



International
Labour
Organization

► Global Employment Trends for Youth 2022: The Arab States

Young people across the Arab States have had to bear the brunt of the pandemic-induced economic recession. The lingering socio-economic impacts of COVID-19, including workplace closures, caused by global and local lockdowns and disruptions to global supply chains are now being aggravated by the sharp economic slowdown both domestically and around the world. The spikes in energy and food prices, particularly for wheat, exacerbated by the conflict in Ukraine have resulted in an inflationary surge in the Arab States. The vulnerability of States in the region is exemplified by Lebanon, which in 2020 imported 81 per cent of its wheat from Ukraine. Other countries in the region experiencing a food crisis, including the Syrian Arab Republic and Yemen, are heavily reliant on wheat imports from the Russian Federation and Ukraine.

Furthermore, high vulnerability to climate change and ongoing conflicts, displacement and political unrest in some parts of the region are having adverse effects on the economic outlook of the Arab States. Although there are notable differences between Cooperation Council for the Arab States of the Gulf (GCC) and non-GCC countries in the region, these factors have taken a heavy toll on youth employment and on progress towards the Sustainable Development Goals (SDGs) more generally, including Goal 8 on full and productive employment and decent work for all.

The region has continued to experience a significant deterioration in labour market indicators in recent years (table 1). The Arab States demonstrate the highest and the fastest-growing unemployment rate of young people aged between 15 and 24 years worldwide. Youth unemployment in the region reached a peak of 25.9 per cent in 2021. Regardless of a projected decline by 1 percentage point, the youth unemployment rate in 2022 is, nevertheless, projected to be 10 percentage points higher than the global average. Furthermore, the unemployment rate among young women

in the region is projected to be 42.5 per cent in 2022, which is more than double that of young men (21.4 per cent) and almost three times as high as the global average (14.9 per cent).

Labour underutilization also remains high in the region. The combined rate of youth unemployment and potential youth labour force¹ – the LU3 measure of labour underutilization, applied to young people – is estimated to have been 40.4 per cent in 2020. The LU3 rate² for young women that year was a staggering 65.6 per cent, compared to 33.7 per cent for young men, which was nevertheless significantly higher than the global average of 23.3 per cent. This reflects the structural obstacles young people in the region have to face in accessing decent employment opportunities. It also attests to the greater difficulties encountered by young women in searching for and being able to accept jobs, which is partly a result of social norms.

The proportion of young people not in employment, education or training (NEET) in the region in 2020 (35.6 per cent) was substantially higher than the global average (23.3 per cent). The COVID-19 pandemic caused the NEET rate to rise among men (by 2.1 percentage points), but the NEET rate for young women dropped by 0.3 percentage points compared to 2019, thus narrowing the gender gap slightly. Nevertheless, the NEET rate among women in the Arab States (51.4 per cent) remained almost 2.5 times higher than among men (21.0 per cent) in 2020.

The gender gaps in NEET rates resemble those in the labour force participation rate (LFPR) and the employment-to-population ratio (EPR). The gender gaps in EPR and LFPR in the Arab States are the highest among all regions: in 2022, only 5.2 per cent of young women in the region are estimated to be in employment compared to 35.6 per cent of young men (table 2). Similarly, the LFPR of young women in the region in 2022 is estimated at only 9.1 per cent, which is one fifth

¹ The potential labour force includes those who are not in employment and who are available but are not seeking work; and those who are not in employment and who are seeking work but are not available.

² The LU3 indicator may be thought of as a broadened unemployment rate inasmuch as it includes both the unemployed and the potential labour force (comprised of those who would like to work but for one reason or other are not actively looking). The precise definition may be found at <https://ilostat.ilo.org/glossary/>.

► Global Employment Trends for Youth 2022: The Arab States

► **Table 1. Youth unemployment rate, labour underutilization (LU3) rate and NEET rate, world and Arab States, 2019–22 (percentage)**

			2019	2020	2021	2022
Youth unemployment rate	World	Total	13.5	15.2	15.6	14.9
	Arab States	Total	22.9	25.6	25.9	24.8
		Male	19.7	22.6	22.5	21.5
		Female	40.3	41.8	43.8	42.5
Youth LU3 rate	World	Total	20.3	23.3	n/a	n/a
	Arab States	Total	36.5	40.4	n/a	n/a
		Male	29.3	33.7	n/a	n/a
		Female	63.8	65.6	n/a	n/a
Youth NEET rate	World	Total	21.8	23.3	n/a	n/a
	Arab States	Total	34.6	35.6	n/a	n/a
		Male	18.9	21.0	n/a	n/a
		Female	51.7	51.4	n/a	n/a

Note: Youth are defined as those aged 15–24 years. LU3 rate refers to the combined rate of youth unemployment and potential labour force. The values in the column for the year 2022 are projections. n/a = not available.

Source: ILOSTAT, ILO modelled estimates, November 2021.

► **Table 2. Key labour supply indicators, world and Arab States, 2019–22 (percentage)**

			2019	2020	2021	2022
Youth labour force participation rate	World	Total	41.2	38.6	39.7	40.1
	Arab States	Total	27.9	27.3	27.6	28.0
		Male	45.3	44.5	44.8	45.4
		Female	9.0	8.8	9.0	9.1
Youth employment-to-population ratio	World	Total	35.7	32.7	33.6	34.1
	Arab States	Total	21.5	20.3	20.5	21.1
		Male	36.4	34.4	34.7	35.6
		Female	5.4	5.1	5.1	5.2

Note: Youth are defined as those aged 15–24 years. The values in the column for the year 2022 are projections.

Source: ILOSTAT, ILO modelled estimates, November 2021.

of that for young men (45.4 per cent). This is a reflection of social and cultural norms that restrict young women's access to employment.

The challenges in reassessing policy stances amid contemporary economic and labour market conditions in the Arab States differ between the member countries of the GCC and non-member countries. However, one common challenge is economic diversification and structural transformation aimed at expanding productive employment opportunities for young people in the region. These are particularly urgent as young people are the fastest growing population group in

the Arab States, making the region one of the most youthful in the world. This provides a unique opportunity for the region to benefit from the demographic dividend, but only if its economic growth is rich in decent jobs for young people and if the economies in the region become more inclusive, sustainable and resilient.

Targeted investment in the green, blue (ocean), digital, creative and care economies hold great potential to provide decent jobs for young people and facilitate structural transformation while setting economies on the path towards greater sustainability, inclusiveness and resilience. The ILO's

► **Table 3. Projected youth employment impacts of various policy scenarios relative to the baseline, Arab States, 2022 and 2030** (thousands)

	2022	2030
Green scenario	131	437
Digital scenario	33	220
Care scenario	29	141
Combined scenario	191	830

Note: Youth are defined as those aged 15–29 years.

Source: ILO, based on the E3ME model of Cambridge Econometrics.

macro-econometric modelling used in *Global Employment Trends for Youth 2022* sought to quantify the economic and employment impacts of a number of policy measures to promote inclusive and sustainable green, digital and care transitions. In the model, the “green policy scenario” encompasses measures designed to pave the way towards a net zero economy by 2050 or 2060, the “digital policy scenario” aims at providing universal (90 per cent) internet broadband coverage, while the “care policy scenario” includes investments to increase health, long-term care services and education coverage with a view to meeting the relevant targets of SDG 3 (“Good health and well-being”) and SDG 4 (“Quality education”) by 2030.

Simulating the employment impacts of the green policy measures (the green scenario) could, by 2030, create an additional 8.4 million jobs worldwide for young people aged 15–29 years³ relative to the “business-as-usual scenario”. The Arab States, however, account for 437,000 of those jobs (table 3). This is substantial in comparison to the youth population of the region and reflects the higher dependency of the region’s economy on fossil fuels and the lower base in the adoption of green technologies, and thus the greater investment needed to catch up with the rest of the world. Notably, young women account for fewer than 10 per cent

of the additional net jobs arising from the green transition in the Arab States.

Policy measures aimed at providing universal (90 per cent) internet broadband coverage (the digital scenario) in the region are projected to result in employment gains of 220,000 additional jobs for youth by 2030 relative to the baseline. However, policy measures directed at increasing investments in health and social care provision and education coverage (the care scenario) are expected to create only 141,000 additional jobs for youth in the Arab States in 2030 compared to the business-as-usual scenario, the lowest youth employment gain in absolute numbers among regions. Of these, only 35 per cent of the new jobs are expected to go to young women, conforming to the current gender gap in employment in the region.

Undertaking these measures simultaneously in a “big push” effort (referred to as the “combined scenario”) is anticipated to foster an additional 830,000 jobs for youth in the region, which is the lowest youth employment gain in absolute numbers among all the regions. Strong initiatives to promote a better future of work for young people in the Arab States, with a special focus on young women, are critical in the current volatile context.

³ For this modelling, the age range was expanded to include those aged 25–29 years so as to make the modelling results more robust. This broader definition also reflects the fact that in many countries around the world, young people enter the labour market at increasingly later ages.