



Education and Entrepreneurship to address Youth Unemployment in MENA Region

Expert Group Meeting on
“Strategies for Eradicating Poverty to Achieve Sustainable Development for All”
United Nations, New York, 10-11 May 2017

MENA region: lack of job opportunities and widespread sense of exclusion

2011



Demanding:

- **Freedom**
- **Democracy**
- **Dignity**
- **Employment**
- **Equal opportunities**

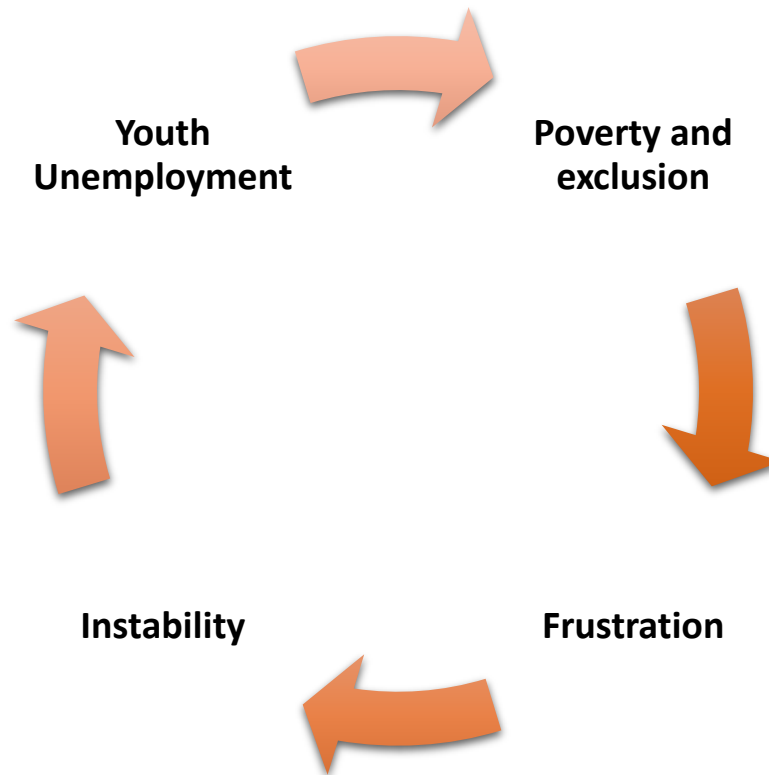
2017



Demanding:

- ...
- ...
- **Dignity?**
- **Employment**
- **Equal opportunities**

Challenge: How to break this vicious circle?



Question

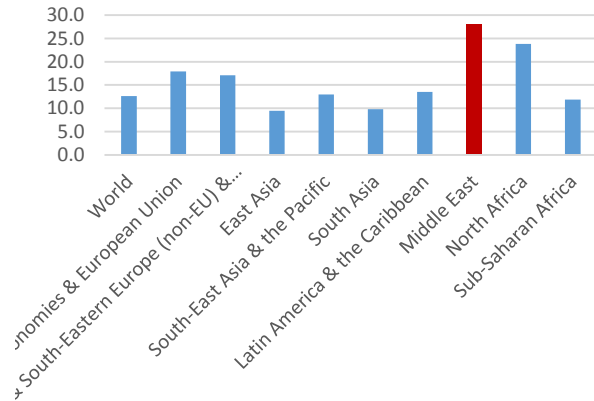
What is the role of education and Entrepreneurship in addressing youth unemployment in MENA region?

Agenda

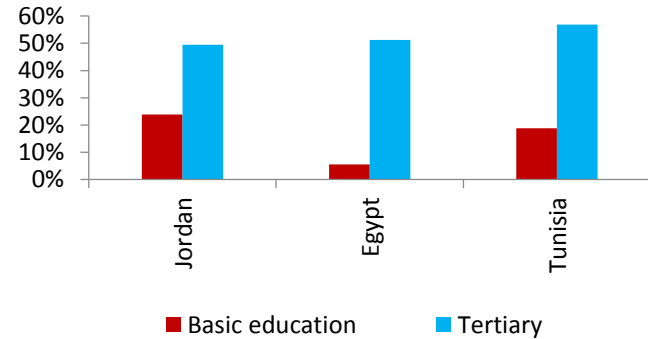
1. Youth unemployment in MENA region
2. Private sector is the only remaining option to create more jobs!
3. Why desirable private sector jobs are very few?
4. More and better Education for Youth Employment
5. Entrepreneurship as a Panacea to Youth Unemployment and Poverty
6. The way forward

Youth Unemployment

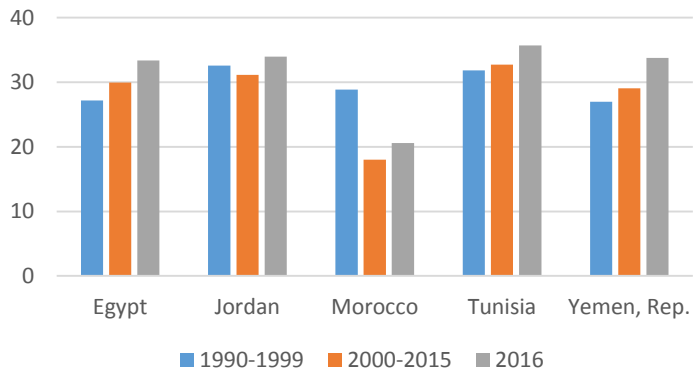
The Highest Youth unemployment by region



More education ≠ Being employed



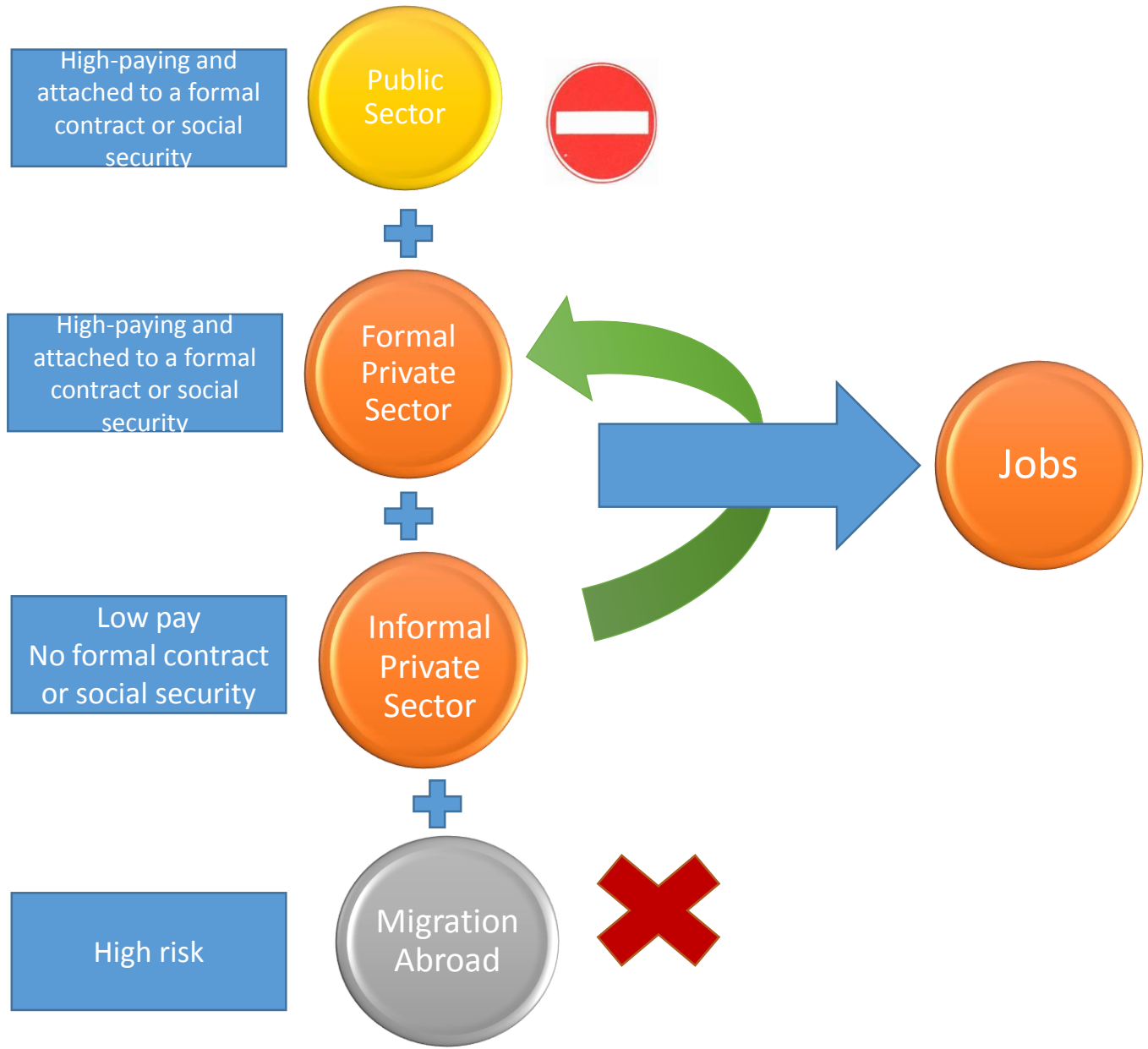
Persistent



Data: WDI + ILO



What options are available for young people to get a job?



Formal Private Sector the engine of job creation in MENA

It provides:

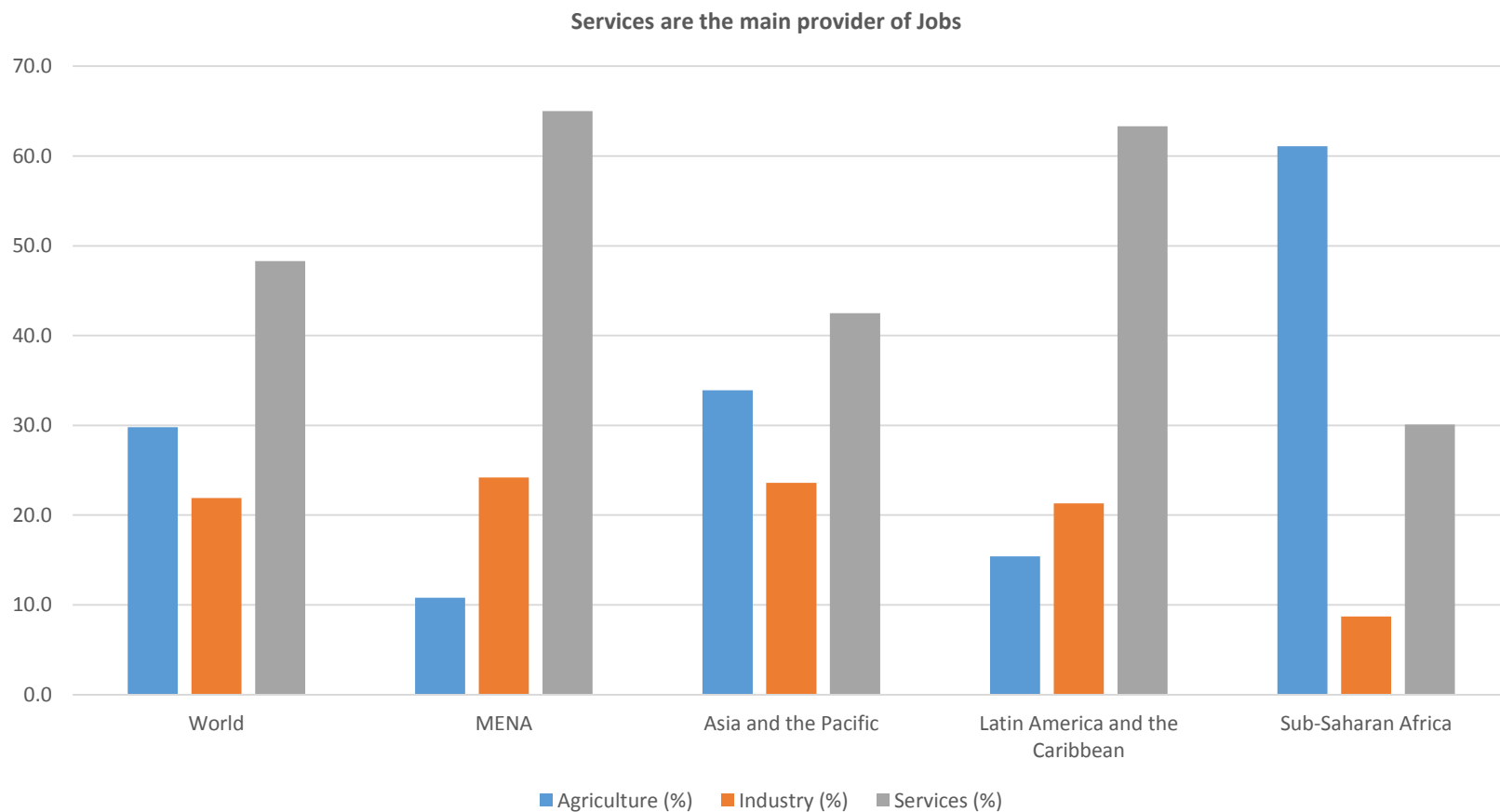
- Fair income
- Security at work place
- Social protection
- Prospect for personnel development and social integration

But,



- Very competitive
- Few jobs available
- No guaranteed job security

➔ we need to get youth out of their comfort zone (the majority still prefer public sector)

Services are the engine of job creation!



Why the desired private sector jobs are very few?

- Skill mismatches  Education + Training
- Weak entrepreneurial culture  Entrepreneurial Ecosystem
- Low productivity (+ reservation wage relatively high)
- Size of the market
- Labour market regulations
- Business environment
- Low competition and unequal opportunities

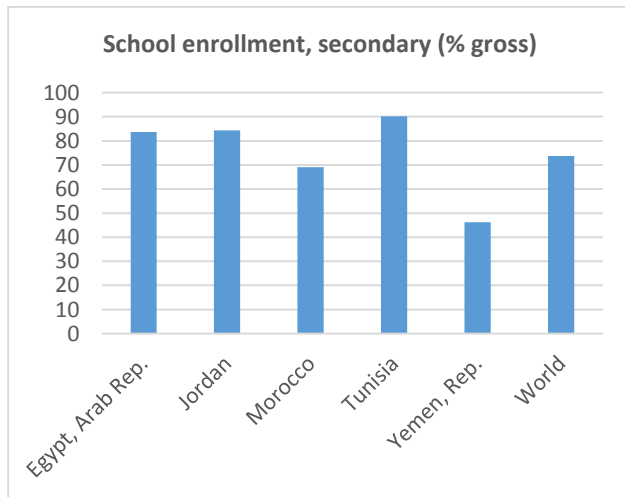
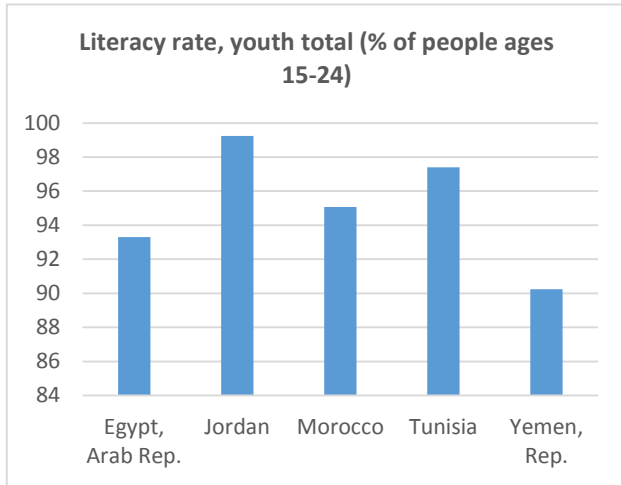
More education implies a greater likelihood of being employed and access to higher social status

But needs:

1. Higher quality education
2. Specific rather than general skills
3. Coordination between education institutions and potential employers with regards to placement of graduates
4. Incentives to limit brain drain

Education Achievement in the MENA:

According to Arab Youth Survey 2017: 66% in North Africa think that the Education system does not prepare students for the job of the future



Percentage of pop living in education poverty with less than 4 years of education for the age group 20-24 years

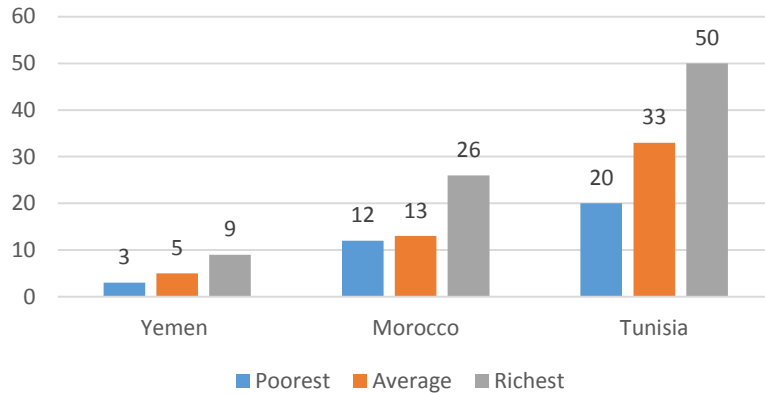
	Poorest	Richest	Rural	Urban
Morocco	53	8	49	16
Yemen	59	9	35	14
Egypt	18	2	13	6
Tunisia	19	1	12	2
Jordan	4	2	2	2

Quality of Education (1 to 7)

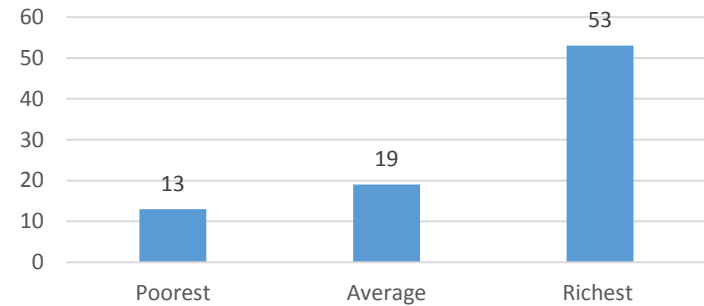
	Higher education and training	Availability of research and training services	Efficient use of talent	Country capacity to retain talent	Quality of math and science education	University-industry collaboration in R&D
Egypt	3.2	2.7	2.5	2.9	2.6	2.4
Jordan	4.7	4.5	3.2	3.8	4.2	3.8
Morocco	3.4	4.0	2.9	3.4	4.0	3.2
Tunisia	4.1	3.5	2.5	2.7	4.4	2.9

Inequality in access to Education

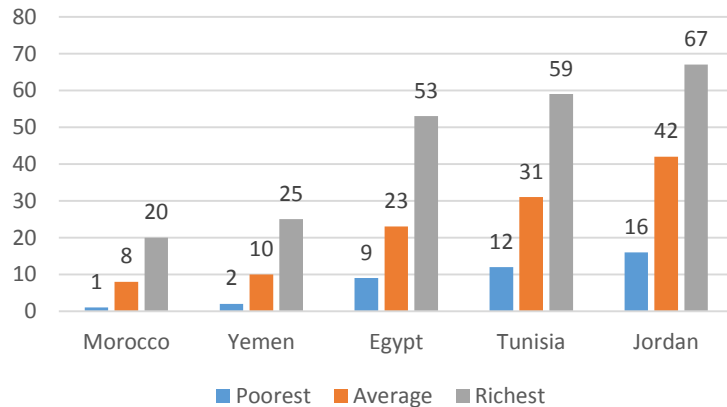
Learning achievement in Sciences (%)



Learning achievement in reading (Morocco)



Tertiary completion rate (%)



Learning achievement in mathematics (%)

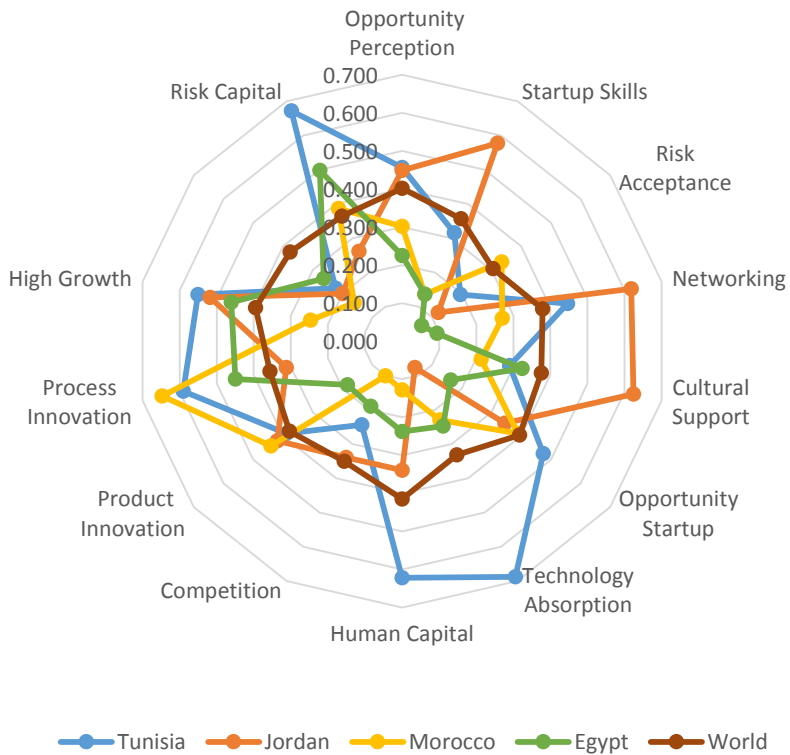


Entrepreneurship as a Panacea to Youth Unemployment and Poverty

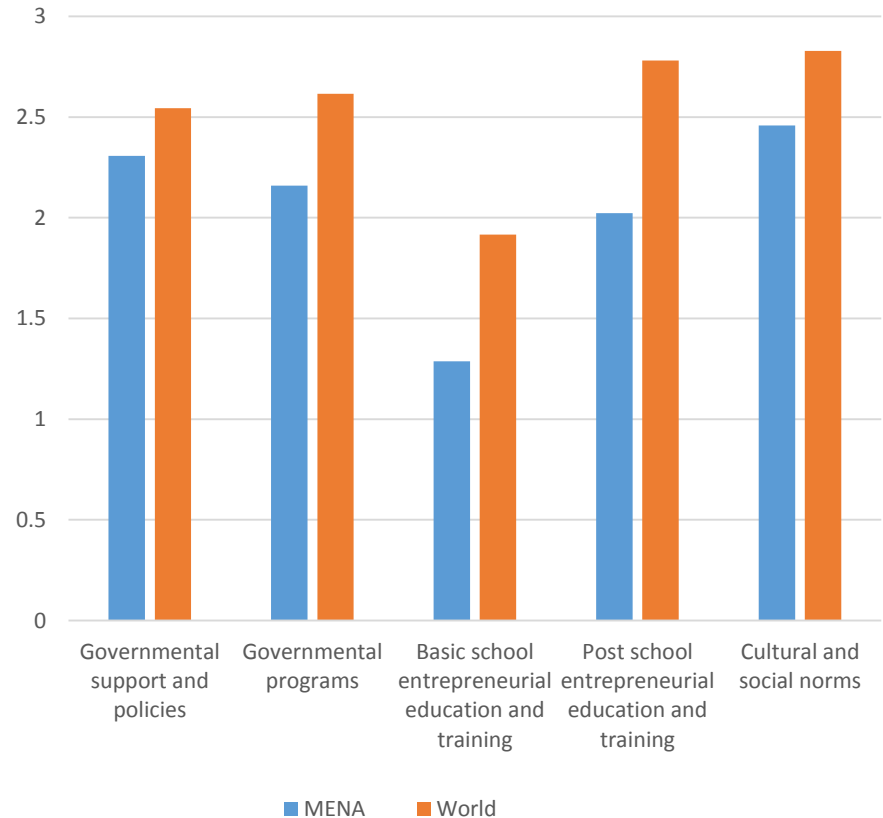
- SMEs play a particularly important role in broad-based employment potential
- Given the diversity of the SME sector, it can accommodate a wide variety of skill sets and provide opportunities to escape poverty
- Promoting youth entrepreneurship could be an interesting option to address youth unemployment and poverty
- Entrepreneurship provides a pathway for self-employment and entry into formal markets

Entrepreneurship

Entrepreneurship Index



The Entrepreneurial Ecosystem



Data: GEM Global Entrepreneurship Monitor + Global Entrepreneurship Index

The Way Forward: Education

- MENA countries need to target skills development through improving the quality of education and training systems
- There is a need for better training programmes and private sector incentive schemes that help to fill the skills gap and to improve employability among youth :
 1. Better tailored programmes are more successful in meeting the needs and abilities of specific groups
 2. A combination of subsidized work experience and vocational training is the best strategy to deal with youth unemployment
 3. A degree of obligation is desirable to maintain attachment to the labour market
 4. ***Workers' and employers' organizations should be involved***

The Way Forward: Entrepreneurship

- Work more closely with the private sector to support programs to disseminate entrepreneurship skills and to assist marginalized people to become entrepreneurs
- Create incentives for the private sector to integrate youth entrepreneurs into value chains
- Improve the entrepreneurial ecosystem:
 1. Entrepreneurship training
 2. Simplify procedures for starting and doing businesses
 3. Make national policies more youth oriented, including labour market regulations
 4. Support innovation
 5. Better access to financial market (innovative financial products)

The Way Forward: Macroeconomic level

- MENA countries should adopt new industrial policy that could promote global competitiveness and labor-intensive growth
- Create effective engines for higher and sustainable growth to create adequate jobs for youth
- Invest in the key areas and underprivileged regions could, address regional inequality, release pressure on the big cities, and improve labor market efficiency

The way forward

