

5. A New Demographic Opportunity Approaches: Will North Africa (Again) Fail to Catch It?

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Between 1980 and 2010, the youth population in North African countries swelled. The share of 15- to 24-year-olds in the overall population peaked at 21% in 2005, compared to a global average of 16%. This demographic “youth bulge” placed pressures on these countries’ education systems and labor markets as large numbers of young people left school to look for work.

While such demographic waves create challenges, they also present historic opportunities for the countries experiencing them. If these countries’ economies are able to create enough new jobs for their young people, they would have a relatively large workforce supporting a relatively small population of nonworkers for a period of time. This so-called demographic dividend spurs greater savings, investment, and economic growth. A well-leveraged demographic dividend is thought to have played a role in supporting the growth of East Asian economies during the 1970s and 1980s.¹

Unfortunately, the economies of North Africa failed to create enough decent jobs and economic opportunities during the youth bulge that peaked fifteen years ago. They also failed to

* The authors thank Hajer Ouzzani for her excellent research assistance.

¹ T.M. Yousef, “Macroeconomic Aspects of the New Demography in the Middle East and North Africa”, in *Proceedings of the Annual World Bank Conference on Development Economics*, 2000.

provide their young people with the skills and resources they needed to access the opportunities that did exist, or the space to create new opportunities of their own. As labor force pressures increased, so did youth unemployment rates, averaging 25% since 1991, around twice the global average.²

Delays in the transition of young North Africans' to work has led to delays in other dimensions of adulthood: securing a home, getting married, and starting a family. Unable to realize their goals and dreams at home, over half the region's youth have expressed a desire to migrate, a high share by global standards. Though many do migrate, often risking their lives in the process, most are not able to leave. Those who remain and lack meaningful work become disillusioned, demoralized, and depressed – creating conditions ripe for social unrest. In 2010, the frustration and self-immolation of a Tunisian street vendor sparked waves of protests across the region demanding better economic opportunities and greater political inclusion. Social unrest continues to this day, even in Tunisia, the one North African country that has successfully transitioned to democracy.

While North African countries missed a precious opportunity, a second one is coming. A smaller youth bulge, composed of the children of the first wave, will hit the region between 2025 and 2040. North African countries need to move swiftly to reap the benefits of this second wave or again suffer the consequences of wasted youth potential and social unrest. There is an added sense of urgency this time: automation and digitalization are transforming the world of work. These trends hold the promise of economic rewards (e.g., increased productivity and economic growth) for countries that can take advantage of them, and the threat of being left behind for those that cannot.

The twin opportunities – one demographic, the other technological – call for North African countries to make three decisive reforms:

² World Bank, “Unemployment, youth total (% of total labor force ages 15-24) (modeled ILO estimate)-World, Middle East & North Africa”, World Development Indicators, accessed June 16, 2021.

- unshackle and support the economy, enabling the private sector to become an engine of growth and job creation;
- reform the education system to provide skills needed to survive and thrive amid digitalization, automation, and globalization;
- create space for young people to become civically engaged, able to air grievances, and seek redress for injustices.

This chapter addresses each of these issues in turn, but first it unpacks the reasons why North African economies failed to create decent jobs and unlock the potential of their young people during the initial demographic wave.

Demographic Challenges: A Missed Opportunity

During the 1960s and 1970s, the countries of North Africa expanded public health services and succeeded in substantially reducing infant and child mortality rates. However, social norms were slow to adapt, and fertility rates remained high for some time, as families continued to have large numbers of children. The gap in timing between the decline in infant mortality and fertility rates resulted in a demographic wave that has been moving through the populations of North Africa since then. The wave passed through the youth age group between 1980 and 2010, resulting in a demographic youth bulge (Figure 5.1).³ During these years, youth represented a larger share than usual of the population, placing pressure first on education systems and then on labor markets as large numbers of young people left school to look for work.⁴

³ ME stands for Middle East (excluding Gulf Cooperation Council member states); LAC: Latin America and the Caribbean; SSA: Sub-Saharan Africa; EA: East Asia; and SEA: Southeast Asia.

⁴ D. Beck and P. Dyer, "Demographic Transitions across the Middle East and

FIG. 5.1 – YOUTH (15-24) SHARE OF THE OVERALL POPULATION BY REGION

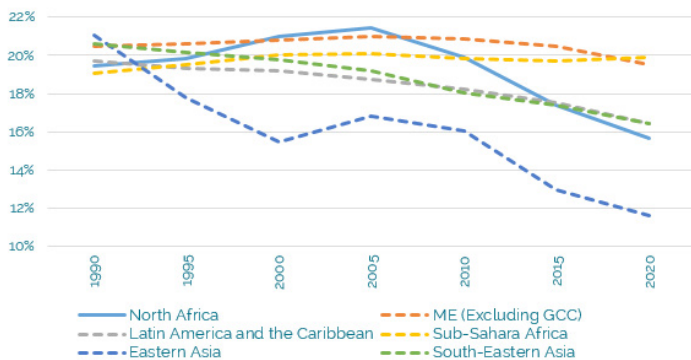
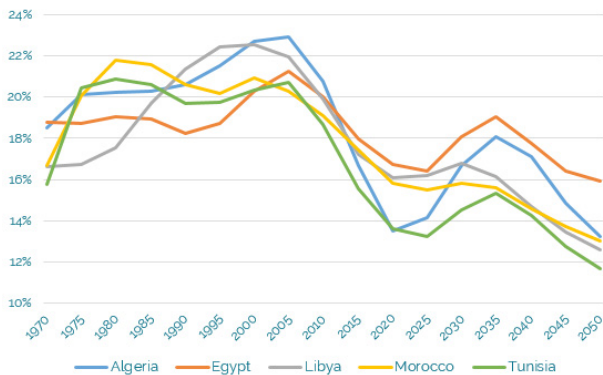


FIG. 5.2 – YOUTH (15-24) SHARE OF THE OVERALL POPULATION BY COUNTRY



Source: UN World Population Prospects 2019, accessed June 7, 2021.

North Africa”, in E.A. Sayre and T.M. Yousef (eds.), *Young Generation Awakening: Economics, Society, and Policy on the Eve of the Arab Spring*, Oxford, Oxford University Press, 2016, pp. 16-34; and T.M. Yousef, “Youth in the Middle East and North Africa: Demography, Employment, and Conflict”, in B.A. Ruble, J.S. Tulchin, D.H. Varat, and L.M. Hanley (eds.), *Youth Explosion in Developing World Cities: Approaches to Reducing Poverty and Conflict in an Urban Age*, eds. Woodrow Wilson International Center for Scholars, 2003, pp. 9-24.

Unfortunately, when labor force pressures increased during the 1980s and 1990s, North African economies failed to create enough decent jobs for their youth. Initially, North African economies relied on state hiring. In 1975, the public sector absorbed 60% of educated, labor-market entrants in Algeria, 75% in Egypt, and 77% in Tunisia.⁵ However, as demographic pressures mounted and educational attainment increased, the numbers of young people seeking government jobs continued to rise. In the end, these state-led employment policies proved to be unsustainable. By 2010, the share of educated entrants hired by the public sector had dropped to 50% in Algeria, 25% in Egypt, and 32% in Tunisia.⁶ While public-sector employment in the region remained high by global standards, it was not enough to provide jobs for all who wanted them. North African states then looked to the private sector to create more jobs.

During the 1980s and 1990s, North African countries attempted to reform their economies and allow a greater role for the private sector to become the engine of economic growth and job creation. However, these reforms largely benefited political elites who controlled state resources and used state instruments to expand their privileges. Indeed, overregulation of the private sector allowed politically connected firms to tilt the playing field to their advantage, creating even more opportunities for rent-seeking and cronyism. Thus, economic reforms stifled growth and job creation in the formal private sector, leading young people to queue for opportunities and forcing many to take jobs in the unregulated informal economy, with lower wages, limited benefits, and fewer opportunities for career advancement.

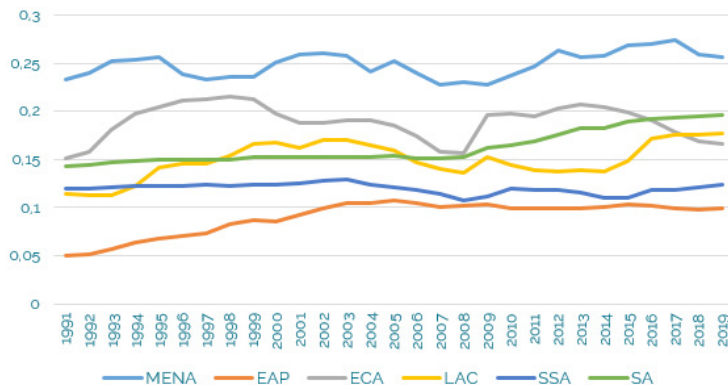
The inability of North African economies to create enough jobs, led to high rates of unemployment among the region's youth. Since the 1990s, youth unemployment rates in the Middle East and North Africa (MENA) have been among the

⁵ R. Assaad and G. Barsoum, "Public Employment in the Middle East and North Africa", IZA World of Labor (website), Institute of Labor Economics, 2019.

⁶ Ibid.

highest in the world, ranging between 23% and 27%, while the global average has been 11% to 15% (Figure 5.3). The latest figures put youth unemployment at 39% in Algeria (Figure 5.4) and 35% in Tunisia, both in 2017. Morocco and Egypt have had lower rates, at 22% in 2016 and 19% in 2019, respectively, yet both remain well above the global average of 15%. Notably, Egypt's 19% rate represented a sharp decline from 32% in 2014. In contrast, rates in Morocco and Algeria have been climbing since 2010, and Tunisia's rate remains above pre-Arab Spring levels.⁷ In conflict-devastated Libya, the rate was 49% in 2012 and recent estimates put it higher still.

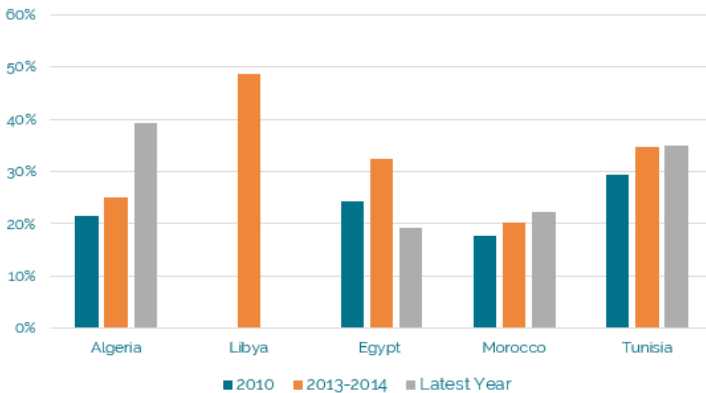
FIG. 5.3 – YOUTH UNEMPLOYMENT RATES AND TRENDS BY REGION (2010-2019)



Source: World Bank, “Unemployment, youth total (% of total labor force ages 15-24) (modeled ILO estimate) - World, Middle East & North Africa, Europe & Central Asia, South Asia, Latin America & Caribbean, Sub-Saharan Africa”. World Development Indicators, accessed June 16, 2021.

⁷ World Bank, “Unemployment, Youth Total (Percent of Total Labor Force Ages 15 to 24) (National Estimate): Morocco, Algeria, Tunisia, Libya, Egypt, Arab Rep., Sudan”, World Development Indicators, International Labour Organization (ILO) (data), accessed June 15, 2021.

FIG. 5.4 – YOUTH UNEMPLOYMENT RATES AND TRENDS BY COUNTRY (2010-2019)



Source: World Bank, "Unemployment, Youth Total (Percent of Total Labor Force Ages Fifteen to Twenty-four) (National Estimate): Morocco, Algeria, Tunisia, Libya, Egypt, Arab Rep.", World Development Indicators, International Labour Organization (data), accessed June 16, 2021.

Unemployment is particularly high among young females: 82% in Algeria, 68% in Libya, and 52% in Egypt, despite lower labor-force participation rates.⁸ While young women are less likely to engage economically, once they decide to work, they struggle to find suitable jobs. They face additional challenges in the labor market including legal and institutional barriers to employment, discriminatory hiring practices, and conservative social norms that limit career options and movement outside the home. Despite their remarkable strides in educational attainment over the past decades, these advances have not fully translated into gains in the labor market, indicating continued underutilization of female youth potential in North Africa.⁹

⁸ World Bank, "Unemployment, Youth Female (Percent of Female Labor Force Ages 15 to 24) (National Estimate): Morocco, Algeria, Tunisia, Libya, Egypt, Arab Rep., Sudan", World Development Indicators, International Labour Organization (ILO) (data), accessed June 16, 2021.

⁹ N. Kabbani, *Youth Employment in the Middle East and North Africa: Revisiting and*

For young people, the delay in entering the labor market affects their ability to secure a home, get married, and start a family.¹⁰ Unable to realize their goals and dreams at home, young people across the region have sought to migrate. According to the 2018-19 Arab Barometer, a majority of the region's youth (18 to 29 years old) are considering migrating. The highest rates are in Morocco (70%), followed by Tunisia and Algeria (both at 56%), and Egypt (49%).¹¹ In Libya, only 31% of young people are thinking about migrating, a fairly low rate given the conflict, though Libya has used oil revenue to employ a large number of young people and pay their public-sector wages.

Historically, young people who were not able to migrate became disillusioned, demoralized, and depressed, creating conditions ripe for social unrest. While democratic systems allow people to voice social grievances and frustrations peacefully, and push for positive change, the authoritarian regimes of the region have used coercive and oppressive tools to keep public demands in check. For instance, the regime in Algeria repressed youth demands for better economic opportunities following oil price shocks.¹² Similarly, the Tunisian government used police violence to squelch youth pleas for a fairer economic situation during the bread riots of the mid-1980s.¹³ Hence, when the Tunisian street vendor Mohamed Bouazizi set himself on fire in December 2010, in protest of his social and economic situation, and unjust treatment by local officials, it represented a catalytic

Reframing the Challenge, Brookings Doha Center, Policy Brief, February 2019; E. Sayre and R. Hendy, "The Effects of Education and Marriage on Young Women's Labor Force Participation in the Middle East and North Africa", in E. Sayre and T.M. Yousef (eds.) (2016), pp. 72-87; and W. Sawahel, "Women Outnumber Men at Universities, Lag in Employment", *University World News, African Edition*, December 3, 2020.

¹⁰ Kabbani (2019).

¹¹ D. Raz, "Youth in Middle East and North Africa", Arab Barometer, August 2019, p. 11.

¹² Yousef (2003), p. 21.

¹³ J. Rupert, "Tunisians Riot Over Bread Price Rise", *Washington Post*, January 4, 1984.

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¹² Yousef (2003), p. 21.

¹³ J. Rupert, "Tunisians Riot Over Bread Price Rise", *Washington Post*, January 4, 1984.

event that launched the 2010-2011 protests in Tunisia and instigated uprisings across the Arab region. People, mainly youth, took to the streets initially chanting for better economic and social conditions; when met with police suppression, they demanded regime change.¹⁴

Looking ahead, North African countries have another opportunity to invest in their youth and reap the fruits of a demographic dividend. A smaller youth bulge – the children of the first wave – is approaching and will affect the region between 2025 and 2040 (Figure 5.2). What can North African countries do to ensure that they do not miss the potential of this wave? The way forward has three components: unshackling the private sector, reforming education systems, and creating space for youth to become civically engaged, air grievances, and seek redress for injustices.

Unshackling the Private Sector's Potential

Young people in North Africa face a difficult, precarious transition from school to employment. Though the public sector does not employ as many people as it once did, higher wages, better benefits, and job security have pushed educated youth to continue to queue for the available positions. The 2018 World Values Survey found that 66% of young Egyptian respondents would prefer to work in the public sector.¹⁵ This share is scarcely changed from a decade earlier when 65% of young Egyptians said the same in a 2009 Gallup World Poll.¹⁶

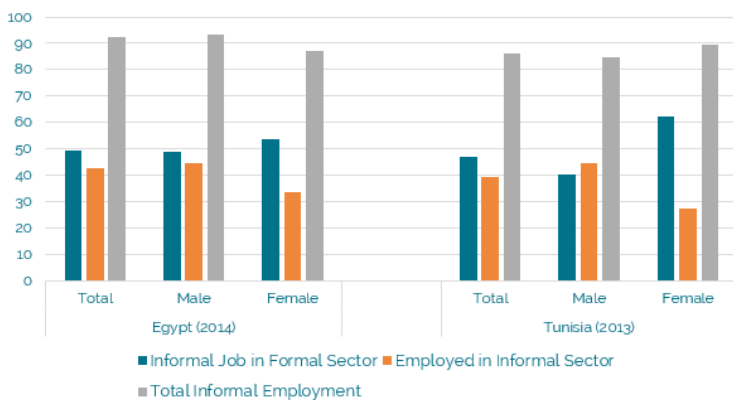
¹⁴ B. Whitaker, “How a Man Setting Fire to Himself Sparked an Uprising in Tunisia”, *The Guardian*, December 28, 2020.

¹⁵ Authors’ calculations using data from C. Haerpfer, R. Inglehart, A. Moreno, C. Welzel, K. Kizilova, J. Diez-Medrano, M. Lagos, P. Norris, E. Ponarin, and B. Puranen et al. (eds.), *World Values Survey: Round Seven - Country-Pooled Datafile*, Madrid, Spain, and Vienna, Austria, JD Systems Institute and World Values Survey Association Secretariat, 2020, doi.org/10.14281/18241.1.

¹⁶ Authors’ calculations using data from *Gallup World Poll*, Gallup Organization, 2009.

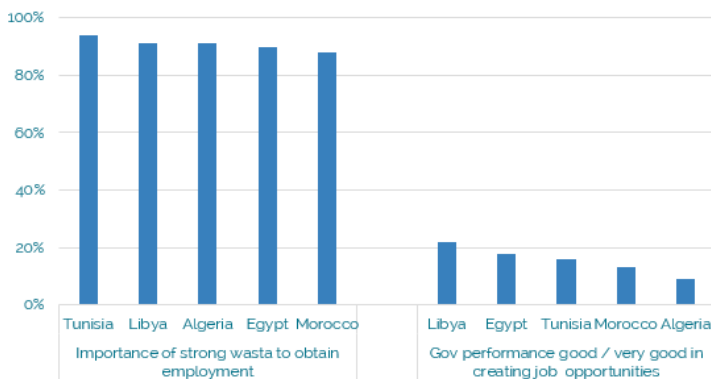
Youth spend time searching for jobs in the formal private sector, which offers decent wages, benefits, and job security to registered employees, but that sector is relatively small and has failed to create enough good jobs. Furthermore, firms in the formal private sector employ workers on temporary contracts. These workers do not have access to the same levels of benefits and face a precarious employment situation. Young people, especially young women, are prone to falling into this informal category. The 2013-14 school-to-work transition survey found that 49% of employed people of ages 15 to 29 in Egypt, and 47% of this same cohort in Tunisia held informal jobs in firms in the formal sector (Figure 5.5).

FIG. 5.5 – INFORMAL EMPLOYMENT AMONG YOUTH (15-29)
IN EGYPT AND TUNISIA



Source: Authors' calculations using International Labour Organization, "School to Work Transition Survey (SWTS), micro data files: Egypt 2014 and Tunisia 2013".

FIG. 5.6 – YOUTH OPINIONS REGARDING WASTA (CONNECTIONS) & GOVERNMENT PERFORMANCE



Source: D. Raz, "Youth in Middle East and North Africa", Arab Barometer, August 2019, pp. 9-10.

Throughout the region, most firms operate in the informal economy. Overregulation and arbitrary taxation have encouraged these firms to remain small and avoid registering their activities. Firms in the informal sector are less attractive to young workers, as they provide less in the way of wages, benefits, job security, social protection, and opportunities for career advancement. However, young people who are not able to secure jobs in the formal sector accept such positions. In Egypt, 43% of young workers are employed with firms in the informal sector (Figure 5.5); in total, 92% of young employees in Egypt either work for a firm operating in the informal sector or have an informal job in a firm in the formal sector. In Tunisia, 39% are employed with firms in the informal sector, and the combined share is 86%.¹⁷

¹⁷ Authors' calculations using data from "School to Work Transition Survey (SWTS) Micro Data Files: Egypt 2014 and Tunisia 2013", International Labour Organization (ILO).

In dynamic economies, most jobs are created through the establishment and growth of small firms. Young firms also tend to hire young workers. In North African economies, this job-creation engine is severely constrained. Large firms run by politically connected insiders survive and thrive because they can leverage their connections to gain an unfair advantage over newer firms. For instance, firms owned by former Tunisian President Ben Ali and his family exploited their power for decades to avoid import duties and other tariffs.¹⁸ Larger firms also can afford to hand out jobs to people with connections, even if they are not the best fit.¹⁹ This use of *wasta* exacerbates socioeconomic inequalities and can fuel resentment among marginalized youth. The overwhelming majority of young people in the region believe that *wasta* is needed to secure employment (Figure 5.6).

North African states have begun encouraging young people to create their own businesses. For instance, Egypt has established the Technology Innovation and Entrepreneurship Center, which organizes events, workshops, and competitions promoting entrepreneurship among Egyptian youth.²⁰ In 2006, Morocco started the Moukawalati (my enterprise) program, which is aimed at setting up 30,000 small businesses and hiring between 60,000 and 90,000 Moroccans.²¹ Though governments are trying to support start-ups – introducing education and training programs, improving access to finance, and establishing

¹⁸ B. Rijkers, L. Baghdadi, and G.J.R.F. Raballand, *Political Connections and Tariff Evasion: Evidence from Tunisia*, World Bank, Policy Research Working Paper no. WPS 7336, June 2015.

¹⁹ Kabbani (2019); and M. Said, “Arab Youth Employment in the Wake of the Global Financial Crisis”, in E. Sayre and T.M. Yousef (eds.) (2016), pp. 50-71.

²⁰ P. Jochaud, *Youth Productive Employment through Entrepreneurship Development in the Arab Region: State of the Art of Interventions in Egypt and Tunisia*, United Nations Industrial Development Organization, Working Paper no. 5, 2013, p. 14.

²¹ The program did not succeed in reaching the set goals, mainly because the applicants failed to develop proper business plans, and a large number of the start-ups defaulted on their loans. See S. Alaoui, “Developing Youth Entrepreneurship in Morocco”, *Al Jazeera*, August 25, 2015.

linkages with value chains and markets – growth in the number of firms remains constrained. Indeed, the share of employers as a percentage of total employment is on the decline and does not, for example, exceed 3% in Libya.²² Barriers to entrepreneurship include difficulties in accessing finance and overregulation of the business environment.²³ In the World Bank’s Ease of Doing Business ranking, only Morocco and Tunisia rank in the top half of economies in the world (fifty-third and seventy-eighth out of 190 economies, respectively). Egypt comes next, at No. 114. Algeria and Libya rank near the bottom, at Nos. 157 and 186, respectively. Importantly, compared to a decade ago, only Morocco improved its global ranking (up from No. 128); Tunisia and all other North African countries (tracked in the survey) fell in the ranking.²⁴

To leverage the coming demographic wave, countries in North Africa must unlock the ability of the private sector to grow, thrive, and create jobs. This is doubly important in the face of increased automation and digitalization. To unlock the potential of their private sectors, North African governments must undertake a set of three complementary reforms: enabling economic development, reorienting state enterprises, and unleashing the private sector.

First, North African countries need to transform their public sectors from unresponsive instruments of state bureaucracy to enablers of economic development. In 2018, 88% of young Egyptian respondents to the World Values Survey rated the government’s performance at creating jobs as bad (32%) or very bad (56%). The Arab Barometer obtained similar findings across North Africa (Figure 5.6).²⁵ Leaders therefore need to

²² World Bank, “[Employers, Total \(Percent of Total Employment\) \(Modeled ILO Estimate\): Morocco, Algeria, Tunisia, Libya, Egypt, Arab Rep., Sudan](#)”, World Development Indicators, accessed June 16, 2021.

²³ Kabbani (2019).

²⁴ World Bank, “[Ease of Doing Business](#)” (database), World Bank website, accessed June 15, 2021.

²⁵ Raz (2019), pp. 9-10.

respond by reorienting how states and their citizens conceive the role of government. It requires transforming public-sector employment from an entitlement and source of personal benefit to a public service. This is the only way to change the perception of bureaucracy as an instrument of control to a proper regulator of rules and an enabler of initiative.

Second, leaders must orient state enterprises toward large infrastructure projects and away from sectors of the economy best left to open competition. Infrastructure investments include oil and gas exploration and production, such as Algeria's Sonatrach; renewable energy projects, such as Morocco's Noor Power Plant; public rail and transportation projects, such as the Tangier-Casablanca high-speed rail; and mobile phone and broadband operations, such as the Decent Life project in rural Egypt. Such large-scale projects can benefit from state involvement and provide rent-seeking opportunities for insiders, who must gain something in order to allow other sectors of the economy to develop unimpeded. Such large-scale projects must be based on sound feasibility studies, transparent decision-making and budgeting, and systems that can hold organizations accountable.

Third, North African countries need to get out of the way of firms and entrepreneurs, especially those in growth-oriented sectors, and allow them to contribute to economic growth and create jobs without undue interference.²⁶ Of course, public agencies need to oversee private-sector activities and regulate those that could have an adverse impact on public health and well-being. However, bureaucracies must shift from having to approve every activity to allowing firms to act and simply report. This dysfunctional system of requiring approvals for all activities has dampened economic growth and job creation since informal firms restrain their own growth to avoid attracting too much attention. Paradoxically, reducing approvals simply

²⁶ A. Malik and B. Awadallah, "The Economics of the Arab Spring", *World Development*, vol. 45 2013, pp. 296-313.

acknowledges the reality. Today, bureaucratic processes are so cumbersome and arbitrary that most private-sector activity is informal, conducted outside bureaucratic oversight. This system has opened the door to corruption and graft, ignorance of critical public health and safety regulations, and endemic tax avoidance.

Youth Education in a Digital Age

During the 1960s and 1970s, North African governments invested heavily in building schools and increasing enrollment at all levels. Educational attainment, in terms of lower secondary completion rates, increased from 9.2% during the early 1970s to 73% by the mid-2000s in Algeria; 11% to 47% in Morocco; and 35% to 78% in Egypt.²⁷ In 2008, the governments of Tunisia and Morocco spent more on education as a share of gross domestic product (GDP) than the world average; Algeria and Egypt spent less than the world average, yet more than lower middle-income countries.²⁸ The result of these years of investment was a remarkable increase in the average years of schooling for people over the age of fifteen (Figure 5.7).²⁹

²⁷ World Bank Group, “[Lower Secondary Completion Rate, Total \(Percent of Relevant Age Group\): Morocco, Algeria, Tunisia, Libya, Egypt, Arab Rep., Sudan](#)”, World Development Indicators, accessed June 7, 2021.

²⁸ Our World in Data (database), “[Total Government Expenditure on Education, 1971 to 2015](#)”, University of Oxford and Global Change Data Lab website, accessed June 9, 2021.

²⁹ D. Salehi-Isfahani, “Schooling and Learning in the Middle East and North Africa”, in E.A. Sayre and T.M. Yousef (eds.) (2016), pp. 35-49.

FIG. 5.7 – AVERAGE YEARS OF TOTAL SCHOOLING, TOTAL POPULATION AGE 15+

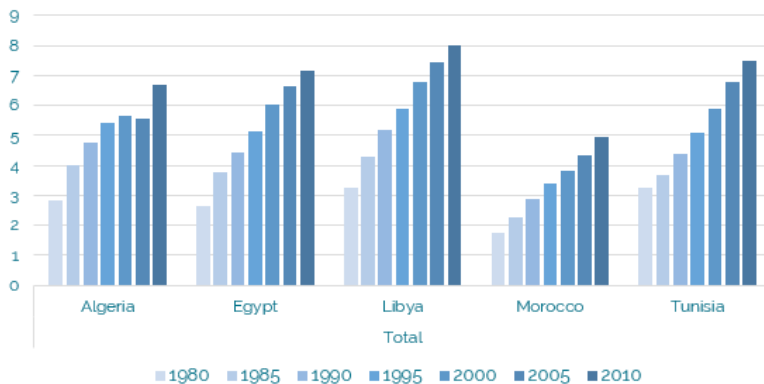
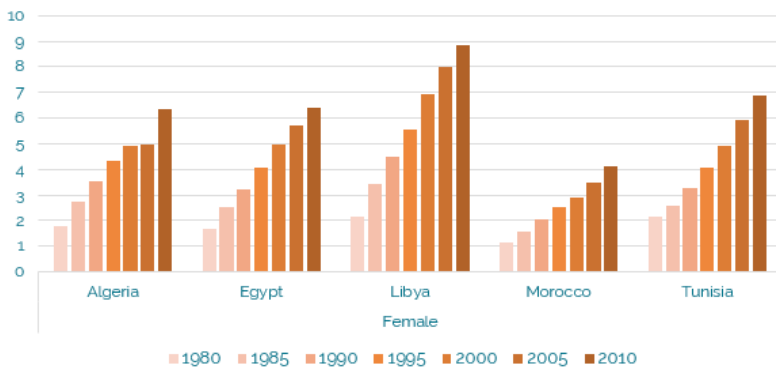


FIG. 5.8 – AVERAGE YEARS OF TOTAL SCHOOLING FEMALE POPULATION AGE 15+



Source: Our World in Data (Barro-Lee database), "Mean Years of Schooling, 1870 to 2017", University of Oxford and Global Change Data Lab website, accessed June 9, 2021.

North African countries also made progress in closing the education gender gap. In 1970, average years of schooling for women in the MENA region was only 40% that of men. By 2010, it was 88% – still lagging, but much improved (Figure 5.8). These countries also showed reduced inequality of opportunity in terms of ever attending school.³⁰ However, progress in gender equality in education varied: in Tunisia, 66% of the students enrolled at public universities during the 2018-2019 academic year were female,³¹ followed by Algeria and Libya with 64%; in Morocco and Egypt, the female enrollment ratio was reversed, at 39% and 36%, respectively.³²

Despite educational-attainment progress, the region is lagging in terms of the quality of education. Within nations, quality varies between urban and rural regions, and central and marginalized areas.³³ High enrollment rates, demographic pressures, and excessive bureaucratization of the system have decreased educational quality overall, with negative consequences for labor-market outcomes.³⁴ Schools in the region have focused on knowledge transfer, rote memorization, and conferring degrees, with less attention given to developing critical thinking, problem-solving, and teamwork,³⁵ even

³⁰ United Nations Economic and Social Commission for Western Asia, *Rethinking Inequality in Arab Countries*, 2019, p. 98,

³¹ Sawahel (2020).

³² World Bank Group, *School Enrollment, Tertiary, Female (Percent Gross): Morocco, Algeria, Libya, Egypt, Arab Rep., Sudan*, World Development Indicators, accessed June 9, 2021.

³³ United Nations Educational, Scientific, and Cultural Organization (UNESCO), *UNESCO Arab Regional Education Support Strategy 2016-2021*, 2016.

³⁴ World Bank, *The Road Not Traveled: Education Reform in the Middle East and North Africa*, MENA Development Report 46789, 2008; United Nations Development Programme (UNDP), *Arab Human Development Report 2003: Building a Knowledge Society*, 2003; World Bank and Organisation for Economic Co-operation and Development, *Reviews of National Policies for Education: Higher Education in Egypt 2010*, 2010; and UNESCO, *Education 2030 Arab Region Outcome Statement*, Prepared by Nineteen Arab States of UNESCO and Arab Regional Support Group for Education 2030, 2018.

³⁵ A. Galal, *The Paradox of Education and Unemployment in Egypt*, Egyptian Center

though these skills are increasingly relevant in a digitalized world.

Research has established links between quality of education and individual achievement, such as earnings, as well as country-level outcomes, such as productivity and social-economic progress.³⁶ The declining quality of education is reflected by low scores on international standardized tests. In 2015, the share of students achieving proficiency benchmarks on standardized international tests, such as the Trends in Mathematics and Science Studies (TIMSS) of the International Association for the Evaluation of Educational Achievement (IEA), in Algeria, Egypt, Morocco, and Tunisia was consistently below world averages (Figure 5.9).³⁷ Djavad Salehi-Isfahani (2016) argues that all MENA countries participating in the 2011 TIMSS had low scores given their levels of income and spending on education, when compared to other countries.³⁸ In addition, the absence of private-sector input on vocational curricula led to poor technical skills and sizable mismatches with labor-market

for Economic Studies, 2002; N. Kabbani and E. Kothari, *Youth Employment in the MENA Region: A Situational Assessment*, World Bank, Social Protection Discussion Paper 534 2005; D. Salehi-Isfahani, I. Tunalı, and R. Assaad, “A Comparative Study of Returns to Education of Urban Men in Egypt, Iran, and Turkey”, *Middle East Development Journal*, vol. 1, no. 2, 2009, pp. 145-87.

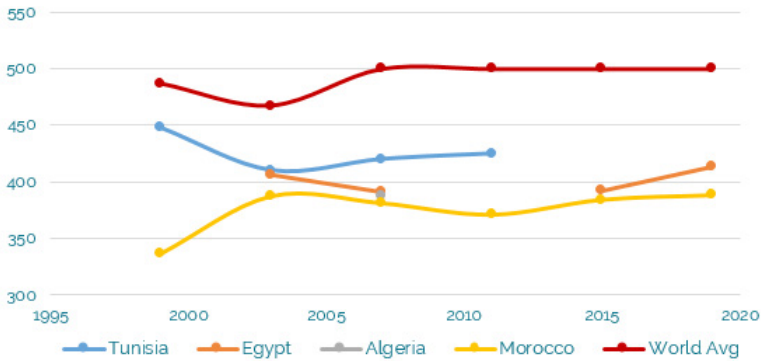
³⁶ E. Hanushek, *Economic Outcomes and School Quality*, Education Policy Booklet Series, vol. 4, a joint publication of the International Institute for Educational Planning and International Academy of Education, 2005; P. Wachtel, “The Effect of School Quality on Achievement, Attainment Levels, and Lifetime Earnings”, *Explorations in Economic Research*, vol. 2, no. 4, 1975, pp. 502-36 in out-of-print volume published by National Bureau of Economic Research; P. Wachtel, “The Effect on Earnings of School and College Investment Expenditures”, *Review of Economics and Statistics*, 1976, pp. 326-31; and T. Kanaan in collaboration with M. Al-Salamat and M. Hanania, “Financing Higher Education in Jordan,” in A. Galal and T. Kanaan (eds.), *Financing Higher Education in Arab Countries*, Economic Research Forum Policy Research Report no. 34, July 2010, pp. 29-47.

³⁷ Our World in Data (database), “[Learning Outcomes, Minimum vs Advanced Achievement, 2015](#)”, University of Oxford and Global Change Data Lab website, accessed June 9, 2021.

³⁸ Salehi-Isfahani (2016).

needs.³⁹ This skills mismatch has resulted in low returns on education, such that one extra year of schooling yields around 5.4% of returns, compared to a world average rate of 7%.⁴⁰ This low return can be partly explained by the overproduction of the tertiary education systems, with qualifications that do not align with private-sector needs.⁴¹

FIG. 5.9 – AVERAGE TIMSS MATH SCORES
OF 8TH GRADE STUDENTS



Source: IEA's TIMSS and Progress in International Reading Literacy Study (PIRLS). IEA, TIMSS & PIRLS International Study Center, Lynch School of Education, Boston College. <https://timssandpirls.bc.edu/isc/publications.html>

The deficit in developing key skills among students has important implications for their ability to succeed in a digitalized world. North African public education systems are not fully harnessing digitalization and technology in teaching and learning. While using technology in school can boost student

³⁹ R. Assaad and G. Barsoum, “Rising Expectations and Diminishing Opportunities for Egypt’s Young”, in N. Dhillon and T. Youssef (eds.), *Generation in Waiting: The Unfulfilled Promise of Young People in the Middle East*, Washington DC, Brookings Institution Press, 2009, pp. 67-94; and Salehi-Isfahani (2016).

⁴⁰ UNESCO (2018).

⁴¹ World Bank, *Youth Employment in Tunisia: Concept Note for Activities under the New Window ‘Better Employment Policies’*, 2020.

engagement and collaboration, and teach skills essential for this decade and beyond, North African countries have not yet fully incorporated these tools into their education systems. Internet access, for instance, is inadequate; between 2010 and 2019, only 79% of primary schools in Morocco, 49% in Tunisia, and 48% in Egypt had access.⁴² While education expenditure as a percentage of GDP in Tunisia is higher than the MENA and world averages, most of this spending covers wages, not on modern educational inputs.⁴³ Youth across the region report low satisfaction levels with their respective education systems; in the most recent Arab Barometer survey, less than 30% of North Africans ages 18 to 29 were satisfied (Figure 5.10).

The COVID-19 pandemic, which has impacted learning across the world, has demonstrated the importance of digitalization and online schooling as vital aspects of teaching and learning. Yet some of the region's countries did not have appropriate infrastructure and platforms to shift to online teaching and learning. School closures due to the pandemic lasted more than thirty weeks in Morocco and Tunisia, and nearly fifty weeks in Libya.⁴⁴ As an alternative, Libya and Morocco broadcasted lessons on national television channels.⁴⁵

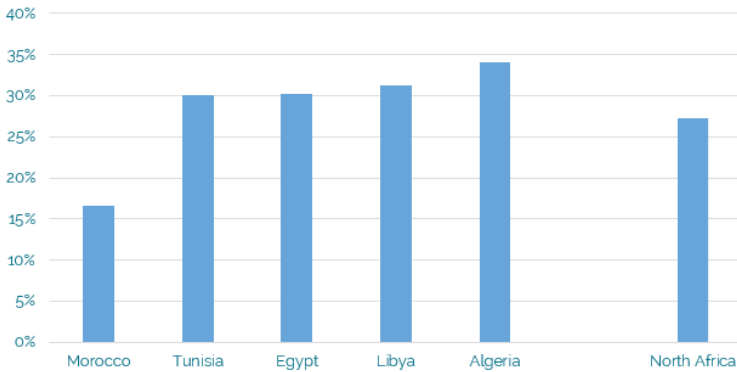
⁴² UNDP, *Human Development Report 2020: The Next Frontier: Human Development and the Anthropocene*, 2020.

⁴³ N. Yarrow, "Education in Tunisia: Technology as a Tool to Support School Improvement", World Bank (blog), October 24, 2017.

⁴⁴ UNESCO, "Education: From Disruption to Recovery", UNESCO COVID-19 webpage, accessed June 15, 2021.

⁴⁵ World Bank, "How Countries Are Using Edtech (Including Online Learning, Radio, Television, Texting) to Support Access to Remote Learning during the COVID-19 Pandemic", World Bank (brief), accessed June 15, 2021.

FIG. 5.10 - SATISFIED WITH THE EDUCATION SYSTEM
(AGE 18-29, 2018-2019)



Source: Arab Barometer, [Data Analysis Tool](#)

The future of education in the region calls for a quantum leap from traditional pedagogies to newer methods that develop digital literacy skills and competencies. That means integrating information and communications technology at all levels of education, adopting information literacy within curricula, incorporating open and flexible tools and assistive technology, and establishing mobile and online platforms with equitable access to all students.⁴⁶ Finally, it is time for significant reform in the governance of public educational institutions to ensure transparency and accountability, and to foster partnership and collaboration between public institutions and the private sector.

Reforming the education system is the first step in reforming a labor market that cannot absorb cohorts of public-school graduates. In addition to a misalignment of teaching and market needs, there is a need for more efficient academic and career counseling and outreach, and bridging programs that link high schools and universities with the private sector.⁴⁷ In addition,

⁴⁶ UNESCO (2021).

⁴⁷ S. El Tayeb EL-Kogali and C. Krafft (eds.), *Expectations and Aspirations: A New*

employment offices must provide more user-centered service for job seekers and hiring entities alike.⁴⁸ Digitalization and technology also must be incorporated in job search approaches to improve cost efficiency and widen options. Importantly, career guidance can foster more realistic expectations about entry-level opportunities and wages. Such guidance could reduce the length of job searches, curbing the desire to wait for the “right” opportunity that may never materialize.

Political Participation and Civic Engagement: Toward Real Youth Inclusion

Active citizenship and civic engagement are key components of a healthy transition to adulthood, and contribute to both personal development and increased social cohesion.⁴⁹ Civic activism also can foster stronger social values and serve as a foundation for good governance, while promoting peaceful coexistence and reducing extremism.⁵⁰ Conversely, the lack of venues and institutions to facilitate such engagement may marginalize youth and prevent them from achieving full inclusion in their communities. In such cases, young people may develop weak national identities and low levels of allegiance, which could raise the risk of identifying with extremist nonstate groups.⁵¹

Framework for Education in the Middle East and North Africa, Washington DC, World Bank Publications, 2019.

⁴⁸ World Bank (2020).

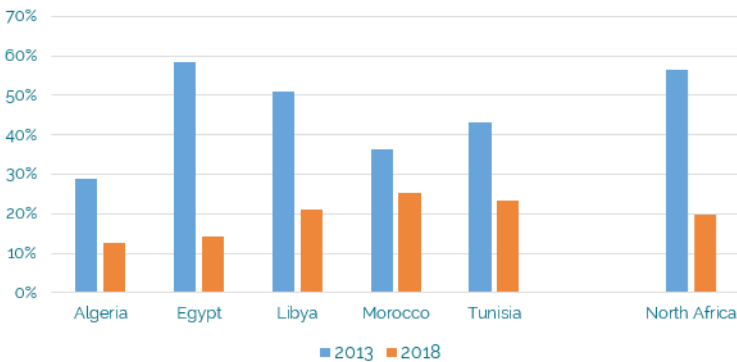
⁴⁹ World Bank, *World Development Report 2007: Development and the Next Generation*, 2006; United Nations Department of Economic and Social Affairs (UN DESA), *Youth Civic Engagement*, United Nations Publication, 2016; and T. Desrues and M. Garcia De Paredes, “Participation, Association-building and Dissent in North Africa: The Various Dimensions of Youth Activism, from the Fall of Ben Ali to the Revolt against Bouteflika (2011-2019)”, *Journal of North African Studies*, vol. 26, no. 2, March 4, 2021, pp. 188-205, and p. 191.

⁵⁰ UN DESA (2016); and Mercy Corps, *Civic Engagement of Youth in the Middle East and North Africa: An Analysis of Key Drivers and Outcomes*, 2012.

⁵¹ J.A. Banks, “Failed Citizenship, Civic Engagement, and Education”, *Kappa Delta Pi Record*, vol. 51, no. 4, 2015, pp. 151-54.

Civic engagement and political participation through channels such as electoral participation, membership in community-based organizations, and volunteerism are shaped by the surrounding socioeconomic and political environments.⁵² The 2011 Arab uprisings, for example, had a huge impact on youth political awareness. Young voter turnout in parliamentary elections, according to the 2011-2013 Arab Barometer, increased by 36 percentage points in Tunisia, 31 points in Egypt, and 9 points in Algeria.⁵³ Yet their electoral engagement declined in subsequent years, with regional average turnouts dropping from around 57% in 2013 to less than 20% in 2018-2019 (Figure 5.11).

FIG. 5.11 – TURNOUT IN LAST PARLIAMENTARY ELECTIONS
(AGES 18-29)

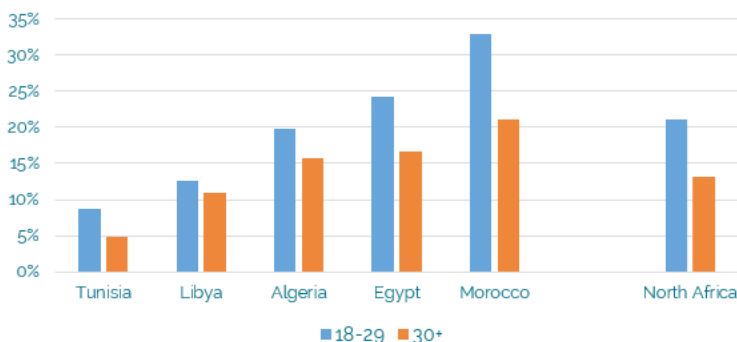


Source: Arab Barometer, “Wave III and V: Elections and the House of Representatives”, survey data accessed June 30, 2021.

⁵² Mercy Corps (2012).

⁵³ Arab Barometer, “Wave II and III: Elections and the House of Representatives”, survey data accessed June 30, 2021.

FIG. 5.12 – MEMBERSHIP IN AN ORGANIZATION, GROUP, OR CLUB
(2018-2019)



Source: Arab Barometer, "Wave V: Governance", survey data accessed June 30, 2021.

Such political disengagement reflects frustration with the lack of change taking place a decade after the uprisings and the continued socioeconomic exclusion of youth. In addition, North African youth are underrepresented, and nearly absent, in political organizations, decision-making, and legislative bodies, as rules and procedures do not favor their inclusion. For instance, eligibility for national parliament seats starts at twenty-five years in Algeria, Egypt, and Libya.⁵⁴ Even so, young adults (ages 25 to 35) represented only 3.6% of the 2015 elected parliament in Egypt, for example.⁵⁵ Young people also report low trust in public institutions and low levels of perceived freedom. In 2018-2019, around 50% of the region's youth reported that they have no trust in their governments

⁵⁴ "Algeria: Al-Majlis Al-Chaabi Al-Watani (National People's Assembly), Electoral System", Inter-Parliamentary Union website, accessed June 30, 2021; "Egypt: Majlis Al-Nuwab (House of Representatives), Electoral System", Inter-Parliamentary Union website, accessed June 30, 2021; "Libya: Majlis Al-Nuwaab (House of Representatives), Electoral System", Inter-Parliamentary Union website, accessed June 30, 2021.

⁵⁵ Egypt: Majlis Al-Nuwab (House of Representatives), Electoral System", cit.

(council of ministers).⁵⁶ In addition, in all five countries, youth have reported low and decreasing levels of guaranteed freedoms of speech (from 67% in 2013 to 40% in 2018-19) and participation in peaceful protests (from 58% to 31% in those same years).⁵⁷ North African countries are increasingly limiting freedom of speech and content online, a medium that is a main space for engagement among young people. None have internets that are classified as “free” by Freedom House.⁵⁸ Egypt now ranks among the most restrictive countries in the world after the passage of a cybercrime law in 2018 that, among other things, allows authorities to block websites considered a threat to national and economic security, and requires internet service providers to save and release personal information to security services.⁵⁹

Young North Africans also have low rates of social engagement, reflected in terms of membership in civic organizations, groups, and clubs. Less than 10% of Tunisian youth (ages 18 to 29) were members of a civic organization in 2018-19 (Figure 5.12). Civic participation rates are low across the region, reaching a high of only 33% in Morocco. The rates can be explained in part by the relatively low levels of perceived freedom to join such associations and organizations, averaging 48% for the region’s youth in 2018-19.⁶⁰ There are few appropriate youth-friendly venues and institutions, and a lack of awareness of the existing ones. The lack of opportunities for civic engagement and political participation may translate into future deficits in skills, awareness, and organizational know-how for formal political participation.

⁵⁶ Arab Barometer, “Wave V: Evaluation of Public Institutions and Political Attitudes”, survey data accessed June 30, 2021.

⁵⁷ Arab Barometer, “Wave III and V: Governance,” survey data accessed June 30, 2021.

⁵⁸ Freedom House, *Freedom on the Net 2020: The Pandemic’s Digital Shadow*, October, 2020.

⁵⁹ E. Miller, *Egypt Leads the Pack in Internet Censorship across the Middle East*, MENASource, Atlantic Council, August 28, 2018.

⁶⁰ Arab Barometer, “Wave III and V: Governance”..., cit.

North African countries must create more space for their young people to engage socially and participate politically. This should be done by first and foremost removing barriers to participation, such as requiring young people to apply for permits to form social clubs or to congregate in peaceful protest. Such permits and approvals, like those required for economic participation, serve mainly as a vehicle for marginalization and exclusion. North African countries must also provide platforms for young people to voice their legitimate grievances and seek redress without being persecuted or being labeled an enemy of the state. Finally, greater social and political inclusion requires changes in the sociopolitical environment, more inclusive institutions, and the development of youth's own capacities for engagement.⁶¹

Conclusion

Two decades ago, North African countries experienced a demographic youth bulge that created both pressures and a historic opportunity for faster economic growth. Unfortunately, these countries did not create enough economic opportunities or sociopolitical space to reap the national benefits of this demographic gift. As a result, the region has been plagued by outward migration and unrelenting social unrest over the past decade.

North African nations have a second chance at a demographic gift with a smaller youth bulge that will occur between 2025 and 2040. Will these countries move quickly to invest in their youth and reap the benefits of this bulge or suffer continued social unrest? The stakes are even higher this time: the second wave comes at a time of rapid automation and digitalization that is transforming the world of work. These global technological trends hold the promise of large economic

⁶¹ UNDP, *Enhancing Youth Political Participation throughout the Electoral Cycle: A Good Practice Guide*, UNDP (toolkit), January 2013.

rewards for countries that can harness them, and the threat of getting left behind for those that cannot. To reap the benefits of the coming demographic wave and ongoing digital revolution, North African states must allow private sectors to grow and create jobs; they must transform their schools and universities to provide youth with the skills they need to thrive in this decade and beyond; and they must create space for young people to participate socially and politically.