affected these numbers and is still having lingering effects on unemployment rates across the region.



**Fig. 3:** Youth unemployment in the Arab region (2003-2023)

Going beyond the regional averages, which often mask significant variation across countries, Figure 4 (ESCWA, 2022b) depicts the youth unemployment rates by sex between 2001-2021 for 18 of the 22 Arab countries. Several observations can be highlighted. First, female youth unemployment rates are consistently and often substantially higher than male youth unemployment rates across the region. Although some of this gap may be attributed to increasing female labour force participation, which

is positive, it also reflects persistent structural inequalities and barriers that women face to entering gainful employment. Only Lebanon, Morocco, Tunisia, and Qatar have minimal gender gaps in youth employment. Second, the GCC sub-region exhibits considerably lower youth unemployment rates. While other GCC countries have successfully implemented policies and programs to integrate young people into the workforce, Saudi Arabia and Kuwait continue to face challenges that impact youth employment outcomes, especially for young women. Finally, most countries in the region have witnessed a gradual yet steady rise in youth unemployment over the past 20 years. This lack of progress is worrying and reflects broader economic and structural challenges.

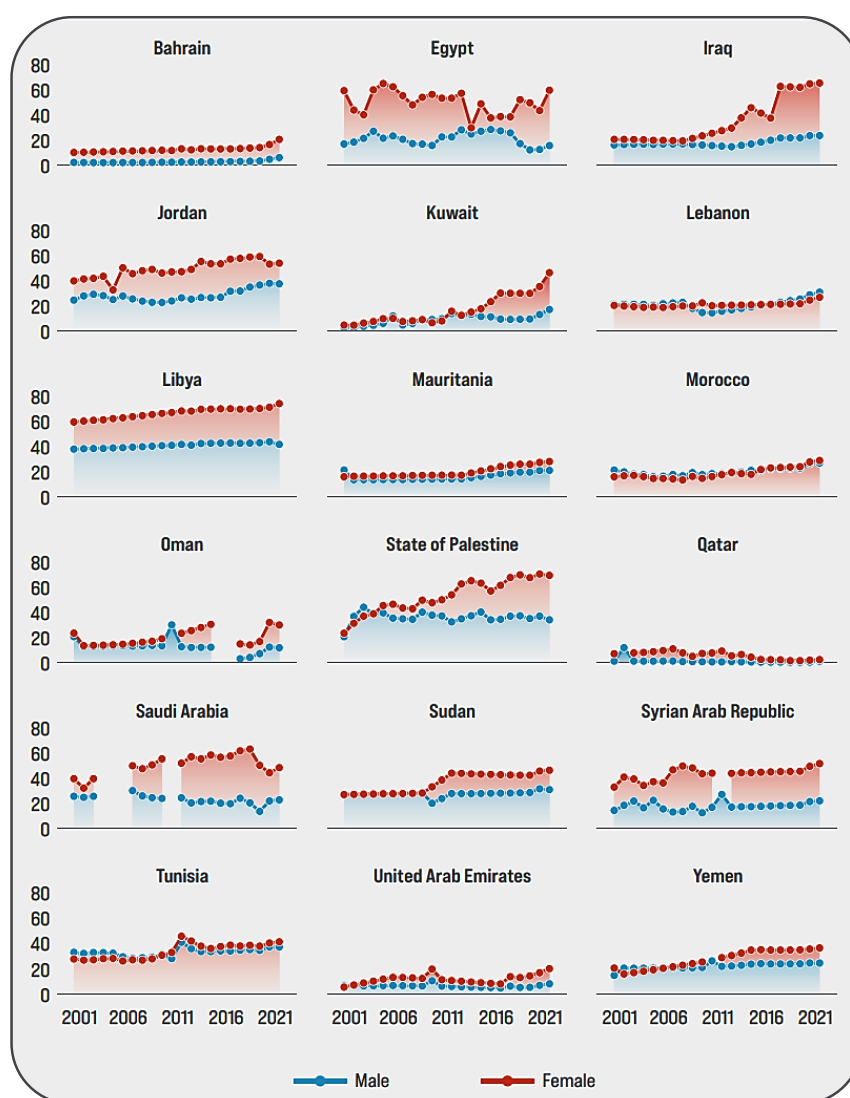


Fig. 4: Youth unemployment by sex at the country level (2001-2021)

The data presented above heightens the urgency of developing and implementing policy and programming solutions to empower this critical demographic to contribute to and benefit from development. Indeed, the burgeoning youth bulge means that dependency ratios are projected to



decrease, which can help alleviate economic pressure if the ‘demographic dividend’ is well-managed. At the same time, it also indicates that the scale of the youth employment challenge is large and requires substantial and swift action.

There has been increasing attention to better understand the underlying dynamics behind high and persistent youth unemployment and propose corrective actions. Initiatives such as the 2009 UNICEF and American University of Beirut collaboration on “Youth in the Arab World” (ILO et. al, 2023) were pioneers in this regard. There has been heightened urgency in recent years. For example, in May 2022, the UN-Arab States Issue-Based Coalition for Adolescents and Youth organized the *Regional High-Level Meeting on Young People’s Learning, Skilling, Social Inclusion and Transition to Decent Work*, which concluded with commitments to work on reforming the learning and labour systems to ensure more effective and equitable outcomes for young people across the region (ILO Regional Office for Arab States, UNICEF Regional Office for MENA with the European Training Foundation, 2023). Additionally, the ILO and World Bank have collaborated on several youth initiatives, including the *Global Partnership for Youth Employment*<sup>3</sup>, which has a lot of activity in the Arab region, and *Taqeem*<sup>4</sup>, which aims to build program evaluation capacity in the region. Moreover, ESCWA launched the *Josour* initiative in May 2022 to serve as a bridge between key stakeholders in the private sector and talented young men and women looking for opportunities in the Arab region<sup>5</sup>.

There is no single explanation for the deficiencies in activating youth in the economic sphere across the Arab region. Instead, there are several critical shortcomings that collectively contribute to the suboptimal youth employment outcomes prevailing in the region.

First, although education systems in the region have been improving, they have prioritized access over quality. This is borne out in data with the region having one of the highest rates of intergenerational education mobility in the world (World Bank, 2022), yet also having over 90 percent of respondents to the 2021 Arab Youth Survey having concerns about the quality of education they receive (ILO Regional Office for Arab States, UNICEF Regional Office for MENA with the European Training Foundation, 2023). The concerns of youth are well warranted given that international test scores from the Arab region are lower than the global average. Moreover, Arab countries score poorly on the Human Capital Index (HCI) of the World Bank (ESCWA and ILO, 2021). There have been some promising reforms such as those in Bahrain, Egypt, Oman, and Qatar, which have resulted in improvements in standardized international tests, however, they have not been sufficient to lift scores above international averages (ILO et al., 2023). Finally, given the heightened pace of technological change and development, continuing education and training are even more important. Yet, countries in the Arab region continue to neglect these educational investments (ILO Regional Office for Arab

<sup>3</sup> <https://iyfglobal.org/library/global-partnership-youth-employment-fact-sheet>

<sup>4</sup> <https://www.ilo.org/resource/taqeem-council-evaluation-youth-employment>

<sup>5</sup> See more at: <https://josour.unescwa.org>



States, UNICEF Regional Office for MENA with the European Training Foundation, 2023).

Second, the region has underinvested in career guidance services and offers limited information to support youth in making the school-to-work transition (ILO et al., 2023). Graduates and job-seekers in the region often have to rely on their networks and means to find employment. This is reflective of a job market that exacerbates existing socio-economic inequalities. Indeed, data shows that 58 percent of unemployed youth in the Middle East and North Africa (MENA) region depend on personal connections while less than one in three registers with an employment centre to help them (Dimova et al., 2016). Of the 22 Arab countries, only Egypt and Tunisia offer a full set of employment services for their youth (World Bank, 2022). The informational asymmetry between market demand and supply is a serious barrier to achieving more optimal employment outcomes. The absence of widespread employment services further amplifies pre-existing inequalities, with the most disadvantaged being less likely to be able to rely on their personal networks to secure work opportunities.

Third, there is a lack of opportunities to develop job experience, which is often a requirement for many jobs. Indeed, less than two percent of youth in the MENA region take up an internship before their first job, while 20 percent of unemployed youth cite their lack of work experience as the ‘main’ obstacle to finding a job (ILO Regional Office for Arab States, UNICEF Regional Office for MENA with the European Training Foundation, 2023). Some countries, especially in the GCC, have attempted to circumvent this through the implementation of programs to establish employment quotas for citizens. For example, in Kuwait, nearly 25 percent of fresh graduates in business studies were placed in managerial positions without having had any previous work experience (ILO Regional Office for Arab States, UNICEF Regional Office for MENA with the European Training Foundation, 2023). This is neither a sustainable nor efficient strategy for addressing the youth unemployment problem. Moreover, even when they manage to secure a job, youth often face a lack of opportunities for career advancement (ILO Regional Office for Arab States, UNICEF Regional Office for MENA with the European Training Foundation, 2023).

Fourth, technical and vocational education and training (TVET) systems in the region are underdeveloped. This is due to several factors including lack of resources and outdated equipment. The curricula of TVET systems are not well aligned with market needs given that they are not typically developed in consultation with the private sector. They also suffer from a shortage of capable trainers and social stigma against using such services where they exist. Nevertheless, policymakers in the region have recognized the potential for TVET to support youth employment. They have initiated reform efforts at the strategic and institutional levels. For example, in 2018 Lebanon adopted a national strategic framework for TVET, Jordan established a Technical and Vocational Skills Development Commission (TV-SDC) in 2019, and in 2021, Morocco launched the Strategy on Vocational Education and Training. Despite this, more is needed to ensure that there is effective and

widespread implementation on the ground.

Finally, perhaps the single most important challenge for tackling youth unemployment in the Arab region is the issue of job creation, particularly in the formal private sector. Even where jobs exist, there can still be problems of unemployment and underemployment. For example, unrealistic expectations about salaries can drive job seekers to pass up jobs that they are offered. One strategy to create economic opportunities for youth is to encourage entrepreneurship. Although the number of start-ups has skyrocketed with over 22,000 in the region today, compared to around 3,000 in 2017, the share of young people engaged in start-ups in the MENA region is small at 9.2 percent (ILO Regional Office for Arab States, UNICEF Regional Office for MENA with the European Training Foundation, 2023). One constraint to their entrepreneurial pursuits has been identified as a lack of access to finance. Only 34 percent of youth in the MENA region own an account, compared with 56 percent globally (ILO Regional Office for Arab States, UNICEF Regional Office for MENA with the European Training Foundation, 2023).

### **3. Youth Focused ALMPs in the region**

Active Labour Market Policies (ALMPs) are one way to empower youth to secure gainful employment.

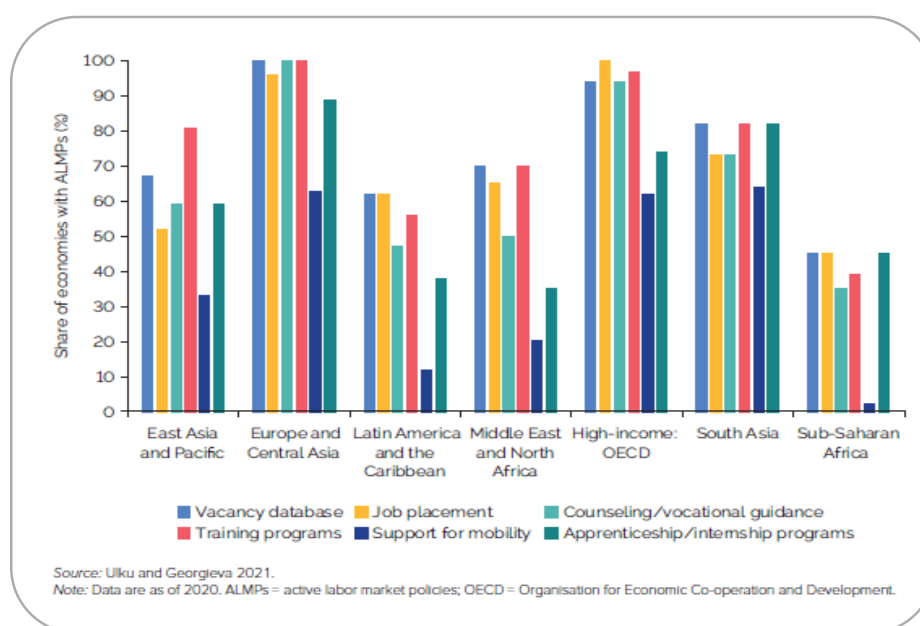
*ALMPs are geared towards facilitating the match of labour supply and demand, enhancing workers' skills and productivity and fostering job creation. Their overall aim is to allow for the efficient functioning of the labour market and the full utilization of human resources to facilitate economic growth (ESCWA, 2012).*

Research has proven the merits of ALMPs to improve labour market outcomes, especially in the longer term (Romero & Kuddo, 2019). A review of 113 impact evaluations of global youth employment programs, found that more than one in three of them had a significant positive impact on either employment rates or earnings (Kluve et al., 2019). Impact evaluations have also shown that ALMPs are most effective when implemented along with complementary economic and social policies to support employment outcomes (ESCWA & ILO, 2021). This suggests that ALMPs are not a panacea on their own and depend on many other factors for their success. This is to be expected given the scale of the youth unemployment challenge in the region and its varied underlying contributing factors. ALMPs are increasingly being used across the world. Indeed, in the first half of 2020, 82 percent of all countries had some form of active labour market policy in place (Ulku & Georgieva, 2022).

The good news is that the Arab region has much room for improvement in both quality and quantity of ALMPs (World Bank, 2022). Although reliable data is hard to come by, estimates show that spending on ALMPs is roughly at 0.07 per cent of GDP across Lebanon, Morocco, and Tunisia (Bird, 2020). This is in comparison with a global average of 0.50 percent of GDP across developing countries

(ESCWA & ILO, 2021). The lack of ALMPs in the region was made evident during the pandemic, with the inability to quickly roll out ALMPs to support employment outcomes during the COVID-19 crisis (World Bank, 2022). Indeed, an analysis of the Youth Policy Database of ILO (spanning from 1997-2017) found only seven documents from one Arab country (Chacaltana et al., 2024).

Figure 5 (Ulku & Georgieva, 2021) shows the comparison of ALMPs in the MENA region with other regions. The graphic reveals the prevalence of training programs, vacancy databases, and job placement as the three most common types of ALMPs employed in the region.



**Fig. 5:** Comparison of ALMPs in the MENA region with other regions

The ALMPs that exist in the region suffer from various shortcomings. This section will cover some of these broadly but also look at two case studies, Egypt and Jordan, to provide further insight into these dynamics.

#### 4. Regional Challenges

First, the potential for ALMPs to target those most in need of support is not fully utilized. While broad-based ALMPs have merits of their own, their targeting potential is substantial. Kluve et al.'s (2019) systematic review found that ALMPs in middle- and low-income countries are more successful and attributed this to targeting more vulnerable population groups such as the low-skilled and low-income. Angel-Urdionla et al. (2013) found that only 15 percent of ALMPs in the MENA region targeted low-income groups. This seriously limits the potential benefits of ALMPs for the region

given that the most marginalized stand to benefit most from the opportunities provided by ALMPs but they are not being given access to them.

Second, there is a lack of data on the efficacy of youth-focused ALMPs in the region. A global review of youth-focused ALMPs in 2004 found no single impact evaluation from the MENA region (Betcherman et al., 2004), while a 2007 review found only 3 percent of ALMPs in the MENA having an impact evaluation (Betcherman et al., 2007). Without rigorous evaluations, it is hard to assess the efficacy of such programs which makes it challenging to adjust them to ensure they are having maximum impact. This logic was behind the launch of ILO's *Taqeem* Initiative (mentioned beforehand) in 2009, which has helped but is still not making enough inroads. The numbers show that only two percent of MENA programmes in the Youth Employment Inventory had impact evaluations by 2014, still well below the average of 10-35 percent in other regions (ILO, 2015). The lack of proper monitoring and evaluation of youth-focused ALMPs in the Arab region is a significant limitation for scholarship on the topic.

Third, policymaker communication with the private sector is weak thus resulting in ALMPs that are not fully in tune with the market demand factors. For example, a review of ALMPs in Jordan (ILO, 2017b) concluded that skills training programs stand to benefit from a more demand-driven approach and greater private sector involvement. Addressing the skills mismatch in the labour market necessitates a collaborative public-private partnership to better align supply with demand. The good news is that some countries in the region have strengthened their ties with the private sector by establishing sectoral skills councils to inform the government of the skills needs of the market (ILO Regional Office for Arab States, UNICEF Regional Office for MENA with the European Training Foundation, 2023).

Fourth, a challenge has been to effectively integrate ALMPs with social protection frameworks (Bird, 2020). This is a global problem but one that is also seen in the Arab region. The initial review of ALMPs in the region by ESCWA (2012), found that policy integration tends to be low. More recent scholarship has stressed the importance of effectively situating ALMPs within broader social policies to ensure that they have maximum impact (ESCWA & ILO, 2021). Yet, the ALMPs in the region seem to be initiated and implemented in an ad hoc manner, without due regard for other complementary programs. This hampers their efficacy and limits their potential.

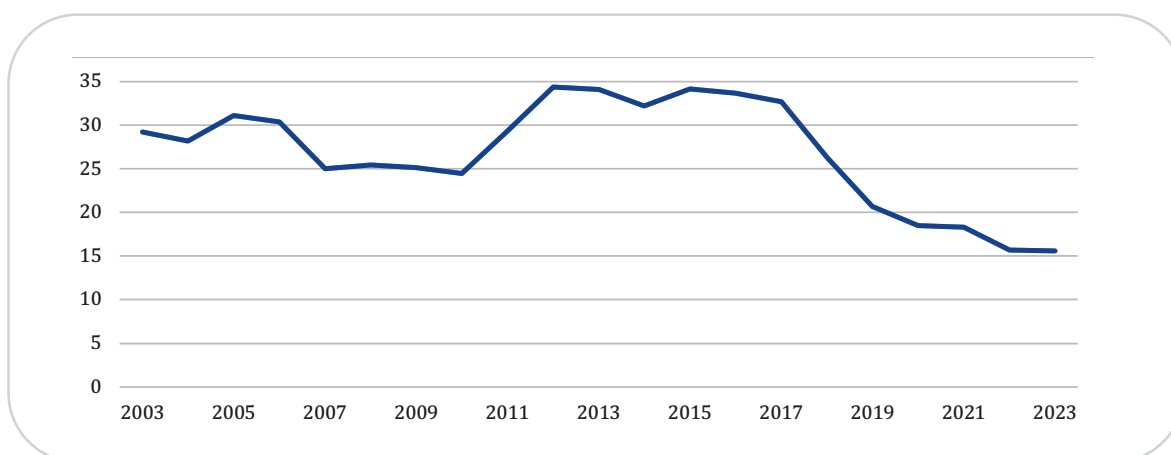
Finally, the efficacy of ALMPs in the region is hindered by the lack of a broader conducive environment with economic and social policies that support youth employment outcomes. The lack of dynamic private sectors, weak access to finance for youth, and outdated formal curricula hamper the ability of ALMPs to address the youth unemployment challenge across the Arab region. The potential is still there but is limited without simultaneous efforts to address structural barriers to youth employment. As section two made abundantly clear, the youth unemployment problem in the region is complex and it cannot be expected to be resolved through one intervention alone. Instead, a holistic approach is required.

## 4.1 Country-specific ALMPs

In a panel series analysis across Egypt, Jordan, and Tunisia, AlAzzawi and Hlasny (2022) find two significant results. First, youth that enters the labour market in a vulnerable job are unlikely to progress to better quality jobs over time. Second, family background (parental wealth, education, and occupation) remains a strong determinant of labour market outcomes. A study on youth-ALMPs in Egypt, Jordan, Morocco, and Tunisia found that a common challenge faced across these contexts was a lack of sufficient job creation (Prince et al., 2018). The findings all urge caution and perhaps a sense of humility about what ALMPs can realistically achieve in such contexts. Looking at country-specific examples from the Arab region can help ground the findings above and provide more concrete lessons learned challenges, and best practices. In this section, the cases of Egypt and Jordan are highlighted given that they have the most scholarship and data on the topic of youth-ALMPs.

### 4.1.1. Egypt

Egypt is the most populous Arab country with a population of almost 111 million as of 2022, just above 17 percent of which are youth (aged 15-24) (UN DESA, 2022). The percentage of youth is projected to peak in 2033 at 18.77 percent before falling to 15.5 percent in 2050. In terms of youth unemployment, the country seems to have had tremendous success since 2017, reaching a low of 15.6 percent in 2023 (see Figure 6). Yet, caution is needed when interpreting this data given that youth labour force participation fell during the same period, with less than one-quarter of young Egyptians actively seeking work (ESCWA & Sawiris Foundation, 2024). Moreover, when digging deeper into the data, the labour market is not well balanced with tertiary-educated individuals facing the highest unemployment rates (ESCWA & Sawiris Foundation, 2024). This paradox highlights a mismatch between skills produced by the education system and the demands of the labour market.



**Fig. 6:** Youth Unemployment in Egypt (2003-2023)

In a country study, Assaad and Krafft (2017) identify the decline in public-sector employment

opportunities affecting the economic opportunities for youth in the country. They also find that social class is becoming an increasingly important predictor for private sector employment outcomes. These reflect structural factors at play that may be beyond the remit of ALMPs.

A review of youth-focused ALMPs in Egypt found that the most common approach was to combine skills training with employment services. Twenty-five percent of the 182 youth employment programs in ILO's Youth Employment Inventory (YEI) for Egypt adopted this approach (ILO, 2017a). Meanwhile, 21 percent provided only skills training, 16 percent combined skills training and entrepreneurship promotion, and 19 percent provided only entrepreneurship promotion (ILO, 2017a). Looking at the target groups within the 182 programs, only 10 percent of them targeted women and only 13 percent targeted young people in rural areas only. This limits the potential for these programs to help the most vulnerable and needy youth secure gainful employment.

In her review of ALMPs in Egypt, Barsoum (2018) observes that civil society organizations (CSOs) play a leading role in the provision of ALMPs. In a more recent paper, Barsoum (2021) finds that the multiplicity of players involved in ALMPs, including government, quasi-government bodies, CSOs with donor support, and the private sector, complicate coordination and lead to fragmentation.

In terms of commitment and partnership, in March 2014, representatives from Egypt's Ministry of Planning and International Cooperation, Ministry of Education, and Ministry of Manpower and Migration convened with representatives from the private sector, civil society, trade unions, and development organizations to launch the Egyptian Forum for Youth Employment Promotion (YEP) (Said, 2015). The participants coalesced around four key priorities:

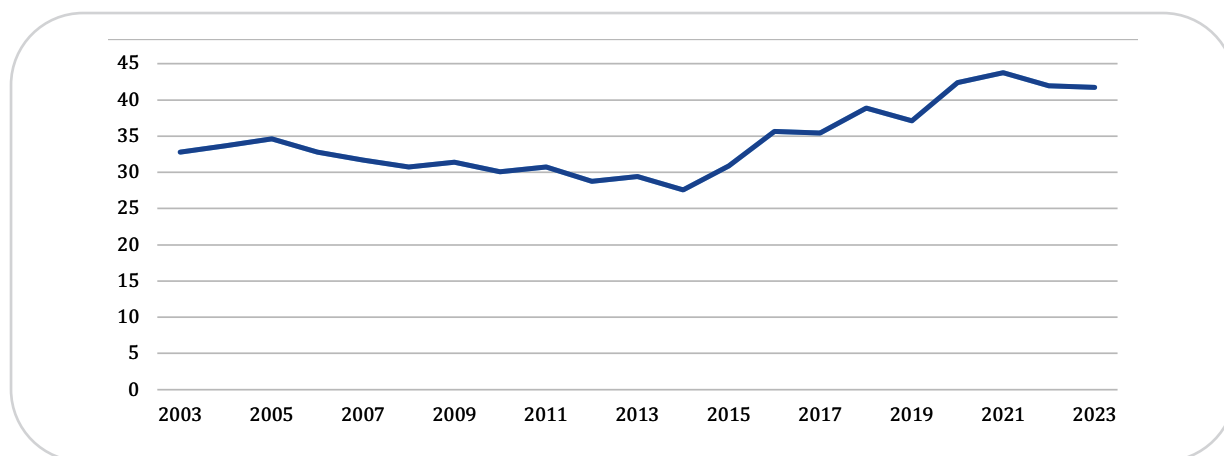
- (1) The introduction of monitoring and evaluation (M&E) mechanisms for labour market policies;
- (2) The provision of labour market information;
- (3) The provision of career guidance at an early stage; and
- (4) Public works programs.

The focus on M&E reflects the message throughout this paper; the lack of information on the efficacy of ALMPs makes it challenging to identify promising practices.

#### **4.1.2. Jordan**

Jordan has a population of just above 11 million as of 2022, almost 18.5 percent of which are youth (UN DESA, 2022). The percentage of youth is projected to peak in 2027 at 18.8 percent before falling to 14.97 percent in 2050. In contrast to Egypt, Jordan has seen youth unemployment continue to rise in recent years, reaching a high of almost 44 percent in 2021 before dropping slightly in the past few years (see Figure 7).





**Fig. 7:** Youth unemployment in Jordan (2003-2023)

In terms of government commitment, under the culture and youth pillar, Vision 2025 includes a focus on providing specialized employment and training programs for the youth and mitigating the effects of unemployment among young people (Jordan National Vision in the ANDP UNESCWA website, 2015). This is especially important in light of the dwindling of public sector jobs, which remain the favoured choice for youth (ILO, 2017b). It should be noted that despite cuts, the public sector remains the biggest individual employment sector, accounting for roughly 40 percent of all employment (Alshyab, 2021). At the same time, the delivery of public employment services is the responsibility of the Employment Directorate within the Ministry of Labour, where there are less than 100 staff serving the whole country (Alshyab, 2021).

There are several important contextual factors to consider. First, the influx of a substantial refugee population increases competition in the informal sector, which in turn affects the employment prospects and conditions for youth (ILO, 2017b). Second, it is important to address long-term unemployment, with the latest data showing that almost half of the unemployed had been looking for employment for 12 months or more, with women and youth suffering disproportionately from this (ILO, 2023). Finally, going beyond looking at unemployment, data from 2021 reveals that Jordan, in line with the regional average, has almost one in three youth aged 15–24 in the NEET category (ILO, 2023). This figure is striking and highlights the urgency of policy action to support youth employment outcomes.

An ILO review of 84 ALMPs in Jordan revealed that skills training and employment service interventions were the most common. They also found that two in three of the ALMPs combined different program types (ILO, 2017b). In terms of actors involved, the Jordanian government and non-governmental organizations (NGOs) are the two primary implementers of ALMPs (ILO, 2017b; Alshyab, 2021). The private sector also plays a role, leading to 27 percent of all ALMPs reviewed (ILO, 2017b). Similar to Egypt, there is no mechanism for coordinating and supervising ALMPs (Alshyab, 2021). In terms of scale, the number of beneficiaries for the ALMPs varies considerably, from fewer than 100 in some



instances to several thousand in others. As already seen in the case of Egypt, the majority of ALMPs in Jordan fail to make effective use of targeting (ILO, 2017b).

## 5. The Way Forward

The challenge of harnessing the skills, knowledge, passion, and potential of youth to contribute to economic development is global. Yet, the Arab region has had a harder time than other regions in overcoming it. Part of the issue is the sheer scale of the challenge given the demographics. Other factors include sub-standard educational quality, lack of work experience opportunities, underdeveloped TVET systems, and inadequate or inappropriate utilization of ALMPs. Reforms need to be made across the board.

First, the limitations of ALMPs need to be recognized. They are only one piece of the puzzle and require complementary reforms to make for a holistic approach to tackling youth unemployment. Without such an approach, the potential contributions of ALMPs will be seriously limited, and their sustainability in question. They are not a panacea but can be integral to a broader effort to improve labour market outcomes for youth in the Arab region. Having realistic expectations is thus critical, on the part of both policy makers and youth themselves. This requires awareness raising and a broader development program that effectively maximizes the potential benefits of ALMPs alongside other policies.

Second, governments should focus on improving the design and targeting of ALMPs to support the most vulnerable youth to make the school-to-work transition. The case studies of Egypt and Jordan both revealed that targeting is not effectively employed in either case. The increased resources and attention on this topic are a good starting point. Yet, more is required. Arab governments need to design ALMPs in consultation with both youth and the private sector to ensure they respond to the needs of both groups. Moreover, they should learn from global best practices and adapt them to suit their contextual nuances. They also need to devote more investments to ALMP development and implementation to support the school-to-work transition (ESCWA & ILO, 2021).

Third, TVET systems in the region can benefit from reform. Changes are needed to make them more in line with current economic needs and to keep up with the quickening pace of labour market evolution (ILO Regional Office for Arab States, UNICEF Regional Office for MENA with the European Training Foundation, 2023). Moreover, change is needed at the social norm level to remove the stigma that people have towards TVET. In short, *“TVET needs to be a choice that students aspire to and work towards, not a place they try to escape from”* (ILO Regional Office for Arab States, UNICEF Regional Office for MENA with the European Training Foundation, 2023). This will require deliberate action to establish TVET systems that adequately cater to youth needs, are accepted by society, and can adapt to evolving market needs.

Fourth, progress is dependent on adequate assessments of current programming to identify best practices to scale up, make changes where needed, or terminate unsuccessful programs. Organizations working with youth need to improve their monitoring and evaluation (M&E) efforts. The M&E of youth-focused ALMPs in the Arab region is far less developed than in other regions. More resources are needed upfront to ensure systematic and rigorous M&E that can inform evidence-based policymaking. More capacity is also required to establish systematic processes that inform program design, implementation, and adaptation across the program life cycle.

Finally, both case studies revealed that more coordination is needed to ensure youth policies have maximum impact. A whole-of-government and whole-of-society approach can help ensure that no one is left behind. This stakeholder engagement is critical for designing context-appropriate ALMPs and ensuring their effective implementation and follow-through. One step in this pursuit has been the establishment of Ministries of Youth in several Arab countries. Yet, these ministries often lack the capacity and resources to implement policies and offer services. Another step has been the establishment of national youth strategies, and in some cases, even National Action Plans for youth employment (ILO Regional Office for Arab States, UNICEF Regional Office for MENA with the European Training Foundation, 2023; ESCWA, 2019). Moreover, the link between different types of policies is critical. There is currently a significant disconnect between youth policy, employment policy, TVET policy, and economic policy (ILO Regional Office for Arab States, UNICEF Regional Office for MENA with the European Training Foundation, 2023). Aligning these should be made a policy priority and will require the adoption of a truly whole-of-government, whole-of-society approach to tackling youth unemployment.

## **6. Conclusion**

The situation of youth in the Arab region is challenging in many ways. This paper has focused on their economic activity (or lack thereof). The good news is that there is much room for improvement and that youth in the region are endowed with several critical foundations for success. First, despite challenges with educational quality, the impressive intergenerational educational mobility in the region means that youth in the region are significantly more educated than their parents. This coupled with their ambition and passion means that there is a wide-ranging and motivated segment of the population that is ready to make the most of the opportunities that exist. Second, the increased attention on youth employment as a policy priority and key strategy for unlocking development gains has spurred additional research on the topic. This is critical to facilitating a future where evidence-based policies are adopted to harness the potential of youth to contribute to development. Third, the efficacy of well-targeted, well-resourced, and well-designed ALMPs shows that they can have a substantial impact on improving labour market outcomes for youth in the region, which can, in turn,

have significant development gains for individuals, communities, and economies. The case studies of Egypt and Jordan helped to highlight potentially important characteristics and cautionary pitfalls to avoid. Finally, this paper has outlined several recommendations to guide the way forward but clearly, more research is needed to support the charting of a new path that enables youth in the Arab region to realize their potential in the economic realm.

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