

Persistent Youth Exclusion: The Deep-Rooted Threat South the Mediterranean

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Perils of Youth Exclusion South of the Mediterranean

For the past few years, severe economic spillovers from the Covid-19 pandemic and the Russian-Ukrainian war have been adding more pressure on the socio-economically disadvantaged groups south of the Mediterranean, as in most developing economies. A looming global stagflation is exacerbating the vulnerability for various groups in the region, specifically the youth, who have chronically been challenged by various forms of exclusion.

Countries south of the Mediterranean have some of the largest shares of youth population worldwide, defined as people aged 15 to 24 years old (International Labour Organization, 2016). Almost half of the region's population was younger than 24 years old in 2021, with 31% younger than 15 years old (International Labour Organization, 2022), behind only Sub-Saharan Africa, the youngest region globally.

This vast youth population south of the Mediterranean has been persistently suffering exclusion for decades. The region has chronically had the worst indicators globally for youth activity in the labour market in particular, the key determinant of life trajectory that affects future income, family formation, and prospects for upward socio-economic mobility.

Youth exclusion, and consequently frustration in the region have arguably been significant drivers of some of the major destabilising events and phenomena, in southern Mediterranean countries (SMCs) and beyond, in the recent decades. Growing youth frustration in the region for years has contributed to the eruption of the mass popular uprisings since 2010, in what became labelled "The Arab Spring" (Prince et al., 2018), youth frustration with labour opportunities in specific, in terms of availability and quality is considered to have played a major role in the uprisings, and the political instability and civil wars that followed (Devarajan & Ianchovichina, 2018).

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Youth exclusion and frustration have been significant drivers of some of the major destabilising events and phenomena in SMCs and beyond: mass popular uprisings, rise in violent extremism and irregular emigration.

Youth exclusion south of the Mediterranean, and in the larger Middle East and North Africa region is also blamed, in part, for the rise in violent extremism, as it has facilitated the recruitment of thousands of young males, from the region – and even beyond – to organisations like ISIS and Al-Qaeda along the last few decades (Bagchi & Paul, 2018).

The surge in irregular migration from the region, in recent decades, is also found to be driven by youth exclusion. A combination of determinants related to wealth and employment conditions are highlighted as key in pushing youth towards irregular immigration, as they seek a better future elsewhere (Dibeh et al., 2018).

Youth Exclusion from the Labour Market

Youth exclusion south of the Mediterranean is most reflected and influential through the limited integration of the youth in the region's labour markets. Youth unemployment south of the Mediterranean is by a far margin the highest globally, compared to other regions, which has been the case for decades, building up the frustration and sense of alienation for the region's youth. In 2021, youth unemployment ranged in the region from a lowest of 24.3% in Egypt, to 40.5% and 50.5% in Jordan and Libya, respectively, the highest in the region (World Bank, 2022).

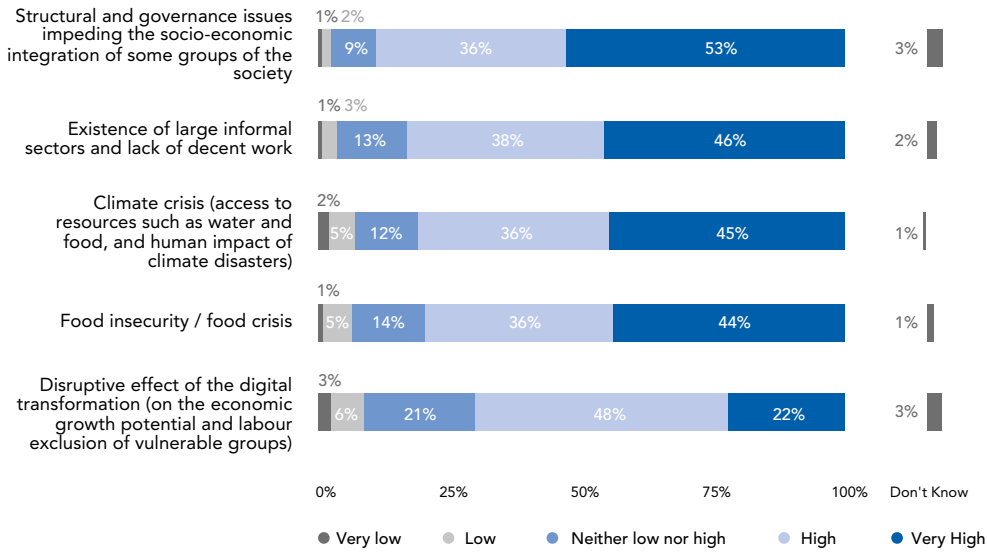
Furthermore, unemployment does not even paint the whole picture. The exclusion of youth from labour opportunities in the region is more obvious in the labour force participation rates, since unemployment indicators do not account for those who do not actively seek work, even if they choose not to, for lack of suitable opportunities. In this sense, youth labour force participation rates south of the Mediterranean are the lowest globally, by a wide margin. In 2021, they ranged from a low of 16% in Libya, to a high of only 29% in Tunisia (World Bank, 2022).

A combination of meagre participation in the labour force, and high unemployment amongst those who do participate, results in very low youth employment rates, which measure the percentage of the youth who are working, to the entire youth population. Employment rates among the youth south of the Mediterranean are also by far the lowest globally and ranged in 2021 from a mere 8% in Libya, to 20% in Lebanon (World Bank, 2022), highlighting how limited youth integration in the region's labour markets is.

The IEMed (European Institute of the Mediterranean) survey results reflect the respondents' conviction that exclusion from the labour market is indeed at the core of the youth exclusion dilemma south of the Mediterranean. As the following graph displays, 84% of the total respondents considered the problematic quality of available work to affect socio-economic inclusiveness in the region highly or very highly, the second highest percentage, following structural and institutional factors with 89% of total respondents.

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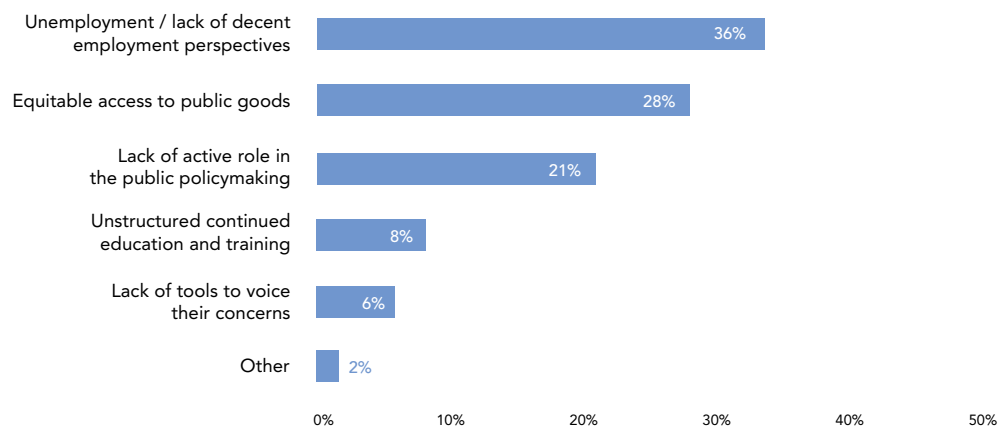
Graph 1: Q.1 To what extent do you consider that the following factors affect socio-economic inclusiveness in Southern Mediterranean Countries?



Source: Compiled by the IEMed based on the results of the 13th Euromed Survey

Furthermore, 36% of the total survey respondents chose ‘unemployment/lack of decent employment perspectives’ as the main challenge to youth inclusion south of the Mediterranean, the highest percentage among other responses. Equitable access to public goods was the second most chosen challenge by 28% of the respondents, as the following graph shows. However, it could be argued that the quality of public goods as well, not only their equitable accessibility per se, is a more significant challenge to youth inclusion south of the Mediterranean. For example, in most southern Mediterranean countries, free universal public education is provided, including tertiary education as well, which has produced significant progress in education attainment indicators for decades. Nevertheless, education systems in the region have been persistently found to increase the supply of degrees, but not equipping the youth with skills that would benefit them in the labour market, an issue that extends even to private education as well (Assaad et al., 2018).

Graph 2: Q.13 In your opinion, what is the main challenge that SMCs encounter while promoting active youth citizenship?



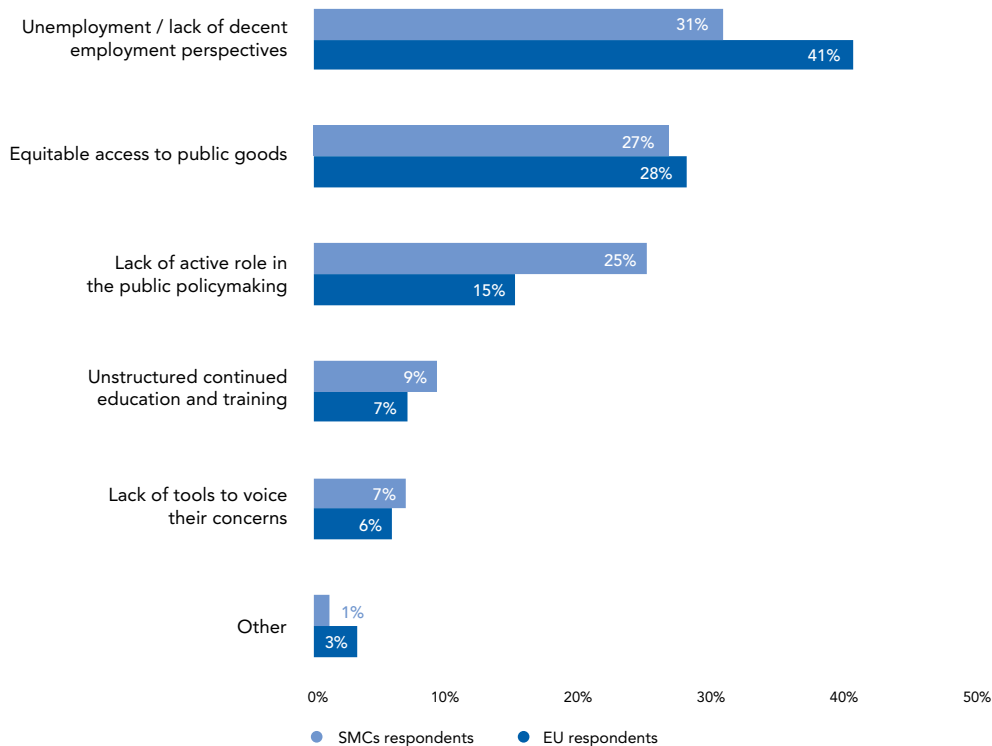
Source: Compiled by the IEMed based on the results of the 13th Euromed Survey

Institutional Roots of the Youth Exclusion

Even though the survey respondents, both from the European Union (EU) and SMCs alike, highly stressed the effect of institutional quality – namely structural and governance issues – on inclusiveness in SMCs, the results also highlight divergence regarding how far-reaching institutional effects are perceived. Respondents from SMCs seem to put significantly more weight on institutions than EU respondents as a main challenge to youth inclusion south of the Mediterranean.

While only 15% of EU respondents in the survey chose ‘Lack of active role in the public policymaking’ – a factor reflecting institutional impediments to active participation in SMCs – as the main challenge to youth inclusion south the Mediterranean, 25% of SMCs respondents chose it as the main challenge. EU respondents predominantly focused on labour market issues, with 41% of them considering them the main challenge to youth inclusion south of the Mediterranean, compared to only 31% of SMCs respondents, as highlighted by the next graph.

Graph 3: Q.13 In your opinion, what is the main challenge that SMCs encounter while promoting active youth citizenship?



Source: Compiled by the IEMed based on the results of the 13th Euromed Survey

These results most likely do not reflect considering labour market inclusion to be of less significance by experts from SMCs, but more the realisation from their side that institutional problems are key determinants of various forms of persistent youth exclusion in the region, including also from the labour markets. On the other side, EU experts seem to focus more on the symptoms of youth exclusion in SMCs, namely labour market conditions and access to public goods, rather than on the institutional roots of such a threat.

Persistent youth exclusion from labour markets in SMCs is argued as an issue of limited opportunities of decent work, which has been shaped for decades by weak institutional settings. During the last three decades at least, there has been a decline in public employment opportunities in SMCs, as a part of reforms and departing from the state-led economic models. Such a role of public employment was not replaced by the private sector in the region which grew slowly, mainly due to weak institutions, a discouraging business environment, cronyism, and uneven state intervention and competition practices (Hertog, 2016). Consequently, informal work steadily became the main destination to youth in the region's labour markets, exceeding 50%

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of non-agricultural employment in most SMCs (International Labour Organization, 2018). Informality tends to have lower productivity and job-creating potentials due to growth limitations (La Porta & Shleifer, 2008), and is also considered unacceptable to a part of youth, especially females, thus explaining high unemployment and low labour force participation among youth in SMCs (Assaad, 2014).

The Ruttled Road Ahead

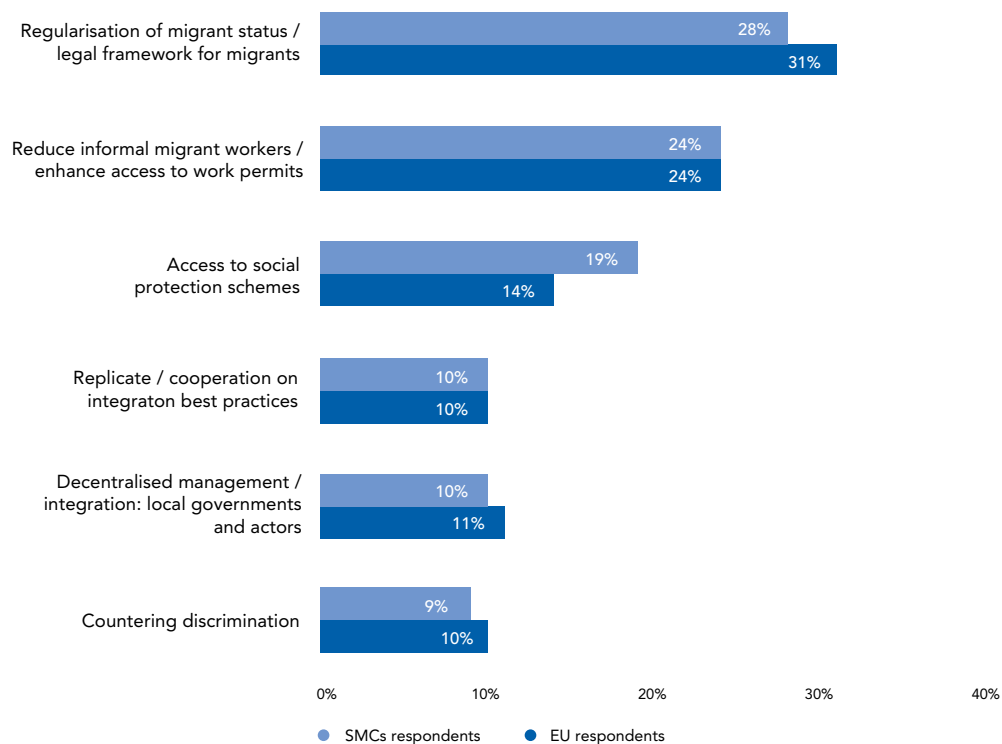
Differing perceptions regarding the main challenges to youth inclusion south the Mediterranean, between respondents from SMCs and the EU in the survey, are thus reflected in what they think the EU-SMCs cooperation should prioritise, in order to promote youth inclusion south of the Mediterranean.

In total, 30% of all survey respondents, the highest share, chose cooperation in education and vocational training as the priority. This result, in the context of the choice of labour market exclusion as the main challenge, implies an interesting conviction among respondents, that supply side issues, in terms of education and skills of the youth, might be the main reason behind low integration of the youth in SMCs' labour markets, more than the demand side problems, namely the lack of decent work opportunities. Cooperation in enhancing job quality and opportunities, on the demand side part of the issue, was the second most chosen priority, with 23% of all respondents.

SMCs' respondents prioritized participation in policy making, youth engagement in the civil society, and capacity building including social activism, almost as much as they prioritized enhancing job creation and quality.

Disaggregating the results by EU and SMCs respondents further affirms the divergence in perceptions among the two groups, on solutions to youth exclusion south of the Mediterranean, as a result of different views on the main drivers of the dilemma. The majority of EU respondents focused on cooperation in education and job opportunities as their priorities, with much less prioritisation of promoting youth inclusion in politics/policy and the public sphere. On the contrary, SMCs' respondents prioritised the participation in policy making, youth engagement in the civil society, and capacity building including social activism, almost as much as they prioritised enhancing job creation and quality. Such a gap reflects higher convictions in SMCs that youth inclusion in the region can be achieved by integrating youth more in the public life and institutions and providing them with more of a voice to influence policy-making and necessary institutional reforms, and not only by boosting education spending, or job-creating investments.

Graph 4: Q.14 What should be the main EU-SMCs cooperation priority to promote active youth citizenship? (Categories developed from open-ended answers)



Source: Compiled by the IEMed based on the results of the 13th Euromed Survey

Such results resonate with, and perhaps are also influenced by the results of recent economic reform policies south of the Mediterranean, that aimed at boosting economic growth and enhancing job-creation. Several countries in the region have taken this route, often in partnership with international organisations, among them the International Monetary Fund (IMF), focusing almost exclusively on monetary and fiscal policies to yield the desired outcomes, and have largely disregarded institutional reforms and inclusiveness of policymaking processes. Such endeavours have evidently had little success, as the worsening labour market indicators of youth in the region highlight, besides other indicators as well, including poverty and inequality in the region.

In current times, amid the global economic turmoil, shortages, and soaring inflation, youth socio-economic exclusion and frustration south, the Mediterranean seems even more problematic and threatening, to the region's stability and beyond. Efforts to address this dilemma, locally in the SMCs and their policymaking dynamics, and through cooperation with the EU and global partners, should tackle not the symptoms, but the deep roots, namely institutions.

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SMCs and their EU and global partners should pay more attention to collaboration on institutional reforms south of the Mediterranean, including promoting wider inclusiveness of policymaking, fighting corruption, streamlining the business environment, protecting property rights, ensuring a level playing field and fair competition, and limiting the distorting practices of the state-owned enterprises and their proxies. Such reforms – despite being challenging – are necessary for encouraging the formalisation and growth of functioning private sectors in SMCs, which can lead job-creation, provide decent opportunities for the vast and growing young population south of the Mediterranean, and promote socio-economic youth inclusiveness in the region.

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