

Third Joint Arab Fund/World Bank Arab Development Symposium
Education and Employability in the Arab World
Talking Points
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This Symposium gives us a unique opportunity to reflect on the education and employability challenges facing many countries around the world, especially in the Arab world.

Over the past two years we have carried out three MENA flagship reports related to the topic, namely *Jobs for Shared Prosperity* (2013), *Jobs or Privileges* (2014), and the forthcoming report on *Trust, Voice and Incentives in Service Delivery*. These reports, we hope, contribute to the debate on the way forward to address the education and employability challenge, with the ultimate goal of building a consensus on what needs to be done.

A. MENA's labor markets are very inefficient and inequitable

Labor market policies in MENA fail to make full and efficient use of abundant human resources, promote unproductive jobs, and do not contribute to sustainable economic and social development.

1) Human resources go to waste

- MENA suffers from the lowest labor force participation across all regions, a problem that is particularly acute for women and young people.
 - Half of working age population is economically inactive in MENA
 - Three out of every four working age women are outside of the labor force
 - More than half of MENA's youth are 'jobless' – neither working, nor in school.

2) Jobs that offer a good income or benefits are often unproductive and inequitably distributed

- Of those who work in MENA, very few are in jobs providing either a good income, or some type of social protection (In 2010: 19 percent of working age population in MENA are in formal employment, compared to 27 percent who are in the informal sector, 6 percent unemployed and 48 percent inactive):
 - Private sector jobs are predominantly informal and of low productivity, which translates into workers receiving low wages
 - The public sector provides the majority of formal jobs, which are attractive due to better salaries and conditions but add limited value to the economy and society.
- Moreover, **access to formal jobs largely reflects an individual's circumstances beyond their control**, such as gender, location at birth, and parental education, rather than individual effort.

3) The social contract relying on privilege in the private sector, public sector employment and subsidies is not sustainable

- The current model is not fiscally affordable and economically sustainable – subsidies and the public sector wage bill are a huge share of the government budget (public expenditure on subsidies alone in many MENA countries exceed 6 percent of GDP)
- The underlying distortions prevent productive use of human capital (many educated individuals have no jobs – indeed unemployment rates among university graduates tend to be particularly high in several MENA countries, exceeding 40 percent for instance in Egypt and Tunisia) and have led to a widespread sense of unfairness and exclusion (Polls – such as Gallup 2013 – show that the majority of MENA citizens in surveyed countries believe that jobs in the public and private sector alike are distributed based on “wasta” – personal connections.)

B. MENA countries have succeeded in widening access to education but fall short of meeting the evolving needs of the labor markets

The upcoming MENA regional report, *Trust, Voice and Incentives in Service Delivery*, explores the education and employability challenge from the perspective of service delivery.

1) MENA citizens want and expect better education

- Universal access to education is a constitutional right in most MENA countries and MENA citizens place a high value on education (Opinion polls show that about two thirds of citizens across MENA countries place education at the top of their priorities in need of investment. In the list of priorities reported by citizens, better job opportunities and health care come jointly with education as the top three.)
- Surveys show, that about 40 percent of MENA citizens (ranging from nearly 60 percent in Yemen, Morocco and Egypt, to less than 20 percent in Bahrain, UAE and Qatar) are not satisfied with the existing education services and demand their governments to provide better education
- Surveys also suggest, however, that MENA citizens engage little to demand accountability for education service delivery performance

2) Overall education has improved but falls short of the labor market needs

- Education outcomes have improved over the past decades (net enrollment rates for primary education in the region rising from 60 percent in 1970 to 95 percent in 2010), with most boys and girls in MENA countries completing primary education and enrolling in secondary education, and many continuing into tertiary education
- But education quality - as measured by international student performance tests, such as TIMSS and PISA – has been shown as a challenge, to a different degree in both public and private provision
- Principals in about one third of MENA schools report teacher absenteeism and shortage of instruction materials as a serious problem (according to the 2011 TIMSS)

3) Local successes exist and offer important lessons and inspiration

- Education performance is not uniform within countries
- Islands of excellence – communities and schools with motivated local leaders, principals and educators achieving excellent results amidst adversity – do exist: Let me name, for instance, the Kufor Qoud Girls' Secondary School in rural Jenin on the West Bank, and Jordan's Zeid Bin Haritha Secondary School in Yarqa's tribal community. Both schools have been teaching children to highest standards with an active involvement of parents as well as the school district and thanks to motivating and encouraging work environment for the teachers.
- Examples of such local excellence and success reveal the importance of building trust, engagement and accountability in service delivery at the local level

C. New openings to enhance education and employability will require a renewed commitment beyond education strategies and policies

Improving education and employability demands a stronger social contract at the central level as well as effective leadership at the local level

1) The renewed social contract needs to provide positive motivation among public servants and service providers

- Stronger social contract between public servants, citizens and service providers may require increasing external and internal accountability in public sector and service delivery institutions, and implementing institutional and policy reforms to inspire citizen trust and engagement and make providers more responsive ... most urgently in countries in transition or emerging from a conflict
- Reforms can aim at increasing citizen engagement, incentivizing public servants and providers, and subsequently improving performance and trust.

2) Communities and local leaders may have a unique ability to develop solutions

- Communities and local leaders need to be empowered to find “best fit” solutions, which can inspire wider institutional and policy reforms in MENA countries

D. Conclusion—Key Message

How can education and training systems in MENA build employability and how can it be made to count in the labor market?

Long-term policies to address the challenges in the *education to work* transition need to go in three fundamental directions:

- a. Close the information and knowledge gaps;
- b. Replace the logic of selection with the logic of learning; and
- c. Make employability count through a renewed partnership between education and training and the private sector.