

Youthful but Idle: The Case of NEETs in the MENA Region

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The MENA region, while representing one of the most youthful regions in the world, demonstrates one of the highest proportions of young people Not in Education, Employment or Training (NEET). The NEET rate averaged 29% in 2020 in the MENA region, compared to a global average of 23.3%, and 12% across the OECD countries (OECD, 2022), as shown in Chart 5. This share of idle youth ranges between a low of 8.4% in Malta and 9.5% in Qatar to a high of 36.8% in Iraq and 36.8% in Jordan (ILO modelled estimates in 2022).¹ The Arab states as a subset of the MENA region have much higher NEET rates reaching 35.6% in 2020 (ILO, 2022).² The low NEET rate in Qatar is likely due to its small national population and the fact the government can provide public-sector jobs to all young nationals who want one.

A strong gender gap in the NEET rates persist in the region. The NEET rate among young women was nearly double (39%) that of young men (20%) in the MENA region (OECD, 2022). Focusing on the Arab states, the gender gap is even worse. Young women's NEET rate reached 51.4%, almost 2.5 times that of young men (21%) in 2020 (ILO, 2022). Iraq and Yemen have the largest gender gap, more than 65% of young women are NEET, nearly three times that of young men. Even in countries that have a lower NEET rate than the regional average, such as Bah-

rain (with an overall NEET rate of 24%), the United Arab Emirates (21%), and Qatar (9.5%), the gender gap is noticeable and slightly bigger than the average gender gap in the region. The share of NEET among young women in Bahrain and the United Arab Emirates is nearly three times that among young men, and almost five times in Qatar.

Young people referred to as NEET can either be unemployed (in the labour force but does not work) or inactive (out of the labour force). The region's substantial NEET rates underscore high unemployment rates and/or low labour force participation rates; two of the most pressing labour market issues in the MENA region which also have a strong gender dimension. MENA records the highest, but also fastest growing, youth unemployment rate in the world, estimated at around 28 percent in 2021 (ILO data), and has been persistently doing so for the past two decades (Islam et al., 2022). The highest youth unemployment rates in non-conflict countries in 2021 were in Jordan (40%), Tunisia (37%), Iraq (36%), and Algeria (29%).

The substantially high NEET rates among young women is due to their weak labour force participation. In 2019, women's labour force participation reached 11.4% for the MENA region (UNESCO, n.d.) – and was even lower (8.8%) in the Arab states in 2020 (ILO, 2022) –, compared to a much higher global average for women of 32.6% (ILO, 2022). In comparison, young men's labour force participation is about three times (41.2% in 2019) that of young women's (UNESCO, n.d.). Also, young women experience re-

¹ <https://ilostat.ilo.org/data/>. [Last accessed 21 July 2023].

² An important data challenge for writing this piece was the regional definition employed by different data producers. Statistics from ILOSTAT (as the main source of data used in this article) are not reported at the MENA region level, but rather for the "Arab States"; whereas the World Bank can show statistics at the MENA region level but which are not always reported for NEETs. Therefore, to overcome this challenge, the article has tried to use as much available data as possible from different sources, even if this means they belong to different years.

markably high unemployment rates, which were double (42.6%) that of young men (21.4%) in 2019 (UNESCO, n.d.).

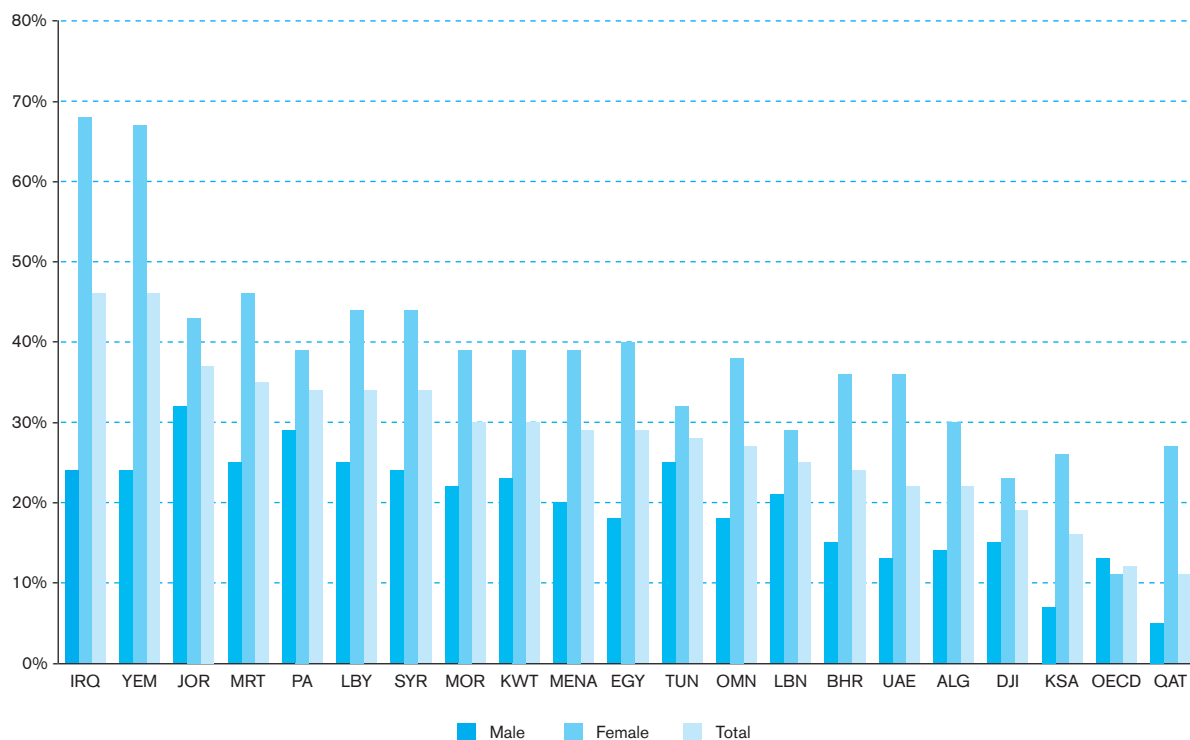
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One of the most important issues that can explain such high rates of joblessness is limited economic opportunities. With the decline in public sector employment in the MENA region in the 1980s and 1990s and the limited capacity of the private sector to generate enough formal jobs, youth have increasingly been either working informally, or waiting for a job with decent conditions. In some countries of the MENA, namely, Palestine, Egypt and Tunisia, more than 80% of workers aged 15-29 were in informal jobs (ILO Regional Office for Arab States et al., 2023).

Recent studies on school-to-work transition also show that the MENA region has the lowest rate of completed transitions (27%), that is the share of youth aged 15-29 who had attended school and had one experience of working after leaving education; and the highest share of youth expected to never transit to a stable job (78%) (Manacorda et al., 2017). As a result, the wait time for a stable job in MENA is the longest, reaching 146 months (Manacorda et al., 2017), rendering the transition from school to work very lengthy.

Recent data of the Arab Barometer shows that creating more jobs has consistently been the most important issue that governments should be focusing on, across countries and different age profiles, albeit in a more pronounced way among young people. For instance, across countries, the largest percentage of all respondents (25%), and of young people aged 18-29 (27%), chose the creation of more job opportunities as the most important issue that the government should focus on to improve the economic situation of their respective countries. Although creating more jobs tops the list of the most important issues, there is an important varia-

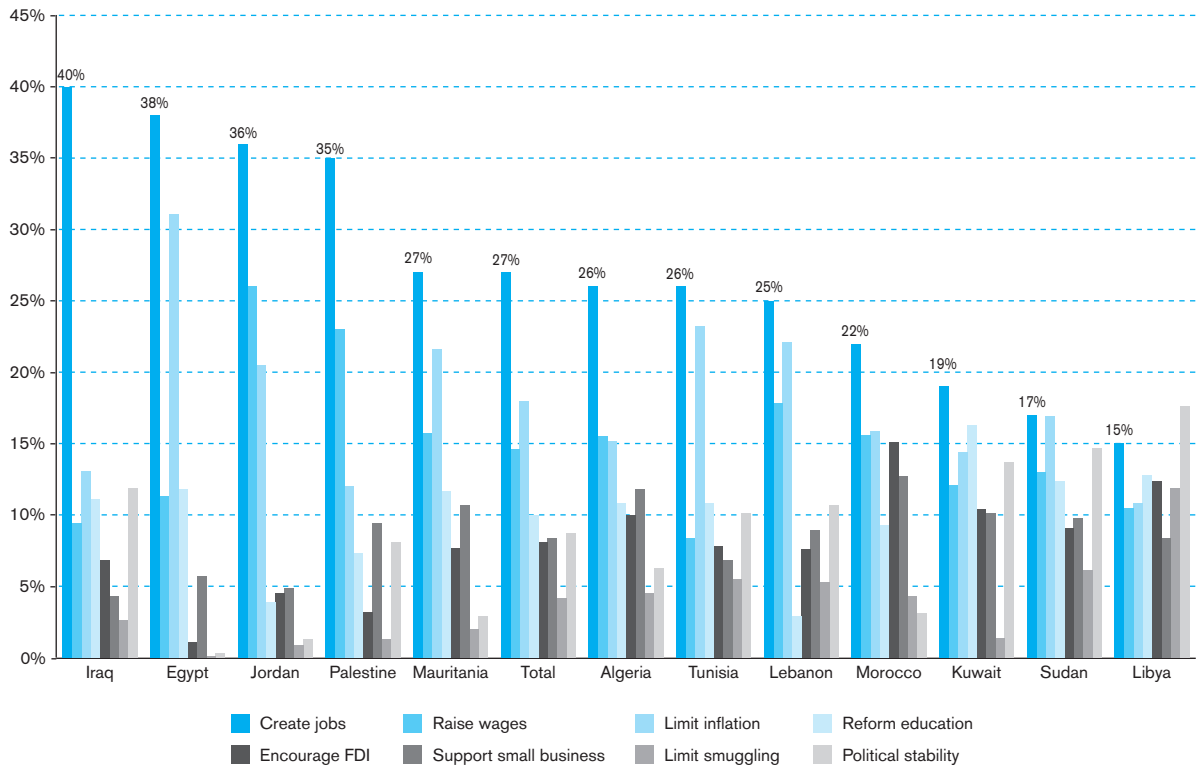
CHART 5 NEET Rates Among People Aged 15-24 Years by Sex, 2020



Source: OECD, 2022.

CHART 6

Most Important Issues the Government Should Be Focusing on to Improve the Economic Conditions in Your Country, (%), Arab Barometer Wave VII 2022



Source: Arab Barometer Wave VII (Arab Barometer, 2022).

tion across countries. There was a larger proportion of young people in Iraq (40%), Egypt (38%), Jordan (36%), and Palestine (35%) than the other countries who indicated that the creation of more jobs is the most important issue (Chart 6). This also corresponds with the fact that these countries suffer from one of the region's highest unemployment rates and NEET rates, as shown in Chart 5. This finding has also been consistent over time. In previous waves where this question has been asked, the creation of more jobs was always at the top of the most important issues (Arab Barometer, 2021).

Inadequate learning and skills is another key factor that contributes to the high NEET rates. Students in MENA leave school, acquiring only "education credentials" rather than the right knowledge and skills needed for the labour market. Most education systems in MENA are built on rote memorization and standardized tests, without focusing on developing critical thinking and other skills that can make students ready for the labour markets. This is because of the legacy of public sector employment in the 1960s and 1970s, which required at least some

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educational attainment, resulting in a rapid increase in the number of years of schooling, much faster than in any other region (ILO Regional Office for Arab States et al., 2023). Evidence from the recent 2019 Trends in International Science and Mathematical Study (TIMSS) suggest that the 10 MENA countries that participated in this international set of exams scored below the international benchmark average of 500 in either mathematics or science. This highlights the problematic quality of education in the region. It is vital now to improve the quality of education, delivering for youth the needed knowledge and skills, given all the advances in

the future of work, the use of AI and the technological transformation.

NEET status may take its toll on their mental health, wellbeing and transition to marriage and family formation prospects

High NEET rates in the MENA region is a cause of significant concern because it is likely that youth are trapped in this status. A recent study from Morocco has shown most NEETs remain so even after eight years, indicating that this status is an absorbing one. This highlights to what extent the dangerous disconnect between young people and education or early work experience can jeopardize their future chances of success.

The persistent low chances of moving out of the NEET status has serious implications. Not only because these youth have highly uncertain job prospects, which mean insecure incomes, but also because this absorbing NEET status may take its toll on their mental health, wellbeing and transition to marriage and family formation prospects. These potential implications along with their sense of resentment, can cause further disruptions in the social cohesion and stability of the region. It also means that the region's states will potentially face unprecedented fiscal pressures to cover life-cycle risks of future generations of NEETs who have not been able to work, to contribute to social insurance schemes and to save. Changing the prospects for NEETs through corrective mechanisms and policy interventions is now more important than ever. Targeted investment in the green, digital and care transitions combined were forecast to generate 830,000 jobs for the region. The question is whether the macroeconomic policies in the MENA governments will succeed in investing in these domains, and whether youth will be able to capture them.

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