What is driving inequality in the Arab region?





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Is education the great leveller?

Youth unemployment in the Arab region is higher than in any other region in the world.

Education has long been considered the key to reducing youth unemployment and poverty and improving overall social mobility. It was presumed that equipping young people with an affordable and high-quality education, regardless of their socioeconomic background, would grant them wider access to job opportunities. Theoretically, higher education levels would make young people more competitive in the labour market, enabling those from poorer socioeconomic backgrounds to attain decent and productive employment and gradually lift themselves out of poverty.



Under this assumption, Governments have increasingly invested in education systems to break the intergenerational cycle of poverty and to foster dynamic and productive economies.

However, growing evidence shows that if not carefully managed, education can reinforce inequalities, as the wealthy have access to higher quality education systems than those living in poverty, which is reflected in the job opportunities available to them upon graduation.

The assumption that quality education can drive social mobility is increasingly being tested as job creation fails to keep pace with the growing number of well-educated graduates entering the labour force every year. The lack of job creation presents a major obstacle to reducing unemployment and achieving equality.

Social capital can also play a role in determining who benefits from the limited employment pool, potentially further entrenching inequality.

In reality, high-quality and universal education, and broadbased and sustainable economic growth are needed to create decent job opportunities for young people.

This policy brief will explore the drivers behind inequality in access to employment in the Arab region, whether it is access to quality education, access to decent jobs or economic growth. It will use Gallup World Poll data to explore people's perceptions in this regard.

High-income, high optimism

Citizens in high-income countries are increasingly optimistic regarding their opportunities.¹ Overall, highincome countries exhibit the highest levels of optimism, particularly amongst young people. Perceptions data suggest that these countries likely experience the lowest levels of youth inequality,² with access to quality education and decent employment being a comparatively limited concern for young people. The chart below illustrates the levels of satisfaction with education systems, economic conditions and the job market in high-income Arab countries between 2015 and 2022.

Citizens in high-income countries are increasingly satisfied with the quality of education available to them. In 2015, 75 per cent of respondents were satisfied with the education system in their city/area, rising to 91 per cent by

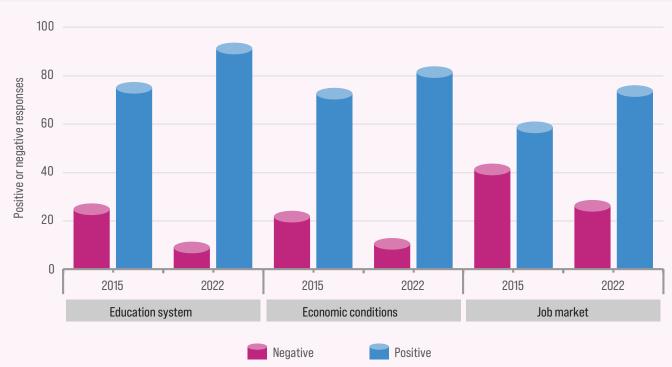
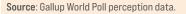


Figure 1. Levels of satisfaction with education systems, economic conditions and the job market in high-income Arab countries, 2015–2022 (Percentage)



2022. The COVID-19 pandemic did not affect people's view of their access to quality education. In 2022, 93 per cent of women reported being satisfied with the quality of education available to them. This rate was even higher among young women aged 15–29 years, with 94 per cent expressing their satisfaction with the quality of education.

Citizens in high-income Arab countries are increasingly satisfied with the employment opportunities available to them. In 2015, 59 per cent of respondents believed that it was a good time to look for a job, rising to 74 per cent by

2022. In 2022, 75 per cent of men were notably optimistic about employment opportunities. This rate was even higher amongst men aged 30 years and above, with 76 per cent expressing their optimism.

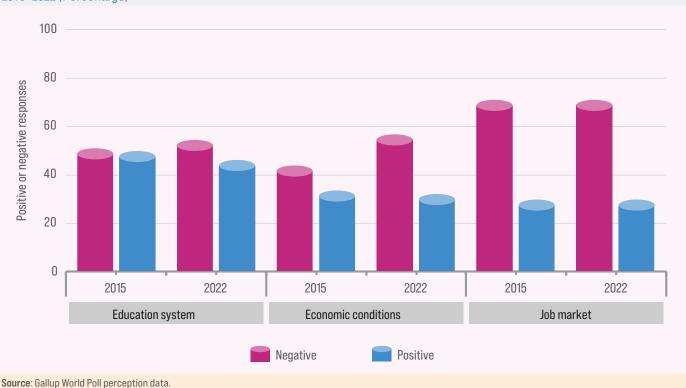
Citizens in high-income countries increasingly believe that economic conditions in their area are improving. In 2015, 73 per cent of respondents held this view, rising to 82 per cent by 2022. Women were the most optimistic about improving economic conditions, with 83 per cent expressing their optimism in 2022, across both older and younger age groups.

Middle-income, growing pessimism

Citizens in middle-income countries demonstrate growing pessimism regarding their capabilities and opportunities, including increasing concerns about the quality of education available to them, the economic conditions in their area and the likelihood of finding a job.³

Quality of education is the least concerning issue, compared to the more pressing matter of finding a job. However, young people generally worry less than their older peers, which offers a chance for policymakers to build upon their confidence. The chart below presents the levels of satisfaction with education systems, economic conditions and the job market in middle-income Arab countries between 2015 and 2022.

Citizens in middle-income countries are increasingly dissatisfied with the quality of education available to them. In 2015, 51 per cent of respondents were dissatisfied with the education system in their city/area, rising to 55 per cent by 2022. Dissatisfaction with the quality of education reached its peak at 63 per cent in 2020, likely due to school closures during COVID-19. In 2022, 57 per cent of men were





respondents in middle-income countries believe it is a bad time to look for a job

dissatisfied with the quality of education available to them. This rate was even higher amongst men aged 30 years and above, with 59 per cent expressing their dissatisfaction.

Citizens in middle-income Arab countries are dissatisfied

with the employment opportunities available to them. In 2015, 72 per cent of respondents believed that it was a

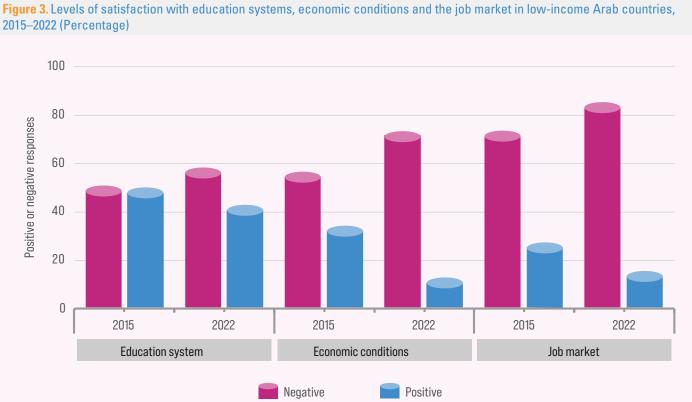
bad time to look for a job. This situation persisted in 2022. Women, particularly older women, displayed the highest levels of pessimism, with 74 per cent of those aged 30 years and above expressing their dissatisfaction with employment opportunities in 2022.

Citizens in middle-income countries are increasingly concerned that economic conditions in their area are deteriorating. In 2015, 44 per cent of respondents held this view, rising to 57 per cent by 2022. Older persons were the most pessimistic, with 59 per cent of those aged 30 years and above expressing their dissatisfaction in 2022.

Low-income, lowest optimism

Citizens in low-income countries are increasingly concerned about their capabilities and opportunities.⁴ Perceptions data shows that citizens in low-income countries believe that the education system is deteriorating, job opportunities are decreasing, and economic conditions are worsening. This situation is especially detrimental to young people, who may become increasingly unprepared to enter the labour market, which is itself struggling. They also face limited opportunities for self-employment due to the challenging economic conditions. Additionally, the rising pessimism threatens to undermine social mobility, potentially deepening the inequalities experienced by young people.

The chart below presents the levels of satisfaction with education systems, economic conditions and the job market in low-income countries between 2015 and 2022.



Citizens in low-income countries are increasingly dissatisfied with the quality of education available to them. In 2015, 50 per cent of respondents were dissatisfied with the education system in their city/area, rising to 58 per cent in 2022. In 2022, 62 per cent of men were dissatisfied with the quality of education available to them. This rate was even higher amongst younger men aged 15– 29 years, with 64 per cent expressing their dissatisfaction. In contrast, younger women showed a higher level of satisfaction with the quality of education, with 51 per cent of young women aged 15–29 years expressing their satisfaction in 2022.

Citizens in low-income Arab countries are increasingly dissatisfied with the employment opportunities available to them. In 2015, 74 per cent of respondents believed that it was a bad time to look for a job, rising to 87 per cent by 2022. Men, especially older men, were the most pessimistic, with 88

per cent expressing negative views in 2022 and 90 per cent aged 30 years and above concerned that economic conditions were worsening. In contrast, younger women were more optimistic but still expressed significant dissatisfaction with employment opportunities, with 80 per cent of women aged 15–29 years holding negative views in 2022.

Citizens in low-income countries are increasingly concerned that economic conditions in their area are deteriorating. In 2015, 56 per cent of respondents held that view, rising to 74 per cent by 2022. Men, particularly older men, were the most pessimistic, with 78 per cent expressing dissatisfaction in 2022 and 80 per cent of those aged 30 years and above concerned that economic conditions were worsening. Meanwhile, younger women were more optimistic, but were still largely dissatisfied with the economic conditions in their area, with 66 per cent of women aged 15–29 years holding negative views in 2022.

Policy recommendations

High-income countries

 Create jobs for young people. Improvements in job placements and job creation would highly contribute to increasing overall satisfaction in high-income countries. Policymakers can boost young people's optimism and increase the number of jobs available by targeting highly productive sectors and supporting entrepreneurship.



Middle-income countries

- 2. Reform the education system. Given the increasing dissatisfaction with education systems and the inability to find employment opportunities, education systems should be reformed to match the needs of the labour market. Education reform includes greater vocational training, science, technology, engineering and mathematics education, and digital literacy.
- Bridge the gap between job seekers and job providers. The ability to find employment is a key challenge in middle-income countries; job creation and job placements should be prioritized. Platforms that bring together job seekers and providers, such as <u>Josour</u>, can be pivotal in supporting young people in finding employment.
- 4. Support innovation labs and start-up competitions. Events that give young people opportunities to present their ideas and innovations, receive business advice and compete for funding can drive youth entrepreneurship.

Low-income countries

- **5. Strengthen educational infrastructure and curricula**. Low-income countries report the lowest satisfaction ratings in the quality of education they offer. Increased investments in educational facilities, curricula updates and enhanced teacher training, especially in subjects crucial to the region's economic development, can significantly improve the quality and relevance of education systems.
- **6. Enhance educational access and inclusion.** To complement improvements in education, it is essential to ensure greater accessibility. Vulnerable and marginalized groups, including girls and young women, should have equal access to quality education through scholarships, safe transportation services and community engagement programmes.
- 7. Embrace innovative employment creation programmes. In low-income countries, job availability is a major concern. Creating formal employment is essential, but with limited public finances, innovative methods for job creation are necessary.
- 8. **Embrace selective and short-term public works programmes.** Public works programmes can offer short-term employment opportunities, whilst also contributing to infrastructure development and long-term economic growth.



Endnotes

- 1 Data are available for Bahrain, Kuwait, Saudi Arabia and the United Arab Emirates among the Arab high-income countries.
- 2 This policy brief is based on Gallup World Poll perception data for the years 2015–2022.
- 3 Data are available for Algeria, the Comoros, Egypt, Iraq, Jordan, Lebanon, Libya, Mauritania, Morocco, the State of Palestine and Tunisia among the Arab middle-income countries.
- 4 Data are available for the Syrian Arab Republic, Somalia and Yemen among the Arab low-income countries.



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