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## **Understanding Youth in Arab Countries:**

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### **Abstract:**

The following contribution is a synthesis of many contributions (Driouchi & Harkat, 2017a; 2017b; 2017c; 2017d; 2017e; Harkat, Driouchi, and Achehboune, 2016a; 2016b; and Harkat and Driouchi, 2017) and aims at analyzing the situation of the youngest segments in Arab economies. Findings indicate that the values, and the way women is perceived as a player in the economy by older generations did not change. But with regard to work attribute, they have changed significantly. With regard to macroeconomic threats, they are perceived more by young individuals in non-GCC countries than young individuals in GCC countries.

The remaining four sections indicate the impact of vocational and general education on macroeconomic and social variables, the status as well as the determinants of youth unemployment, the status and determinants of young individuals not in education, not in employment, and not in training (or NEETs), and the impact of the demographic dividend on the NEETs. Empirical results indicate that the situation and impact of the youth differs from each Arab economy to another.

**JEL:** I32, I25, J11, J13, J68, M54, O11

**Keywords:** Arab countries, Arab youth, generation Y, NEETs, unemployment, education, demographic dividend, policies.

## **Introduction:**

The youngest generations are the engine and the main driver of economic, social, and political changes in any country. In the case of Arab economies, youth conducted a revolution against the systems that failed to improve the socioeconomic conditions and systems that failed to include marginalized groups such as unemployed or non-educated individuals starting 2011 (Choukeir, 2013). Many countries were concerned of these revolutions such as Tunisia, Libya, Egypt, and Yemen. The contribution of Laiq (2013) indicates that youth are the main drivers of revolutions in the Arab region, and they account nowadays for more than 60% from the total population.

Many researches indicate that these political movements are the result of social and economic inequalities, unemployment, poverty, and corruption. This can also be explained by the social exclusion of the youngest generations in Arab economies.

Compared to the older generations, the youngest segment or generation Y is considered to be more technologically wise, as it is the first generation subject to the expansion of Internet and Information and Communication Technologies (ICTs) (WJSchroer, 2012). This use of ICTs and technologies unified Arab youths, as they are all subject to new information and can communicate throughout social media.

The contribution of Harkat, Driouchi, and Achehboune (2016a) indicates that unemployment led to political instability in Arab countries.

To avoid any potential future political revolution, Arab economies need to understand the current status of Arab youths in order to put selective youth inclusion policies and strategies.

This research is motivated by the previous contributions on the youth economics and aims to answer the following research questions:

- What are the difference between the attributes of the younger generation and older ones?
- Do Arab countries make good choices between vocational and general education?
- What is the status of youth in the labor market?
- What are de causes of unemployment in Arab economies?
- What are the causal links between the NEETs and social, economic, and political variables?

- Does the demographic dividend benefit youth in Arab economies?

The following paper is divided into five main parts that analyzes: 1) The difference between the attributes of the young generation and older ones. 2) The educational choices between vocational and general education. 3) Unemployment among Arab youth. 4) Arab NEETs. 5) The demographic dividend and Arab youth. Finally, these sections are followed by a conclusion & discussion.

## **I. Difference between the attributes of older generations and the youngest segments:**

The contribution of Harkat, Driouchi, and Achehboune (2016a) analyzes the difference in attributes in Arab countries between three generations that are defined such as: Arab National Generation (ANG) that is under the group age between 49 and 65, Arab Regional Generation (ARG) that is under the group age between 36 and 48, and the Arab Digital Generation (ADR) that is under the group age between 15 and 35. This latter contribution analyzes a pool of Arab countries that are Algeria, Egypt, Jordan, Kuwait, Lebanon, Libya, Morocco, Qatar, Saudi Arabia, Syria, and United Arab Emirates. This research indicates the difference between these three generations in terms of work attribute, perception of the contribution of women in the economy, values, and the perception of the economic threats by using ANOVA, or analysis of variance, and the log-linear analysis. This research is based on a survey conducted by Booz (Shediak, Shehadi, Bhargava, Sammam, 2013).

### **1. Work Attributes:**

The work attribute are tested throughout different hypotheses and are: taking initiative, flexibility, team spirit, willingness to teach, controlling, leading by example, punctuality, and respect. Results indicate that the youngest generation has different work attributes than the other generations. Findings show that the youngest segment takes more initiatives, is more flexible, and works in teams more than individually. In addition to that, these youngest generations in Arab countries differ from the oldest generations because they do not have willingness to teach like other generations, they do not like to control, or lead by example. Furthermore, the youngest generation is less punctual and less respectful in the workspace than older generations.

The log linear analysis indicates that the work attributes are specific for each single generation, meaning that the current youngest segment did not apply the work methods by older generations.

## **2. Perception of the contribution of women in economy:**

The contribution of Harkat, Driouchi, and Achehboune (2016a) analyzes the difference between the perception of women in economy between the three generations in terms of making women useful, making use of women's education, affording model luxuries, women as being a good national contributors to their economy, contributing financially to their household, women playing a role in securing their children's future, and finally women as being free to meet new people and broaden life. Empirical findings indicate that the perception of women has not changed throughout generations, which indicates that the way older generations perceive women is the same as the way women is perceived in the Arab world in this modern era.

## **3. Values:**

With regard to the values, they are analyzed for GCC and non-GCC Arab countries separately. These values are dignity, generosity, hospitality, affection, honesty, commitment, achievement, creativity, adventure, and religiousness. Results show that for both GCC and non-GCC countries, there are no significant changes in the value, meaning that the cultural aspects and values of the pool of Arab countries is transmitted from generation to another successfully.

## **4. Perception of macroeconomic threats:**

Understanding how youngest generations perceive macroeconomic threats is of prime importance, as this segment is the engine of leading change in nearly all economies. The analyzed macroeconomic threats are corruption, high level of unemployment, poor quality of healthcare, lack of freedom of speech, lack of infrastructure, poor quality of education, high crime rate, political instability, high cost of living, poverty, high cost of health care, and high cost of education. The analyses relate to indicating the differences of the perception of macroeconomic threats between generations in GCC and non-GCC countries, and analyze the same differences between GCC and non-GCC generations.

The perception of these macroeconomic threats does not indicate any significant change between generations for both GCC and non-GCC countries. The existing difference is between the youngest generation of GCC and non-GCC countries. Results indicate that for non-GCC countries, young individuals perceive more macroeconomic threats than youth in GCC countries.

## **II. Education choices in Arab economies:**

Arab governments need to have a more deep understanding of the types of education implemented in each economy so that policy makers can align their strategies and programs not only to have higher enrolment rates, but to have more positive macroeconomic impacts. The education types that exist within each economy are general education, and vocational education or training.

The contribution of Harkat, Driouchi, and Achehboune (2016b) analyzes the impact of the vocational to general education ratio that states the total enrolment in vocational education as a percentage of the total enrolment in general education, on different macroeconomic variables that are children out of school, GDP growth, GDP per capita, and unemployment. In addition to that, this research provides the causal links between these variables.

### **1. Trends of vocational to general ratio in Arab countries:**

Vocational education is implemented throughout the years in Arab economies. For this, nearly all Arab countries have increasing trends of the vocational to general education. Countries with positive trends are Algeria, Egypt, Jordan, Kuwait, Lebanon, Morocco, and Syria, but only those of Egypt, Lebanon, and Morocco are significant. For both Qatar and Tunisia, they have significant negative trends of the vocational to general education ratio, and the United Arab Emirates has negative trend but not significant.

### **2. Choice of vocational to general education:**

In Arab economies, policy makers need to consider making education policies and decision based on analysis to benefit youths. In the case of Algeria, it is the children out of school variable that causes vocational to general ratio, meaning that existing strategies target early school leavers by implementing more vocational education. Regression analysis indicates that more vocational education leads to more employment in this economy. In the case of Egypt, the GDP per capita and unemployment cause the vocational to general education ratio. This

latter causes in return GDP per capita. Analysis indicates that more vocational education leads to lower GDP per capita. In Jordan, the vocational to general education causes the GDP growth, but the regression analysis indicates that an increase in vocational education leads to a decrease in the GDP per capita, but at the same time it increases employment.

For Kuwait, the vocational to general education ratio causes the GDP per capita. In this country, higher rates in vocational education lead to reducing the number of children out of school. In Lebanon, the only causal link found is that vocational to general education ratio is caused by children out of school, meaning that policy makers target school dropouts by providing more training. This latter strategy is not working in this economy because the regression analysis indicates that more vocational education reduces GDP per capita and increases out of school students.

With regard to Morocco, no causalities are found, but the regression analysis indicates the increasing trends of vocational education lead to higher GDP per capita and at the same time higher unemployment. For this, the Moroccan government needs to provide more job supply in the industrial sector, more specifically in the sectors at which this economy has trained people.

In Qatar, the vocational to general education ratio causes children out of school. This latter statement is further explained by the regression analysis that indicates that more vocational education leads to reducing the students out of school. This is also the case of Syria. In addition to that, more vocational education leads to less GDP per capita in Qatar.

In Tunisia and the United Arab Emirates, no causal links are found. Still, in Tunisia, more vocational education leads to high GDP per capita, and in the United Arab Emirates, more vocational education leads to lower GDP growth and more employment.

### **III. Youth unemployment and its determinants:**

In Arab countries, unemployment is a major issue mostly in non-GCC countries.

#### **1. Trends of unemployment in Arab countries:**

The contribution of Driouchi and Harkat (2017a) describes the unemployment status in the previous years starting 1960 in Arab economies. Findings indicate that countries that have low unemployment average rates are Bahrain, Qatar, Oman, Kuwait, the United Arab Emirates, and Saudi Arabia. Countries that have explosive pattern for their unemployment

rates are Egypt, Libya, Mauritania, Sudan, and Yemen. Finally, the countries that have high unemployment rates among Arab countries, they are Algeria, Iraq, Morocco, Tunisia, and Palestine.

## **2. Determinants of youth unemployment in Arab countries:**

The contribution of Driouchi and Harkat (2017b) analyzes the causal links between unemployment of individuals that are between 15 and 24 and other variables that are social, technological, political, and economic.

The political variables are political stability that measures the likelihood of the destabilization of the government by violent means, rule of law that measures the extent at which the law governs the economy, government effectiveness that measures the extent of the relationship between public and civil services excluding political pressure, regulatory quality that measures the support provided to the private sector by the government, and control of corruption that measures the power exerted by the public sector on the private one.

In Algeria, unemployment has a double causality with internet access and is caused by the level of political stability within the country. For Bahrain, the only causal link found is the unemployment causing internet access while for Egypt it's the internet access that causes unemployment while this latter variable causes regulatory quality.

In Iraq, youth unemployment is caused by the regulatory quality and causes the government effectiveness. But for Jordan, both the education and the government effectiveness cause the unemployment that in return causes the political stability.

In Kuwait, unemployment causes the control of corruption and in Lebanon youth unemployment is caused by both the rule of law and political stability. Concerning Libya, the unemployment of the youngest segment has a double causality with net migration, and is caused by internet access government effectiveness, rule of law, and political stability.

With regard to Mauritania, unemployment has a double causality with the net migration, causes the rule of law, and is caused by control of corruption, regulatory quality, and government effectiveness. In Morocco, no variable causes the unemployment, but this latter causes education, regulatory quality, and the rule of law. But in Oman, the youth unemployment only causes the internet access, and in Qatar it is the political stability that

causes youth unemployment. In Saudi Arabia, the education causes unemployment, and in Sudan and Tunisia, no causal links are found.

Concerning Syria, the unemployment causes the net migration, regulatory quality and government effectiveness and is caused by internet access. But in the United Arab Emirates, unemployment is caused by both the internet access and political stability.

In Palestine, education causes unemployment, and unemployment causes net migration. Finally in Yemen, youth unemployment has a double causality with political stability, and is caused by internet access, government effectiveness, and control of corruption.

#### **IV. Young Arabs that are not in education, not in employment, and not in training (NEETs):**

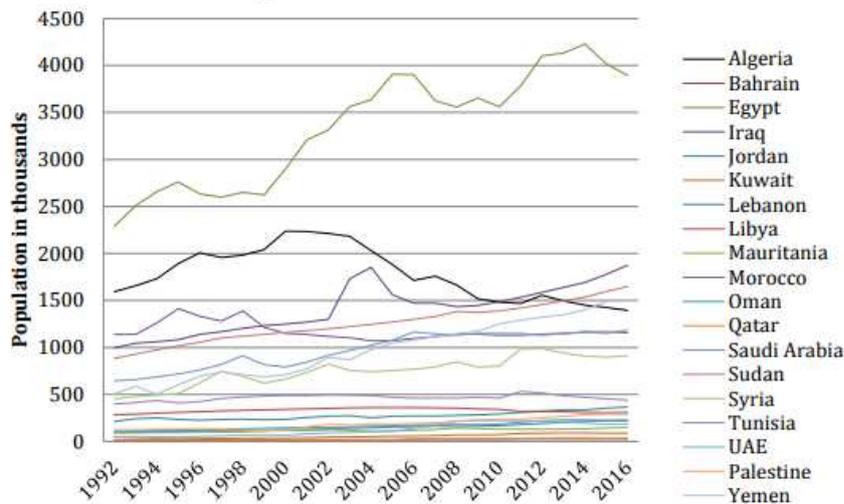
The NEETs are those young individuals that are between the ages of 15 and 24 that are not educated, not in employment, and have no vocational education or training. These individuals exist with higher rates in Arab economies. Due to the lack of the data that measures the NEETs rates, the contribution of Driouchi and Harkat (2017c) estimates their rates within each Arab country.

##### **1. Trends of the NEETs in Arab economies:**

The contribution of Driouchi and Harkat (2017d) analyzes the trends of the NEETs in Arab economies. Findings indicate that some Arab countries have significant increasing trends. These countries are Egypt, Kuwait, Lebanon, Libya, Oman, Qatar, Syria, Tunisia, and Yemen. But for Algeria, it has a significant decreasing trend. For the other remaining countries that are Bahrain, Iraq, Jordan, Mauritania, Morocco, Saudi Arabia, Sudan, United Arab Emirates, and Palestine, there are no significant trends. The following graph (Graph1) illustrates the NEET population of the group age 15-24 in Arab countries.

##### **Graph 1: NEETs population 15-24 in Arab economies**

## NEET Population in Arab Countries



### 2. Causal links between the NEETs, education, social, and political variables:

The contribution of Driouchi and Harkat (2017c; 2017d) analyzes the causal links between the NEETs and other variables that relate to education, health, government expenditure, and politics.

With regard to Algeria, the decreasing pattern of the NEETs rate causes the increase in vocational education and regulatory quality. In addition to that, expenditure on health causes decreasing the number of NEETs in this economy. For Egypt, it is the general education that causes the decrease of the NEETs rate. In Saudi Arabia, less NEETs cause more education and vice versa, which is also the case with labor force. In Palestine no causalities are found.

In Bahrain, the general education causes the NEETs while the NEETs cause the labor force. In Iraq, Sudan, and Kuwait, no causalities are found. But for Lebanon, the NEETs cause the voice and accountability.

In Libya, the control of corruption causes the NEETs, which is the opposite in Qatar. But in Syria, the NEET cause the rule of law and are caused by political stability. In Tunisia, the increasing number of NEETs cause political instability. This is the case of the United Arab Emirates, but in this latter economy, the NEETs also cause expenditure on education and control of corruption, and are caused by the regulatory quality. In Yemen, expenditure on health, regulatory quality, and political stability cause the NEETs. But with regard to Morocco, the NEETs have double causality with the government effectiveness and cause political stability, regulatory quality, and rule of law.

Concerning Oman, the NEETs have a double causality with the government effectiveness, cause the rule of law and are caused by the regulatory quality. In Mauritania, the NEETs cause the control of corruption and are caused by political stability. Finally, in Jordan, the NEETs cause political stability, and are caused by both regulatory quality and control of corruption.

## **V. Youth and the demographic dividend in Arab countries:**

The contribution of Harkat and Driouchi (2017) discusses the demographic dividend in Arab economies. By definition, the demographic dividend is the window of opportunity that occurs in a limited period of time when there are declining fertility and mortality rates, which leads to a decrease of the dependent population and an increase in the working age population. This means that more resources are available to the youngest segments besides the existence of more job supply. All of these determinants lead to an accelerated economic growth if resources are allocated properly and new strategies and policies emerge to support the economic development.

### **1. Periods of the demographic dividend periods in Arab economies:**

In Arab economies, both fertility rates and mortality rates per infants have significantly decreasing trends. But for the demographic dividend periods, it defers from a country to another. For Algeria, the demographic dividend started in 1970 and ended in 2010. In Bahrain, the demographic dividend started in 1975 and is still occurring. In Egypt, the demographic dividend started in 1965 and ended in 2010. Concerning Iraq, Jordan, and Lebanon, the demographic dividend ended in 1980, 1970, and 1980, respectively. But for Kuwait, it started in 1980 and is still occurring. In Mauritania, Morocco, Oman, Qatar, and Saudi Arabia, the demographic dividend started in 2005, 1980, 2000, 1965, and 1990, respectively, and is still occurring.

For Syria and Tunisia, the demographic dividend is still occurring, which is not the case of the remaining countries that are Sudan, United Arab Emirates, Palestine, and Yemen.

### **2. Demographic dividend and youth in Arab economies:**

The demographic dividend is a switch in the population age structure over time that is characterized by thinner bases, and an enormous concentration on the working age population, or the population of the age group 15-64. This demographic transition leads to a

change in the resource allocation in education, employment, and healthcare by governments. These changes in the population dynamics can have a significant impact on the youngest segment. The contribution of Harkat and Driouchi (2017) analyzes the impact of the demographic transition on young males' and young females' employment besides their participation in the labor market and education. This is throughout analyzing the causality between these variables and the dependency ratio, which is the number of dependents, or the population of the ages of 0-14 and 65+, over the number of independents, or the working age population.

For Algeria, the dependency ratio has a double causality with youth participation in the labor force, and causes the increase in the secondary education in enrolment with emphasis on the female participation in the secondary general education. But in Bahrain, the dependency ratio only causes more participation in female participation in primary and secondary general education. In Egypt, the dependency ratio causes the increase in secondary vocational education, and more female participation in secondary education. For Iraq, it is the dependency ratio that causes the youth participation in labor force.

Concerning Jordan, the dependency ratio only causes more female participation in secondary education and secondary general education. With regard to Kuwait, the dependency ratio causes the increase in the secondary vocational education.

In Lebanon, the dependency ratio causes the increase in youth participation in the labor force, and more participation of females in secondary education. In Libya, the dependency ratio causes the decrease of males' and females' unemployment and causes the increase in youth participation in the labor force. In addition to that, the dependency ratio also causes the secondary education in Libya. For Mauritania, the dependency ratio causes the increase in the enrolment in secondary education.

With regard to Morocco, the dependency ratio causes the increase of males and females employment besides the increase of youth participation in the labor force and the increase in the enrolment in both primary and secondary vocational education. In addition to that, the dependency ratio also causes more female participation in primary, secondary, and secondary general education in Morocco.

Concerning Oman, the dependency ratio causes the youth participation in the labor force, and the increase in the enrolment in secondary education. In Qatar, the dependency ratio causes

youth participation in the labor force, and more participation of females in primary and secondary vocational education. In Saudi Arabia, the dependency ratio causes the increase in the enrolment in secondary education.

In Sudan, Syria, and Tunisia, the dependency ratio causes the participation of youth in the labor force. In addition to that, the dependency ratio causes the increase in enrolment in both secondary and secondary general education and more female participation in primary education in Sudan. Also, in Syria, the dependency ratio causes the increase in primary education and secondary vocational education.

For Tunisia, the dependency ratio causes the increase in secondary education and more female participation in secondary general education. In United Arab Emirates, the dependency ratio causes the decrease in the unemployment of young males and females, and an increase in the youth participation in the labor force.

For Palestine, the dependency ratio causes the increase of the youth participation in the labor force, the increase in primary education enrolment, and more female participation in secondary and secondary vocational education. Finally in Yemen, the dependency ratio causes the increase in female employment while the youth participation in the labor force causes the dependency ratio.

### **Conclusion and Discussion:**

The following contribution summarizes the findings of many contributions that relate to Arab youths (Driouchi & Harkat, 2017a; 2017b; 2017c; 2017d; 2017e; Harkat, Driouchi, and Achehboune, 2016a; 2016b; and Harkat and Driouchi, 2017). This paper indicates the extent of youth inclusion in education and employment. This paper also discusses the excluded young individuals that are not employed, not educated, and not trained.

Empirical findings indicate that Arab youths have the same values and principles as older generations. But concerning work attributes, youth have completely different mindsets than the oldest segments. This newer generations are characterized by taking more initiatives, flexibility, and working in teams. At the same time, generation Y is less concerned about teaching, controlling, leading by example, punctuality, and respect. Acknowledging these differences indicate to both private and public sectors including companies and organizations to introduce new methods and ways in their employment to include young individuals in different decisions making besides enhancing productivity.

With regard to educational choices, Arab economies need to adapt the types of education according to the market job supply. For instance, more vocational education leads to better macroeconomic and social variables in Algeria, Kuwait, Morocco, Syria, and Tunisia. This is not the case for the remaining countries.

Educational choices should adapt educational choices to their impact on macroeconomic and social variables, to the need of the country, and to the existing sectors. For instance, a country with more industrial sectors should put emphasis on vocational education.

The employment status of Arab youths is also not promising. For this Arab economies need to adapt their strategies of youth inclusion to respond to the existing causes of the unemployment. In addition to that, Arab economies need to support small enterprises creation and entrepreneurship to create more job opportunities.

With regard to the NEETs, Arab economies should put strategies and programs that target this category of socially excluded youth. In the case where the education at all levels is the main cause of the NEETs, it indicates that the schools and universities cannot undertake all the country's students. Thus, governments that face this situation should increase their expenditure on education. Another explanation might indicate that schools and universities do not encourage students to finish their training or formation because of the status of the already graduated students. In the case where job supply is the main cause of the NEETs, it indicates that there is a low job supply, and governments should promote national and foreign investments to create more job opportunities.

The demographic dividend shows that it has benefited youth in terms of employment and education. But for countries that still have this demographic dividend occurring, they should optimize the allocation of resources on the youth to benefit from this rapid growth.

Further research on youth economics should be conducted by Arab countries in order to deepening the understanding of the situation of youth and base their decisions and policies on empirical findings.

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