

Middle East & North Africa



Rola Dashti
Chairman of FARO International, and Vice-Chair of the Global Agenda Council on the Middle East and North Africa

Key challenges



1
Persistent youth unemployment



2
Managing political transitions



3
Societal tensions

Governments and businesses ranked **Persistent youth unemployment** lower than other stakeholders:

Stakeholder	Rank out of 5 challenges
Civil Society	#1
Universities	#1
International organizations	#1
Business	#2
Government	#2

The number one challenge for the business sector is **managing political transitions**

The number one challenge for the government sector is **societal tensions**

Source: Survey on the Global Agenda 2014

The Middle East and North Africa (MENA) is the region of superlatives: though its workforce has grown at the fastest annual rate in the world (2.7% in the past 10 years), youth unemployment is also the highest, at around 25% of the population. The latter is a persistent problem, and has been identified by our respondents as the biggest challenge MENA faces, alongside the management of political transitions and societal tension.

Dr Rola Dashti, former Kuwaiti Minister of State Planning and Development Affairs, attributes youth unemployment to a dysfunctional education system, inherent skill mismatches, labour market rigidities, and a growing labour force.

“Unfortunately, this demographic asset has become a demographic burden,” Dashti explains. “We need to start working on lowering that growth rate because it’s not going to be affordable – not only in terms of job creation, but also in terms of the quality of life.”

Reforms have so far failed to target a more dynamic private sector to jump-start the economy; state institutions currently employ most of the region’s youth. In Jordan and Egypt, the public sector accounts for about 35% of the workforce. In Dashti’s assessment, adequate reforms should ensure sustained job-intensive growth, refocus education and training, and enhance labour market flexibility.

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“You need to create opportunities for entrepreneurship and be more supportive of small and medium enterprises,” she says. “We need to have policies that support the growth of private sector investment and ensure this growth is distributed to the masses.”

MENA’s authorities must find a way to foster entrepreneurial spirit – but to do this, the public must be convinced that they will directly benefit from a healthier private sector. As things stand, many citizens believe that private sector growth will come at their expense.

“In general, the people of the region are not seeing a bright future. They’re seeing a lack of opportunity to succeed, lower strands of quality of life, and then this is causing society to become more broken.”

Dashti further believes that there is a direct correlation between this social despair and the rise of sectarianism across the region.

“Our societies are becoming more fragmented, and this needs to be targeted in the form of social and political reforms that need to be worked in conjunction with policies of economic reform.”

While countries across MENA have their own specific issues to confront, Dashti also notes the tendency for problems in individual nations to spill over and affect their immediate neighbours, as seen recently in Syria and Iraq. She is therefore in favour of complementary region-wide initiatives encouraging socio-political stability and regional trade.

“While internal reforms remain an important issue, regional investment trade and projects will help support the stability of nations. Projects that are shared among regional countries are important because these are huge investments which can prolong and create jobs at the same time as creating mobility of wealth and resources.”

These initiatives could ultimately create the stability that MENA needs.

“We’ve already seen revolutions in some countries, and others are at stake,” says Dashti. “If we do not take serious actions of reform, social unrest will follow.” ■