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IT Solution to Arab Youth Unemployment

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Youth employment is not only key for economic growth in the Middle East and North Africa, but also considered a linchpin for combating violent extremism amongst youth.[1] The February 2015 White House Ministerial Summit on Countering Violent Extremism attested to both the importance of the issue and, sadly, the paucity of the response to date. There are certain promising public private partnership, however, which are exceptions to the rule and are leveraging important global economic shifts in the way we work and connect to each other. The information and communications technology sector, in particular, can play a pivotal role in reducing youth underemployment due its innovative capacity and large scope for job creation. An example of effective public private partnership involving the IT sector to address this issue is the Microsoft-Silatech Youth Works Employment Platform—a robust corporate social responsibility initiative directly aimed to tackle youth unemployment in the region using cutting edge technology. In two short years, the program has reached over 13 million youth and, through an expansive partnership network and an interesting shared engagement model, it may help provide a frame to address this fundamental issue.

KEY RECOMMENDATIONS

- ◆ Countries in the Middle East and North Africa must prepare for the growth of the information technology sector by investing in Ultra-Fast Broadband, a competitive business-enabling environment, an attractive wage structure, and an adequately trained, IT competent workforce.
- ◆ Technological business models should attempt to reduce communication gaps, align educational and vocational initiatives, remain resilient in the face of social and political disruption, and operate at scale.
- ◆ Social responsibility initiatives aimed to tackle youth unemployment in the region using technology benefit greatly from collaborative efforts between the public and private sectors.

THE BACKDROP

UNEMPLOYMENT IN THE MENA REGION

Youth unemployment remains daunting in the MENA region and is a fuel for continuing instability. The International Labour Organization estimated youth unemployment in the Middle East and North Africa at 28.2 percent and 30.5 percent respectively, the highest in the world.[2] World Bank data shows 2014 youth unemployment numbers at 42 percent in Egypt and 28 percent in Jordan.[3] In the latter case, that number excludes the Syrian refugee population as it does in Iraq, Turkey and Lebanon, which would add significantly to these percentages.

Leaving human tragedy and political risks aside, the staggeringly low participation of youth in the labor force also has serious economic consequences for MENA. Some estimates suggest that halving the youth unemployment in MENA could bring nearly \$25 billion to the region by 2018.[4] However, with two-thirds of the region's population under 30, the World Bank contends that more than 100 million jobs need to be created by 2015 in order to meet employment demands.[5] Current economic data suggests the region will fall well below this target.

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IT AS A DRIVER OF ECONOMIC DEVELOPMENT

The cause of persistent youth unemployment is varied. Observers identify a range of factors, but most point to growth atrophy in the private sector. This is an unfortunate outcome considering that the private sector represents the highest potential for growth in jobs in the MENA region.[6] In Tunisia, for example, start-ups have accounted for

over 90 percent of new jobs since 1996, and nearly all new jobs in Lebanon since 2005.[7]

The old formula of state-led, labor intensive job creation is becoming increasingly obsolete. There are simply not enough state resources to create a sufficient number of jobs, nor will those created be sustainable. That does not mean, however, that opportunities do not abound from which the region can benefit.

While MENA pushes through varied socio-political and economic reform processes, the global economy is going through one of its most significant transformations led by rapid developments in the IT sector. This transformation is changing the way we work globally, especially in terms of geographic location, and it has the potential to sweep MENA into the future.

In the world of global hyper-connectivity, emerging markets are the focus of Ultra-Fast Broadband (UFB) growth. The economic impact of UFB investment has been well established in an array of studies, which demonstrate that a 10 percent annual broadband penetration increases annual GDP growth by 0.24-1.5 per capita and creates 1.5 to 4.5 indirect jobs for each job created. [8]

ICT-enabled work offers opportunities across the labor market—from 'income generation tasking' to direct employment. The realm of opportunities will range from

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traditional ICT-enabled jobs such as Call Centers (which provide basic business services globally leveraging low labor costs), to newer renditions such as ICT-enabled 'Micro-Work Virtual Markets' (where an individual may be able to access low/medium skill tasks and work with flexibility). It also includes the opportunity for self-employed professionals to look for jobs in online niche markets. Additionally, it includes the burgeoning 'App Economy' where entrepreneurs and SMEs work on web or mobile apps sold via online app stores across local and global markets for consumers and businesses.

QUO VADIS MENA IN THE IT SECTOR?

These are precisely the type of opportunities that the region requires and for which some MENA countries are beginning to prepare. Saudi Arabia, the Gulf states, Morocco, Egypt and Jordan have made investments into this sector. Though the Gulf states currently enjoy mobile and fixed broadband penetration as high as 85 percent, the rest of the region usually hovers somewhere between 15 and 50 percent penetration for

either mobile or fixed broadband. However, the majority of North African and Levantine states have now reached important cost thresholds for broadband consumers that are recognized as key to dramatic increases in broadband adoption.[9]

Positioning for these opportunities in a competitive global market, however, requires more than UFB. It also needs a competitive business-enabling environment and an attractive wage structure. Additionally, it requires an adequately trained, IT competent workforce. Within the constraints of the existing regional educational context of MENA, this is not a given.

Private sector actors and youth-serving organizations in MENA have inadequate means to effectively combat the unemployment crisis. What has been lacking are the technological assets that can promote skilling and employment in a manner that can also offset the steep transaction costs of working over long distances and in unstable political environments.

The region requires modern technological business models that reduce communication gaps, align educational and vocational initiatives, remain resilient in the face of social and political disruption, and operate at scale (i.e. for millions of job-seekers, across thousands of businesses and hundreds of trainers and providers).

USING IT TO PREPARE MENA YOUTH FOR THE GLOBAL STAGE: THE YOUTHWORKS EMPLOYABILITY PLATFORM

Online job placement and training platforms represent one model that approach these criteria as they facilitate low-risk, effective connections between employers and potential employees. The below example highlights the potential of technology solutions for empowering economic growth as well as the challenges for effective implementation of such solutions in the MENA region.

In 2013, Microsoft's regional Citizenship team, under its Global YouthSpark initiative, launched a pilot platform in Egypt designed to narrow the gap between employment demands and the vocational skills of Egyptian youth. Simultaneously, Silatech, a regional not-profit foundation, focused on youth issues and launched a pilot 2G mobile phone platform in Tunisia. The two organizations quickly recognized the compatibility in their approaches and joined forces to drive a regional skilling and employment initiative named YouthWorks or Ta3mal in Arabic.

YouthWorks functions as a tri-lingual one stop shop providing career advice, over 1,000 free courses, mentoring from private sector volunteers and job placement opportunities. It is a versatile platform hosted in the Microsoft Azure Cloud as a CSR offer

that has phone functionality and is being integrated into a growing number of training centers region-wide.

YouthWorks is designed to support a broad array of partners at the country level who are linked together to facilitate their shared mission in supporting youth online. YouthWorks platforms have been established in nine MENA countries since the program began. This has been done within a robust local partnership framework, which often includes ministries, educational institutions, international donors, private sector associations and youth-focused NGOs.[10]

The advantage of it being an online-based solution is that it is portable, adaptable and transferable. It was even implemented, for example, in Syrian refugee camps in Iraq where, in 2015, the site placed 1,000 refugees in jobs through Foras—a US-AID-funded employment project that utilizes YouthWorks.

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Given YouthWorks is a CSR offer from Microsoft with support from Silatech, the offer is free. Interestingly, individuals can also access the regional site free of charge from wherever they are on the globe and benefit from training opportunities.

Online job search platforms, such as Bayt.com and Akhtaboot, have gained traction in the region in recent years, as have Massive Open Online Courses (MOOCs) designed to boost an individual’s employability. YouthWorks, however, has sought to combine these large online resources onto a single platform and further link them to the broadest possible range of youth-serving career development organizations and initiatives on the ground. These digital linkages allowed for increasing organizational specialization for YouthWorks partners while simultaneously offering a cohesive interface for youth users through career advisement, vocational and entrepreneurship training, and finally in locating their first job or starting their first business. YouthWorks thus seeks to use the power of IT to replace disarticulation and competition amongst youth-serving organizations with a model based on collaboration and partnership.

YouthWorks has met with success across the region and in varying contexts. According to Microsoft’s internal monitoring of Youthworks’ performance, in the last 12 months, through these local partner net-

works, the platform has reached over 8.5 million youth for its mentoring and skilling functionalities. In its first year of focused job placement, principally in four locations, YouthWorks has identified 144,000 job opportunities for youth. These numbers are projected to triple in the coming year as the varying country platforms mature.

YouthWorks has also proven successful in areas of persistent instability. In Iraq, for example, the digital presence of the YouthWorks Platform provided a space for youth to continue pursuing education online and locating jobs available across the country, while in the midst of widespread insecurity following the rise of ISIS in the summer of 2014. The platform in Iraq was run as part of the USAID Foras project administered by the NGO FHI 360. Even after the majority of staff had evacuated the country for security reasons, the platform was still able to host virtual job fairs, offer online learning content, and provide a space for users to continue to interact across large distances and in hostile environments. In fact, in June 2014, one of the most violent months in ISIS' campaign, the YouthWorks platform recorded one of its highest months of job attainment over the course of the project. For youth seeking to escape the chaos, the platform offers a stable arena where normal economic activity can continue.

In calmer circumstances, the potential of an online platform is enhanced through its capability to directly connect to the phys-

ical employability environment in a given country. In Egypt, the initiative has captured the attention of a government keen on putting its nation's youth to work amidst political instability. Since the launch of the platform in 2013, the Ministry of Youth has adapted and financed over 80 public spaces around the country for use in cooperation

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with the YouthWorks initiative, all of which can be publicly located on the country sub-page.

The ministry has provided each of these centers with staff that are then trained to offer career guidance services to youth users in person and to provide some guidance on the usage of the platform, which significantly enhance the effectiveness of the various initiatives surrounding the platform. Linking online services to personnel on the ground, whether in an advisory or training capacity, not only offers a more tangible place for youth to begin their career development, but it also diversifies the offerings of the larger employability initiative—an important point to consider when trying to effectively reach millions of youth in the region. The success in Egypt speaks for itself.

According to Microsoft's internal data, It has reached over 2 million youth and provided over 30,000 job opportunities in the last eight months up to July 2015.

CHALLENGES AND OPPORTUNITIES

Not every country has experienced the same success in landing the platform as Egypt and Iraq. This is largely due to the varied levels of adoption by organizations which in itself reflects the differing partnership relations in each country. The success of the platform still suffers from the lack of a culture of trust, which is required for employers, government organizations, donors and NGOs to work cohesively together.

However, there are signs of progress along these lines. The platform has been at the crux of new partnership agreements between different actors and has plenty of successes to its credit. This in part reflects both Microsoft and Silatech's recognition that they should foster local leadership and co-creation from a supportive rather than a leadership role. A May 2015 signing of a multi-million dollar collaboration between Coca-Cola and Microsoft to use the platform in selected countries in MENA and Sub-Saharan Africa is perhaps the most recent indicator of trust being established between two large entities for the benefit of youth.[11]

As part of both its YouthWorks landing and sustainability plan, Microsoft and Silatech have opted for an administrative and technical support role while calling out for local leadership of the platforms at a national level. They are in constant pursuit of 'champion' organizations in each country who will play the lead roles. Interestingly enough, the champions in one country may be the laggards in others. In Egypt, the government has consistently been a key driver, despite its own political challenges. In other MENA countries, the government has significantly slowed the pace of actions or not participated at all.

In some instances, donors, particularly USAID, have been key drivers. The platform is currently aligned to over \$100 million of USAID spend in Iraq, Tunisia, Palestine and soon, Morocco. While in other countries, donor engagement is largely absent.

ACCEPTING ONLINE CERTIFICATION STANDARDS

Some of the reticence from certain institutions relates more to the concept of online training as it is foreign to their standard models. Online training, while easy to use, is considered difficult to verify. Where courses are not provided directly by Microsoft or other corporations, which often include certification, Microsoft and its partners have had to rely on certifications from MOOCs.

FROM COMPETITION TO COLLABORATION

Adapting YouthWorks across a breadth of youth-serving organizations has also required a conceptual leap of faith away from competition amongst service providers. This is best achieved by demonstrating that serving youth effectively requires partnership and teamwork, which is what the YouthWorks platform enables.

FROM SKILLS TO JOBS

The technical aspect of online trust will continue to advance, but what is essential to the health of the platform are the linkages to the physical employment ecosystem. Creating these linkages requires individuals and organizations dedicated to driving partnerships on the ground, engaging youth, and generally ramping up the quality of the content and services that the platform has to offer. In countries where a sustained effort has been made to land the platform with strong organizational backing, the results have been promising. This result is not surprising given that relationships are a key factor in the economic activity of the MENA region, and are essential to driving adoption of new models and technology.

Whereas the ultimate impact of the YouthWorks platform remains an open question, it does represent a model that has the potential to combat youth unemployment today. Due to its linkage to the IT sector, it can do so with or without pre-existent structur-

al change in the region's economies. This is critical given the spotty track records of economic reform in the region.

As adoption grows amongst youth, private enterprises, and youth-focused organizations, the potential for further expansion grows as well. Infrastructure projects could source and train employees through the platform with a fraction of the transaction costs typically associated with public sector projects. Entrepreneurs and SMEs could quickly comb through large databases of potential candidates and resources for growing their enterprise. They can even engage youth online and groom them for possible positions well before a particular position opens.

HOW GOVERNMENTS CAN HELP

Government response to YouthWorks has varied across the region, but there have been interesting examples. In many instances, governments are integral members of the overall rollout and process. Without question, government participation provides an important stamp of approval and in several cases, a lot more. The partnership with the Ministry of Youth in Egypt, for example, is robust, with government sponsorship of platform activities in 430 community centers and 13 public universities. In Palestine, the Ministry of Labor is a key player helping to converge varying actors. In Morocco, the Ministry of National Education and Vocational Training, which is under the direct oversight of the King's Secretariat, has

taken responsibility to develop significant materials to be made available on the local site and has been keen to project their contributions into other countries.

However, there is a touch of finesse to establishing a functional and participatory engagement model befitting the strengths of both the public and private sectors. While government engagement is highly valued, leadership must still be a shared element with a focus on collaboration. Governments have much to offer in terms of structure, resources and political weight. The key has been to evolve the platforms in a participatory context, which enables the private sector and NGOs to innovate and lead in the areas where they excel, such as skills training, job creation and placement. Without this sense of co-participation, private actors are hesitant to engage based on prior poor experiences with government-led initiatives.

Several successful examples of YouthWorks implementation in Africa have seen how effective the platform can be when there is a collaborative effort between governments and the private sector. This was certainly the case in Kenya, South Africa, and Nigeria, where public pledges to tackle youth unemployment were met with active engagement with the private sector. It was recognized that youth employment is not an issue that can be driven effectively from any sole ministry and without private engagement.

When the political will to act comes from high levels of government, normal barriers to impact and action are removed and the door to private sector engagement is open.

“While government engagement is highly valued, leadership must still be a shared element with a focus on collaboration.”

MENA governments need to be trusting and willing to allow the private sector to play its role in helping to address the key demographic issue of youth unemployment, which—as we have seen—has serious consequences on social cohesion, economic development, and political stability.

This nascent platform, born from CSR-driven intentions related to the Arab Spring, has the potential to grow into an adolescent social enterprise, serving youth in the way they want to be served. With a sustained push from relevant actors concerned with youth unemployment, it could establish itself as a model for future economic development in the MENA region and beyond.

NOTES

[1] From a social standpoint, high unemployment and underemployment have resulted in social isolation, sustained parental dependence, and increasing frustration among youth in the region. A lack of employment opportunities delays marriage, home-ownership, and general integration as a productive member of society. In a region in which a premium is placed on social status, economic instability and social isolation has a particularly corrosive effect on political stability, a lesson well-demonstrated in the Arab Uprisings of 2011 and the rapid growth of ISIS fueled extremism and regional conflict. Also see:

Corinne Graff, “Poverty, Development and Violent Extremism in Weak States,” in *Confronting Poverty: Weak States and U.S. National Security*, eds. Susan Rice, Carolos Pascual & Corinne Graff (Brookings Institution Press, 2010), 42-89, http://www.brookings.edu/~media/research/files/papers/2010/3/confronting-poverty-graff/2010_confronting_poverty.pdf

[2] “MENA region retains highest youth unemployment rate in the world,” International Labour Organization, last modified October 8, 2015, http://www.ilo.org/beirut/media-centre/news/WCMS_412797/lang--en/index.htm

[3] “Unemployment, youth total,” World Bank, accessed December 21, 2015, <http://data.worldbank.org/indicator/SL.UEM.1524.ZS>

[4] Silatech News, “MENA’s Long Run: A Region Off Track, Generation Unemployed,” Silatech, November 4, 2014, accessed January 6, 2016, <http://www.silatech.com/home/news-events/silatech-news/silatech-news-details/2014/11/04/mena-s-long-run-a-region-off-track-generation-unemployed>

[5] “Shaping the Future: A Long Term Perspective of People and Job Mobility for the Middle East and North Africa,” World Bank, accessed July 8, 2015 http://siteresources.worldbank.org/INTMENA/Resources/SF_background-1.pdf

[6] Dimitris Tsitsiragos, “Private sector key to development in Middle East, North Africa,” Al-Monitor, December 13, 2013, accessed December 21, 2015, <http://www.al-monitor.com/pulse/originals/2013/12/private-sector-key-develop-middle-east-north-africa.html>

[7] Marc Schiffbauer, Abdoulaye Sy; Sahar Hussain, Hania Sahnoun, Philip Keefer, *Jobs or Privileges: Unleashing the Employment Potential of the Middle East and North Africa*, Washington, DC: World Bank, 2015 <https://openknowledge.worldbank.org/handle/10986/20591>
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[8] Natlija Gelvanovska, Michel Rogy, and Carlo Maria Rossotto, Broadband Networks in the Middle East and North Africa : Accelerating High-Speed Internet Access,” Open Knowledge Repository: World Bank. January 29, 2014 (pp 37-8)

[9] Natalija Gelvanovska and Rogy Michel, Broadband Networks in the Middle East and North Africa: Accelerating High-speed Internet Access, Washington, DC: World Bank, 2014, <https://openknowledge.worldbank.org/handle/10986/16680> License: CC BY 3.0 IGO. Special attention should be paid to the figures on pages 37 and 38, which show broadband penetration across the region and the threshold for broadband increases as a function of cost per household (5 percent and 3 percent of monthly household income).

[10] YouthWorks platforms are operative in Iraq, Egypt, Tunisia, Palestine, Qatar, Turkey, Algeria, Lebanon. Sites in Morocco and Jordan and Pakistan are fully operational and are ready to launch in the coming months. There is also a regional YouthWorks site in Arabic that can be accessed freely by youth anywhere.

[11] “The Coca-Cola Africa Foundation Pledges Support to Empower African Youth,” The Coca-Cola Company, last modified June 5, 2015, <http://www.coca-colacompany.com/stories/the-coca-cola-africa-foundation-pledges-support-to-empower-african-youth/>