Employment challenges in MENA region- Socio Economic roots of the Arab Spring

EGM on Employment
UN-DESA & ILO
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Employment Policy Department - ILO
A rapidly growing population and labour force

Labour force (in millions) 1980-2020

Source: ILO Department of Statistics. Database of Labour Statistics 2011
The youth bulge: unemployed, discouraged and frustrated

- Unprecedented number of youth: over 85 million in 2010
  - Nearly one in five people are between 15-24
- Youth labour force participation is the lowest in the world (36% in the Middle East and 38% in North Africa) and has decreased over time
- High and increasing inactivity particularly for young women
- Soaring youth unemployment and higher than for adults (around 20% for young men and over 30% for young women)
- Improved education levels did not result in better labour market outcomes
Youth Unemployment in Middle East and North Africa: highest in the world

- Developed Economies & European Union
- Central & South Eastern Europe (non-EU) & CIS
- East Asia
- South East Asia & the Pacific
- South Asia
- Latin America & the Caribbean
- Middle East
- North Africa
“Job poor” economic growth

Middle East

North Africa
Poverty and exclusion

Working Poverty (1.25 US$ a day) share in Total Employment

Working Poverty (2 US$ a day) share in Total Employment
Declining wage growth in Algeria and Egypt
Labour market crisis in Egypt:

- High unemployment especially amongst youth-including educated youth;
- Massive under-employment, working poverty, informality, vulnerable and precarious jobs;
- New phenomenon: “discouraged workers” with a significant gender disparity across the above;
- Outmigration at all skills’ level;
- Low earnings, poor working conditions and low productivity growth; rising poverty, inequality and frustrations;
- Too heavy reliance on public sector as the employer and the better employer; while private sector still dominated by low productivity MSMEs
Egypt and Tunisia: unanswered questions

- Egyptian worker: where has the 7% growth gone? Can’t make ends meet and my university graduate son is unemployed since his graduation 3 years ago

- Bouazizi (Tunisia): I tried everything, did all the right thing to get a job and a decent living - a slap in the face
Fundamentals right?

- Both countries: high marks on economic reforms, growth and macro-economic fundamentals before the uprisings
- After the “Revolution”: we should have looked into the labour market and the real economy

Shift in discourse/ policy paradigm?