

▶ Global Employment Trends for Youth 2020: Arab States

Young women and men aged 15-24 in the Arab States face significant obstacles in accessing decent and productive jobs. While there are notable differences between Gulf Cooperation Council (GCC) and non-GCC countries in the region that are not discussed in this brief, common challenges include gender disparities in the labour market and the need to diversify economic activities so as to generate productive employment opportunities in the private sector, including in the digital economy.¹

There has been a significant deterioration in labour market indicators in the Arab States in recent years. The unemployment rate for example has increased from

19.5 per cent in 2012 to an estimated 23.0 per cent in 2020, compared to an increase in the global unemployment rate from 13.4 per cent to 13.7 per cent during the same period. The unemployment rate in the Arab States has been notably higher than the rest of the world for at least the past three decades. Furthermore, while the unemployment rate for both young women and men in the region increased between 2012 and 2020, it has increased at a much faster rate for young women. As such, in 2020, the unemployment rate amongst young women in the region is estimated to be 42.1 per cent in 2020, which is now more than double that of young men (19.8 per cent).

Table 1: NEET, unemployment and labour underutilization (LU3) rates for young people, Arab States, 2012, 2018-21.

			2012	2018	2019	2020	2021
NEET rate	World	Total	21.6	21.9	22.2	22.3	22.5
		Total	31.0	33.8	34.0	34.3	34.4
	Arab States	Male	14.9	17.5	17.7	18.0	18.1
		Female	48.7	51.5	51.8	52.0	52.1
Youth unemployment rate	World	Total	13.4	13.5	13.6	13.7	13.8
		Total	19.5	22.8	22.9	23.0	22.9
	Arab States	Male	16.8	19.6	19.7	19.8	19.6
		Female	34.4	42.4	42.2	42.1	42.5
LU3	World	Total	19.6	20.1	20.2	20.4	20.5
		Total	32.9	35.7	36.1	36.5	36.5
	Arab States	Male	25.3	28.3	28.6	29.0	28.9
			60.6	65.5	65.8	66.1	66.3

Note: The LU3 rate, or the combined rate of unemployment and potential labour force, represents the share of the extended labour force that are in unemployment or the potential labour force. See <https://ilostat.ilo.org/glossary/lu3/> for more details.

Source: ILO modelled estimates, November 2019.

¹ See ILO. 2020. *World Employment and Social Outlook: Trends 2020* (Geneva) for a more detailed discussion on different labour market challenges faced by GCC and non-GCC countries.

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Similar to the unemployment rate, the proportion of youth not in employment nor in education or training (NEET) has increased for both young women and men since at least 2012. The rate in the region is estimated at 34.3 per cent in 2020, compared to a global rate of 22.3 per cent. One in two young women in the region is estimated to have NEET status, compared to almost one in five young men. There is a gender gap in the NEET rate of 34 percentage points in the region, almost double that of the global gender gap (17.2 percentage points). Labour underutilization is also high in the region. The combined rate of youth unemployment and potential youth labour force – the LU3 measure of labour underutilization applied to young people – is estimated at 36.5 per cent in 2020 and has also been on an increasing trend since at least 2012. The rate for young women are a staggering 66.1 per cent, compared to 29.0 per cent for young men.

Currently, an estimated 35.4 per cent of the global young working-age population is in employment (table 2). In the Arab States, only 21.1 per cent of the young working-age population is in employment, and this represents the lowest rate amongst all the regions. The employment-to-population ratio of 4.7 for young women in the Arab States is particularly low compared to other regions, and reflects social and cultural norms that restrict young women's access to employment. When young people are in employment, the vast majority are in informal jobs. Some 85.1 per cent of young population are in informal employment compared to 61.1 per cent for the adult population.² This gap between youth and adults in the Arab States is highest among regions.

Table 2: Employment-to-population ratio and working poverty rates for young people, Asia and the Pacific, 2012 and 2018-21 (percentages)

			2012	2018	2019	2020	2021
	World	Total	38.7	35.8	35.6	35.4	35.1
Employment-to-population ratio		Total	23.1	21.6	21.4	21.1	21.0
	Arab States	Male	38.6	36.9	36.7	36.3	35.9
		Female	6.1	4.8	4.8	4.7	4.7
	World	Total	16.3	13.1	12.8	12.6	12.4
Extreme working poverty rate (<1.90 USD per day PPP)	Arab States	Total	3.8	12.9	13.3	13.2	13.1

Source: ILO modelled estimates, November 2019.

While the last few decades has witnessed a tremendous reduction in extreme working poverty amongst young people globally, the incidence of extreme working poverty among young workers in the Arab States has deteriorated significantly. In 2012, the extreme working poverty rate for young men was 3.8 per cent, but the rate is estimated to have increased to 13.2 per cent in 2020. As such, the Arab States now has the second highest rate of extreme working poverty amongst the five regions. This deterioration is largely due to the civil war in Syria and Yemen, which has

had significant impact on the labour markets of those countries as well as those of neighbouring countries.

The policy challenges in the Arab States differ between the member countries of the GCC and non-member countries but one common challenge remains supporting economic diversification and supporting structural transformation with a view to expanding productive employment opportunities for young people in the region.