

# WORLD DEVELOPMENT REPORT (WDR) 2007

## Development and the Next Generation

### REGIONAL HIGHLIGHTS—MIDDLE EAST & NORTH AFRICA

This is a summary of references in *WDR 2007: Development and the Next Generation* to policy directions, actions, and programs particularly relevant to youth in the Middle East & North Africa (MENA) region.

#### **Take advantage of MENA's demographic "window of opportunity"**

- The MENA region has about 100 million young people aged 12-24. The number of young people in these countries will peak in the next 25 years. Countries differ—for instance, Egypt is set to experience an extended peak between 2010 and 2030, while Iraq and Yemen will not peak for 20 years or more.
- WDR 2007 notes that the expected decline in dependency (increase in working age population relative to non-working age population) offers a tremendous opportunity for economic growth in MENA, provided that the greater labor supply is productively employed, and that saving and investment increase.
- However, an increase in the number of young people does not automatically translate into dividends. Whether MENA countries will repeat the progress of the Asian economies—which have already taken advantage of their fast-growing working age population—will depend to a large extent on the extent of improvement in the overall skills of the labor force, built largely in youth.
- Some progress has occurred in the region—countries in MENA have increased schooling among both young men and young women. However, the speed at which the demographic opportunity is approaching presents considerable challenges for getting educational and economic building blocks in place in time to benefit from the opportunity.
- If these challenges are not met more urgently than is currently the trend in many countries, they could further contribute to an unstable environment. If the gap between young people's education, energy, and hopes and the limited number of opportunities that actually exist for them becomes wider, these young people are likely to become increasingly frustrated and disenfranchised.

#### **Important challenges ahead**

- Major challenges facing young people in the region include
  - Finishing secondary school, especially in areas where quality of education is low and poverty is increasing.
  - Obtaining the right skills for jobs in the local private sector; finding a job and entering the labor force.
  - Dealing with social norms that limit education and work for females.
  - Assessing health care for pregnancy-related illnesses.
  - Having better access to information (to strengthen decision-making skills)
- The unemployment rates leave more than one in four young people in search of jobs. Average unemployment rates are highest among both youth and adults in MENA, when compared to all other developing regions. The share of young people among the region's unemployed is higher than 50 percent in most countries.

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- In Egypt, Qatar and Syria, youth make up more than 60 percent of the unemployed.
- In Tunisia, the unemployment rate for 20-24 year olds is more than three times higher than that for people above 40.
- And low labor force participation rate among females persists, even among younger cohorts with higher educational attainment.

### **Improve quality of basic education and expand options for secondary education to provide better opportunities for young people**

#### *Priorities*

- Improve quality of primary education.
  - A 2005 UNESCO study shows that in Morocco, more than 80 percent of school children stay until the last grade of primary school, but fewer than 20 percent have minimum mastery of the material.
- In a fiscally constrained environment, expand lower secondary school capacity by a combination of sharing costs and working with the private sector.
- Increase the incentives for firms to train employees.
  - Under 20 percent of firms in MENA countries provide training, compared to nearly 60 percent of firms in East Asia.

### **Pay attention to labor market challenges**

- High unemployment reflects growth rates lower than the developing country average and schooling systems that do not impart market-relevant skills and learning.
- In addition, labor markets protect the rights of incumbents, making it hard for new entrants—particularly youth.
  - The World Bank's investment climate surveys show that more than a fifth of all firms in developing countries (including Algeria) rate inadequate skills and education of workers as a major or severe obstacle to their operations.
- In some countries, where public sector wages and benefits are more generous than private sector compensation, there is a strong incentive for educated youth to queue for government jobs and stay unemployed for some time after graduation.
  - In Morocco, the starting hourly wage in the public sector is 42.5 percent higher than that in the private sector (Bourdabat, 2005).
  - In Tunisia, the public sector wage premium is 18 percent.
- Social norms can affect whether young women succeed in the labor market.
  - In Egypt, women—whose average education has increased enormously—stay close to home and refrain from driving, limiting their job mobility. While young males increased their commuting distance between 1988 and 1998, young women did not, limiting their access to paid employment outside government.

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#### **Provide better health care; deal with new health risks facing young people**

- Pregnancy-related illnesses are a significant cause of death among young women in MENA, the report says, noting that reducing these deaths will have strong intergenerational benefits.
- The region has seen an increase in the average age of marriage, which in turn extends the period during which youth are likely to engage in risky sexual behavior, thereby increasing the possibility of spreading sexually transmitted diseases.
- Other new health risk factors include the rising prevalence of tobacco smoking (particularly among young women).

#### **Encourage capable decision making by expanding access to information**

- Promote “agency” among young people—their ability to define their goals and act on them.
  - Egypt’s Safe Spaces for Girls Program provided functional literacy training and supervised participation in sports for almost 300 adolescent village girls in southern Egypt from 2001 to 2004. Hozayin (2004) found that girls in the program were more open to positive change than those not in it, especially in altering beliefs and improving perceptions of family environments.
- Harvest global knowledge through greater Internet access. Offer more content in local languages since much of the information on the Internet is in foreign languages.
  - In Algeria, a reform of the licensing process that made it more affordable to obtain authorization to provide internet service led to an explosion in the number of internet cafes between 1998 and 2000.
- Disseminate more information about non-communicable diseases that are usually considered diseases of the affluent, such as hypertension and diabetes—particularly in countries undergoing rapid socioeconomic improvement.
  - In Egypt, there has been a marked shift in the last 20 years towards diets high in saturated fat, sugar, and refined foods (FAO, 2006).

#### **Facilitate young people’s transition to citizenship**

- Increase youth participation and voice in the region, as many countries still offer limited opportunities for young people in this sphere.
  - The majority of political systems do not allow space for youth expression.
  - Participation in community affairs is rare.