

**Intersecting Circles of Poverty Reduction and Youth Challenges
in the Arab Region;**
Policies, Programmatic Interventions, and Future Prospects

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Draft as of: November 4th, 2010*

For the Civil Society Advisory Group Brainstorming Session
Economic and Social Commission for Western Asia (November 8th, 2010)

*The following paper is a draft that discusses poverty reduction and youth challenges
in the Arab region. It is an incomplete product and will be under revision until the
end of November 2010.*

Introduction

Poverty reduction is a developmental aim that is part of overall social, political, and economic structural change. Poverty reduction necessitates an active role of the state on the developmental and redistributive levels. It also necessitates integration of the specific challenges that various societal groups face in a specific country context, whether they were women, young persons, persons with special needs, persons with higher or lower levels of education, or others.

The inter-related and changing roles of agriculture, industry, services, technology, terms of trade, and the role of finance have significant impact on the grounds related to poverty reduction¹. Accordingly, the approach to poverty reduction and the role of youth in that process needs to take into consideration the resulting shifts in the job markets, and the relation of that to the shifts in the productive capacities at national levels, and more widely in regional contexts. The access of youth to social protection that help sustain their livelihoods during times of lack of access to gainful employment is also key to development and consequently to poverty reduction². Within such context, it is not enough to establish youth-related programmatic interventions that co-exist but do not interact with the questioning of policies in place.

This brief paper aims at discussing possible entry points for linking policies of poverty reduction to youth issues and related policies in the Arab region. It discusses three interlinked pillars among the challenges facing youth including employment, education, and migration. It also discusses few programs related to youth in the Arab region and possibilities for furthering this work within a wider developmental context. The paper mainly argues that effectively addressing the interface between youth issues and poverty reduction necessitates putting them within the overall discussion of models of economic growth and social protection in the Arab countries, and the region as a whole.

(1) The reinforcing circles of youth challenges and poverty reduction in the Arab region:

Overall Economic and Social Challenges in the Arab region

The specific challenges of youth in the Arab region come to the forefront of poverty reduction as they represent around 30% of the population³. While this percentage is expected to start decreasing in most of the Arab countries towards 25% by the year 2020, it is expected to continue increasing in others like Iraq, the West Bank and Gaza Strip⁴. This demographic transition, represented by the youth bulge⁵, is expected to come to close by the year 2045. However, the challenges facing millions of young persons in the Arab countries are expected to persist.

¹ United Nations Research Institute for Social Development (UNRISD) (2010); “Combating Poverty and Inequality: Structural Change, Social Policy, and Inequality”, p. 28; available online at: www.unrisd.org.

² *Ibid.* Same as reference one UNRISD (2010); p. 32.

³ Estimates by the Middle East Youth Initiative <http://www.shababinclusion.org/> ; Estimates range between 25% in countries like Kuwait and United Arab Emirates, to 29% in Egypt, and 34% in Qatar.

⁴ *Ibid.*

⁵ Youth bulge represent phases where the proportion of working age population increases in comparison with the proportion of dependent population (this phase is known as well the demographic window of Opportunity).

In the Arab region, most economies have witnessed increasing poverty rates and some of the highest unemployment rates despite achieving high economic growth rates ranging between 7% in 2003/2004 to 8% in 2005 to 5% in 2007 and 6% in 2009⁶. Indeed, levels of poverty calculated at the national poverty lines averaged around 30% in least developing Arab countries, such as Comoros, Sudan, Djibouti, Yemen, Mauritania, and Palestine, and around 20% in Egypt, 13% in Jordan, 11.4% in Syria, 9% in Morocco, and 8% in Lebanon (figures available at various years for various countries, including years between 2000 and 2007)⁷. Moreover, unemployment rates averaged around 13.7% in 2007, down a bit from 14.3% in 2000⁸, compounded by widespread informal employment. This is compared to the average of 5.7% unemployment rates worldwide⁹. The international crises, with its economic and developmental dimensions, heightened the possibilities of aggravating such existing developmental challenges.

Thus, youth living in the Arab region today face a set of challenges different from those of previous generations. The latter lived the post-independence period of national state building. At that time, the state had a clear social and economic model and presented an active role in employment and social protection. Many Arab states led major global political projects, such as the non-alliance movement. Today, young people see the state is increasingly shying away from its economic and social roles, and from presenting a clear development model to its citizens. They face major questions on the identity of the alternative development model that will help them meet the social and economic challenges they face, especially in time of global crises. At the same time, they face increasingly restrictive political regimes that chock society out of its participative spaces. Thus addressing the role of youth in poverty reduction, or on the socio-economic front more generally, cannot be isolated from the role of youth in political reforms. These are two reinforcing faces of the same coin that is fulfilled citizenship.

Consequently, at the forefront of persistent circles of poverty in the region are trends of increasing unemployment, inequalities in educational opportunities, and increasing migration. These trends have been often described and discussed. The following section highlights some of the reinforcing links among these trends and between them and poverty.

Unemployment and concentration in the informal sector

Unemployment among youth has averaged between 20 to 30% in most Arab countries, increasing to around 45% in countries like Algeria and Iraq¹⁰. This

⁶ Arab Monetary Fund (2009); Joint Arab Economic Report, p. 3; available at: <http://www.arabmonetaryfund.org/ar/jerep/2009>. [This situation was witnessed in the variety of economies of the region, whether those dependant on rentier and quasi-rentier models based on the oil industry and exports, as well as in non-oil producing countries that have increasingly given weight to aid flows, foreign direct investment, trade liberalization, and remittances in designing economic and social policies].

⁷ *Ibid.* Joint Arab Economic Report 2009.

⁸ *Ibid.* Joint Arab Economic Report 2009; p. 23.

⁹ *Ibid.* Joint Arab Economic Report.

¹⁰ Dubai School of Government and Wolfensohn Center for Development at Brookings; "Inclusion: Meeting the 100 Million Youth Challenges" p. 16/17, by: Navtej Dhillon and Tarik Yousef.

represents more than 50% of the total unemployed population in the Arab countries¹¹. Such averages vary significantly from the world average of 14%¹². Unemployment is characterized by long waiting periods to find a job, which extends between two to three years. It is also characterized by concentration among females, whereby two out of ten women qualified for work has a job compared to seven out of ten men¹³.

The restructuring of the labor markets as a result of trade liberalization and overall economic reforms that Arab countries have undertaken to various degrees leads to sectoral change in employment¹⁴. Evidence in a 2009 research by FEMISE, focusing on Egypt and Morocco, shows that the unemployment increases during transition have been unevenly felt by women, youth and the highly educated among the rest of the labour force¹⁵. The same research notes that the probability of exiting unemployment to the public sector has fallen, whilst that of exiting unemployment to informal private sector has increased during the period of transition.

The re-enforcing circles of poverty and unemployment are evident; indeed unequal access to decent work and persistent labour market inequalities, which manifest themselves in dimensions of class, gender, age, ethnicity and others, frustrate efforts to reduce poverty¹⁶. Moreover, youth living in poverty and having access to limited capabilities are more ready to abandon the idea of searching for long-term stable and legally protected decent job opportunities. They cannot undertake the costs of living without income and thus accept easier the idea of undertaking a job opportunity in the informal sector, and bearing with low and insecure wages and incomes. This can be witnessed in the Arab region where the informal sector is continuously increasing, thus expanding the vulnerabilities on the social and poverty fronts. Data available for four countries in North Africa show that the extent of the informal sector phenomenon ranges from 40 to 80 per cent of non-agriculture employment in the region¹⁷. Data for Egypt reveal that 70% of the new entrants into the job market entered into the informal sector¹⁸. Thus the informal economy has been expanding even in countries experiencing high economic growth rates and can no longer be considered a transient phenomenon¹⁹.

Beyond merely finding a job, youth lack jobs with clear career paths, whereby they secure sustainability and active role in the economic cycles of their countries. Indeed, some Arab economic, like Egypt, Morocco, Syria, and Jordan, have succeeded in generating job opportunities, especially in the latter years since 2008²⁰. In addition, it

¹¹ United Nations Development Program (UNDP) and League of Arab States (LAS) (2009); "Development Challenges in the Arab States: A human development approach"; available at: <http://content.undp.org/go/newsroom/2009/december/development-challenges-outlined-in-new-arab-states-report.en> (accessed November 4th 2010)

¹² Middle East Youth Initiative; "Missed by the Boom, Hurt by the Bust; Making Markets Work for Young People in the Middle East", p. 10.

¹³ *Ibid.* Middle East Youth Initiative, p.12.

¹⁴ FEMISE (2007-2008); "Unemployment, Job Quality and Labour Market Stratification in the MED Region: The cases of Egypt and Morocco".

¹⁵ *Ibid.* FEMISE p. 50.

¹⁶ Same as reference one; UNRISD p.26.

¹⁷ International Labor Organization/ Arab Employment Forum; "Growth, employment and decent work in the Arab region" (thematic paper 2009); p.17; available online at: http://www.ilo.org/public/english/region/arpro/beirut/downloads/aef/growth_eng.pdf (accessed November 4, 2010).

¹⁸ Same as reference 12; Middle East Youth Initiative, p.11.

¹⁹ Same as reference 15; ILO 2009.

²⁰ Same as reference 12; Middle East Youth Initiative, p 8.

is evident that Gulf countries are generating jobs given the high level of foreign labor attraction to these markets. However, beyond the actual job availability, policy should take into consideration the kind of jobs being generated and its relevance to the expectations of young persons in the region as well as cultural perceptions. This in turn can contribute to explaining why among the youth in the Arab region, those who have a job are more likely than those who do not to express the desire to emigrate permanently²¹. Related findings suggest that while the lack of jobs is a main cause of stress on youth, and trigger for the desire to emigrate, other contributing factors are the lack of opportunities and unfulfilled aspirations due to regress on human development, participation and democratic practises, good governance, security, community trust, and technology²².

Lack of access to adequate education

Despite progress reported on reducing illiteracy rates among young persons in most the Arab countries²³ as well as some progress on access to education and years of schooling in many Arab countries, the quality of education offered still suffers ample shortcomings. Consequently, the education system in the Arab region fails to play a role in lifting youth from circles of poverty and empowering them to become active in the national and regional economic cycles and development processes. Indeed, the educational capacities that are supposed to break the cycle of poverty for youth that are raised in poor families are becoming a contributor towards increasing gaps and marginalization of these youth groups from achieving their social and economic rights. This is because of disparities in the quality of education offered between rural and urban regions, disparities in quality of public and private schooling, and the barriers of access to private schooling. Moreover, even where access to good quality education is achieved, it does not represent a tool for predicting access to jobs, especially with the concentration of unemployment among the youth with higher education achievement.

Public-private partnerships have been promoted as a main vehicle for improvement of educational attainment. Public-private partnership initiatives in Egypt and Jordan²⁴ have registered as success stories the improvement in e-content development skills, delivering computers and data shows to schools, as well as installing learning labs in universities in Egypt. While there is a specific positive result for the direct targets out of these initiatives, for the overall society such programmatic interventions do not shift education to become the youth empowerment tool through which poverty reduction can be addressed. On the contrary, it might create more gaps between the haves who can access such programs and the have-nots who cannot.

²¹ Gallup and Silatech (2010), "The Silatech Index: Voices of Young Arabs" available at <http://www.gallup.com/poll/126110/arab-countries-emigration-appeals-employed.aspx> (accessed November 3, 2010).

²² *Ibid.*

²³ UNESCO (2005); "Illiteracy in the Arab world"; prepared by Hassan R. Hammoud for the Education for All Global Monitoring Report 2006; By the year 2005, illiteracy of the age group (15 to 24) dropped drastically to less than 5% in seven countries (Tunisia, Bahrain, Jordan, Lebanon, Libya, Oman, and Qatar) with Bahrain, Oman and Jordan reducing their illiteracy rates to 1% and below. Four others (Algeria, Kuwait, Saudi Arabia, UAE) dropped their illiteracy rates to a range of 5% to 8%. The illiteracy rate of three countries stood at 10% to 18% (Syria, Djibouti and Sudan,) while the last five countries had illiteracy rates of 24% to 55% (Morocco, Egypt, Yemen, Iraq, and Mauritania).

²⁴ Education initiatives have been promoted by the World Education Forum, incorporating this idea, such as the Jordanian and Egyptian Education Initiatives. For more information see: <http://www.weforum.org/en/initiatives/gei/Jordan%20Education%20Initiative/index.htm>

Increasing migration trends and lack of migration policies

The high incidence of migration has been increasingly associated with the constraints young people face in the Arab countries, whether on the political fronts or the economic, social, and cultural fronts. Migration trends primarily include one among the Arab countries, especially from lower and middle income Arab countries to the Gulf countries, and another from Maghreb countries towards Europe.

The ILO²⁵ noted that the lack of decent work availability to the young generation residing in the region today have led to migration trends that involve not only the youth with lower education but also youth with higher education attainment. It also involves youth who already have jobs in the region but are seeking better more sustainable jobs with clear career paths and opportunities for progress. Indeed, a 2010 Gallup survey indicated that the individuals most likely to express a desire to migrate permanently from the Arab region are those who are the most educated and are already employed. Moreover, the League of Arab States (LAS) has estimated that around 450,000 highly-skilled workers from Arab countries reside and work outside the region²⁶.

Despite the active migration trends inside the region and towards its neighbours, migration policies have not been adequately addressed in either spaces. Migration has not been integrated in employment and labor market policies of Arab countries. This shortcoming reduces possibilities whereby migration could actually contribute to poverty reduction through providing youth with adequate opportunities and through enhancing predictable and sustained remittances. Indeed, when a migrant's rights are not protected and their contracts are not legally secured, then their opportunities would be vulnerable to rapid changes that could pull them out of productive economic cycles.

Summarizing remarks:

Addressing unemployment among youth necessitates extending beyond addressing the incompatibility of educational system outputs with labour market needs. One of the main problematic to be addressed lies in the labor markets themselves and the role given to job generation within the overall economic models that are adopted in the Arab region. In the meantime, social policies that are grounded in a universal rights framework represent major entry point for addressing the vulnerabilities associated with increasing unemployment and widening informal sector.

Furthermore, the perception of being treated with dignity and respect of citizenship is core to keeping young people in their countries and in revitalizing their role in the economic and social spheres. This is associated with perceptions of corruption and governance in one's country. Consequently, the political environment and respect for political rights come to the forefront as factors that strengthen ones citizenship and links to their country and readiness to contribute to its development.

²⁵ Same as reference 15; ILO 2009. p. 13.

²⁶ Same as reference 15; ILO 2009. p. 16.

(2) Critical reading into existing interventions on youth policies in the Arab region:

In general, most Arab countries have either youth-focused institutions or youth-related policies that touch on several sectors, such as education and employment²⁷. Moreover, several regional institutions and funds that deal with issues of young people have emerged in the region²⁸. Moreover, various UN agencies produced youth focused analysis and implement youth related programs. The current model adopted by these institutions and some UN agencies perceives youth as a distinct socio-demographic group, indicating that their needs and the challenges they face and their role in society differ from those of other groups²⁹. Accordingly, they advocate formulating a special youth policy, establishing a special governmental institution for them, and conducting special surveys of youth issues³⁰. This is perceived to be in line with the approach promoted by the Report of the Secretary-General on the follow-up to the World Programme of Action for Youth to the Year 2000 and Beyond, Goals and targets for monitoring the progress of youth in the global economy³¹. Along the same lines, a set of goals and targets focused on youth have been developed within the framework of the MDGs³².

Yet, youth-targeted programmatic interventions that are isolated from the overall policy frameworks could fall within the trap that interventions related to the MDGs have been caught in. Indeed, the MDGs agenda is seen to represent a cautious agenda to social development whereby many critical issues and obstacles to overcoming poverty have not been addressed, including mechanisms required to achieve the goals individually or synergies between them³³. Such lacking critical issues include the role of employment, growing levels of inequality, often contradictory impact of certain macro-economic policies, and the overall political and social relations in society.

For that matter, effective interventions in regards to the role of youth in the region, and their specific contribution to poverty reduction, cannot be detached from the specific policy challenges the region faces. Such interventions ought to interact with the facts that countries in the region feature economic policies that are not generating

²⁷ These have been described in an ESCWA report 2010 entitled “Youth Development in the ESCWA Region: Statistical Profiles, National Strategies, and Success Stories”.

²⁸ Such as the Mohammed bin Rashid Al Maktoum Foundation (Dubai, UAE) and Silatech (Qatar); for more see reference 12, p. 33.

²⁹ Economic and Social Commission for West Asia (ESCWA) 2009; “Population and Development Report Issue No. 4; Youth in the ESCWA Region: Situation Analysis and Implications for Development Policies”, p. 31.

³⁰ *Ibid.* ESCWA 2009.

³¹ United Nations; Report by the UN Secretary-General on the follow-up to the World Programme of Action for Youth to the Year 2000 and Beyond 2007 (A/62/61/Add.1-E/2007/7/Add.1). The report notes that “youth represent a specific socio-demographic group with its own, and sometimes unique, challenges. Addressing a range of acute issues on the youth development agenda and assessing results of policy interventions is an opportunity to improve policy making, making it more relevant and effective. To seize this opportunity, there is a need for a concerted effort to lay out a vision for youth development, including identifying concrete goals and measurable objectives”.

³² This resulted from Expert Group Meeting on Goals and Targets for the World Programme of Action for Youth: “Youth in Civil Society” and “Youth and their Well-being”; United Nations Headquarters in New York from 19 to 21 May 2008 and the UN Secretary-General report (2009) on the Implementation of the World Programme of Action for Youth: progress and constraints with respect to the well-being of youth and their role in civil society (A/64/61-E/2009/3).

³³ Same as reference one; UNRISD – Overview of report, p. 3.

enough or adequate jobs for the young generations, educational policies and systems that re-enforce existing inequalities and migration policies that are not well addressed. For example, there would be limited added value in focusing youth oriented programs towards training on accessing the job markets while the labor markets themselves are not functioning. Such programs need to come within the bigger framework of addressing policies' adequacy and synergies.

Indeed, it is not enough to establish programmatic interventions that co-exist but do not interact with the questioning of policies in place. In the same line, research by the Middle East Youth Initiative has promoted the need for overcoming the divide between the processes of policy development, knowledge creation, and investment in youth program³⁴. This necessitates a greater more effective interaction between governments, the private sector and civil society organizations. Such interaction ought to touch on policy content and formulation.

(3) Ways forward: entry points in tackling the role of youth in poverty reduction policies in the Arab region:

Combating poverty and inequalities requires processes of structural changes, macro-economic policies, and social policies that are complementary and synergistic³⁵. Accordingly, enhancing effective roles by youth in the Arab region in breaking the cycle of intergenerational poverty necessitates addressing the implications of these policy areas on the developmental challenges that youth face. Stakeholders in this area ought to address the synergetic and transformative approach of tackling policies, institutional roles, and complementary programmatic interventions. This needs to be done within a longer term perspective of transformative interventions. It should include an understanding of the impact left by various institutions active on this agenda, especially in shaping the incentive bases for policy changes and overall behavioural changes, as well as the interconnectedness in various policy interventions (whether on employment, education, migration...)³⁶.

Within this context, some entry points for tackling the role of youth in poverty reduction policies in the Arab region could include the following:

- i) Given that migration of young persons from the Arab region is an ongoing and increasing trend, migration policies and rights of migrant workers should be a policy area to be addressed within the circle of enhancing the role of youth in poverty reduction. It ought to be core to any social and economic cooperation among Arab countries and between them and third partners. This would cover inter-Arab dialogue as well as dialogue between Arab governments and partners, such as the European Union. Such intervention would aim at securing rights and protection to workers leaving their national countries to foreign market, thus limiting the factors of instability or unexpected job loss, which would enhance probability of falling into poverty. On the other hand, it would empower them to contribute to poverty reduction through predictable and effectively managed remittances sent to the region. The model of migrant work protection applied to migrant workers from the Arab region ought to be applied to foreign migrant workers received by the Arab countries. This would enhance the overall

³⁴ *Ibid.*

³⁵ Same as reference one; UNRISD – Overview of report, p. 24.

³⁶ For more on similar discussion see reference 12; Middle East Youth Initiative; pages 27 – 32.

conceptualization and acceptance of migrant workers as positive factor in the development paths and poverty reduction processes in the region.

- ii) Given the re-enforcement of inequalities resulting from the educational system, an entry point would be addressing the investment policies in the quality of education and curricula. This would extend beyond ad hoc programmatic interventions. It would address the core of the policy problematic at the interface of education systems, poverty reduction, and the role of youth. This would primarily focus on securing the same chances for youth from various communities, regions, and classes in accessing the same quality education. It would also serve to bridge inequalities and empower young persons to pull their families out of poverty.
- iii) In light of the clear indications for the needed shift towards putting jobs at the heart of the development model of the Arab countries, whereby macro-economic policies would focus on productive capacities and decent job generation, there is a need to push the issue of social protection as core to addressing poverty reduction and youth issues. Indeed, the kind of social policy frameworks in the region fall short of reinforcing re-distributive effects of economic policies or enhancing the productive capacities of individuals and groups. Moreover, they fail in protecting people from income loss and costs associated with unemployment, which is highly evident in the region given high levels of unemployment and participation in the informal sector. Accordingly, while advocating for shifts in the overall economic model towards adequate job generation, there is a need to address the social policy dimension which could enhance the abilities of youth to contribute to poverty reduction.

Addressing the interface between youth issues and poverty reduction effectively through putting them at the center of reforming economic growth and development models in the Arab countries necessitates bringing in the regional dimension as well. The economic and social dialogue at the regional level, manifested through the Economic and Social Arab Summit ought to integrate a synergetic discussion that involves policies, role of the institutions, role of various stakeholders (government, private sector, and civil society), aligned with the programmatic interventions. This is why, an entry point for the interface between poverty reduction and youth issues at this level necessitates questioning whether the programmatic interventions decided at these summits (such as the programs related to job generation and fighting unemployment that were decided at the first Summit in 2009 in Kuwait) provide such synergetic approach.³⁷

³⁷ These include programs such as the Arab network for information on labor market, Arab monitor of employment and jobs, employment program for Arab youth, program related to retirees, program for aligning educational outcomes and training and labor market needs, support program for small and medium enterprises.