

ARAB YOUTH UNEMPLOYMENT: ROOTS, RISKS AND RESPONSES

ROUNDTABLE: POLICY IMPLICATIONS AND RECOMMENDATIONS

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2PM-5PM

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Mrs. Gisela Nauk:

The purpose of this session is to raise the discussion to a more regional level and discuss the problems which have been identified more or less by each of the speakers. I tried to summarize some of the problems into three points and I am asking the speakers to briefly address on how to go further. So the first problem which was raised by everybody and which is a common diagnosis: is the weakness of institutions. So weak financial institutions, weak unions so civil society institutions, weak education systems, weak entrepreneurial system. But what is the role of public policy in this regard?

The decisions about job creation and economic development are made in the economic sector ideally by private sector actors and the result of their decision has a deep impact on the social sectors, whether there is employment or not. On the other hand the decisions about education, about health care, social protection are made in the social sector and have implications for the economic sector. So it is very clear that these institutions connected to these two relevant sectors, have to be coordinated better. The question is how can this be done. What is the way forward? The question which was asked before to Mr. Kabbani: "Ok economic reform but what about the income of the social sector? Since it is a major input into the economic sector".

The second range of questions was about economic and industrial policy, so there has been some experience for economic reform: liberalization, privatization, deregulation and the entire range of options. However so far the experience has been that it leads to the transformation from one closed economic system to another closed economic system meaning that it's what is called "crony capitalism". There is a question about stakeholders, people with good connections have taken the opportunity of this policy and it hasn't benefited the social sector. So how can this be avoided in the future and what are the hopes that the similar reform efforts in Syria and Lebanon will be better than what has been tried in Tunisia, Egypt....whatever? So this is the second range of questions I would like to pose to the speakers.

The third one is a question which was raised by one lady here, is more related to political economy. There was a diagnosis some time ago that the calculation has been so far that the stability of the politics and society in the region here depended on the ability of the government to satisfy the elite, the middle class of the elite. So my question is has this calculation now changed and is there an opportunity for a new policy? Or are we simply facing a new elite demanding for their share where the regimes would try find a way to satisfy it and in 15 years as Mr. Kabbani says we will exactly face the same problem? Or is there a possibility to approach economic and social policy in different way? What would be that different way?

So these are the questions and there are a number of other questions I find very interesting but Mr. Saif said education is no longer a tool for social mobility but on the other hand nevertheless it opens chances. This is related to the question is it simply a new elite now demanding for their share or are we facing a demand for a different type of economic and social policy? So I would like to ask the speakers to address these questions and in the second round we would add another set of questions from the public.

[Pause]
(00:06:29)

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Mr. Nader Kabbani:

I think that's key. I think we agree that the question is what to do about it? I will do a plug where actually we had an international development conference, the second one is this year, the first one was last year and the subtitle of the conference was rebuilding institutions for development. So I think we agree this is key, but how do you do it? My impression is "do" needs to be a clear direction. I will try to answer both at the same time.

You need a clear direction from high level policy makers on what we want to do; this is what we mean by a social market economy for example in Syria. And I think you need to follow it up with actually putting in place mechanisms to ensure that laws, regulations, procedures, mechanisms follow with in that .For example if you put it with a clear example that it is a social market economy and you are concerned about the market whether the market is going to be ok or you are concerned with some sort of crony capitalism .What you probably need to do is to have an entity within the government that has a regulatory impact assessment that filters against these specific objectives. So if your objective is to have a competitive market or if your objective is to have improved social safety nets or your taking into consideration marginalized groups .Whatever you define your objective to be and you have a law that is introduced. You need to make sure that a law doesn't contradict with something that you have put in place .For example the new social welfare fund law ,I just mentioned was just passed quickly in Syria ,the second article states ---I am not a lawyer but this is what it says--- that this fund is the only entity within this country that can be responsible for gathering money and distributing it to the poor .It didn't say the only public sector entity ,it said the only entity .Well if there was a regulatory body that where had to review that law and do an analysis of it and make sure it doesn't conflict with the objectives of the government ,they would have flagged it out, saying wait a minute this conflicts with something we have been working on. So I think there is responsibility from the policy maker side to provide clear direction and then to provide institutional mechanisms to ensure that the different elements kind of filtering in that direction. I don't want to monopolize the conversation, so I think I would stick to the time with just that answer.

(00:09:10)

Mrs. Hana El-Ghali:

First in terms of weak institutions ,I think in the case of Lebanon we need planning in terms of strategic planning and long term planning that could help clarify what is we need to address and then in addition to planning I think we need strong political support for this, in order to implement what is planned, in order to get the buying of the institution .Because if we have only the political party doing out their planning and leaving out the institutions then institutions are more and more weakened so I think we need an effort in terms of the public and private coming together. In terms of education I will probably point to this issue that is no longer a tool for social mobility , this might be a new reality however this isn't the perception of people particularly in the Middle East who still perceive and see education as a passport for social mobility and for also particularly public or a government job .They believe if I have an education or my son or daughter this will improve the social status of the family .I think this brings us back to the institutional issue, this is why we need to reform in terms of institutional role so that we could address the perception of what education is for .I will stop here. Thank you.

[00:10:54]

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Mr. Justin Sykes:

In the interest of getting around I will just address the first one on weak institutions. I think a slightly different take here is recognizing the need for those institutions and how you make these is critical and again with a program perhaps. How you could work with institutions right here and right now? So that we can still deliver impact and results on the ground and that again takes us to the nature and the structure of the partnership and engaging with the institutions that are weak and misfiring but engaging them in a way where incentives align for success. I will give you an example in Yemen there is the skill development fund which is 1% of corporate pay roll, they have millions of dollars in that fund and that fund has consistently failed to deliver training and was basically meant to deliver training to meet the needs of the private sector. It consistently failed because of the breakdown of trust between the government that the private sector now refuses to put any more money into it because the training outputs that they get doesn't meet their needs, the government is now unwilling to tax the private sector because they basically can't justify the tax because the training qualities are poor. So you have a system that doesn't function with a lot of resources in. And our engagement around this is identifying where the bridge of trust could be built again and how the bridge of trust can be created working with the public sector and the private sector to build confidence around quality assurance mechanisms that means that the private sector is willing to trust and invest in a public training capacity that means the system can get functioning back again. I think our interest both in long term institutional change but also understand how weak institutions can be incentivized and supported in a public private partnership that would work more effectively.

[00:13:00]

Dr. Nacer Eddine Hammouda:

Shall I speak about the first point or the three points.---As I like, Ok---The thing we need to focus upon is the necessity of evaluating the institutions and the policies that are established. It is essential to evaluate these institutions and policies. We have an absence of monitoring and evaluative policies. There is no evaluation for example to employment policies. We see that during a certain time we had the ministry of labor and social security and ministry of employment and national solidarity. So how can we explain the reason behind the existence of two institutions, two ministries. Then we came back having policies under the guardianship of the ministry of national solidarity and there are other policies. Therefore we can see that there is inconsistency for example in the 1990s we had a fund for unemployment benefits after there has been the workers lay-offs. Until now the fund exists but the number of beneficiaries is declining into few thousands after it was hundreds of thousands. Now we think about the destiny of this fund, would it stay or not stay? But since it has employees they have to stay in their positions. So the necessity of evaluation regardless the institutions. For example the social security fund was operating with the consultation of organizations like the World Bank and others but there was no dialogue, there was no national dialogue. Institutions are developed from scratch due to the consultation with International Organizations or certain people with the absence of dialogue with all stakeholders of the society. Even with regards to political parties, there is the same speech by all parties, they all think about rent division. The policy of all parties revolves around "How to make rent division?" With regards to the third issue there is no distinction of the elite and the middle class, as all parties call for the same thing, with an exception of the labor party

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that has a socialist Trotsky tendencies .They all call for the same issue but with different intellectual contexts ,one calls for Islamism ,one calls for Arab Nationalism, one calls for liberalization but in economic terms there is no differentiation. Even in the parliaments the different perspectives that we have aren't there among the technocrats and officials.

[00:19:35]

Dr. Mongi Boughzala:

There are so many questions and I am not going to answer all of them. With regards to education and especially the tertiary education matter, I think we all agree that education isn't about to only train people to be employed. But what I wanted to say is that employability does really matter especially in our countries? And we cannot afford not to pay attention to employability .So there is a lot to be done. But employability doesn't mean to design the tertiary education system to meet the need of existing firms and the demand of existing firms when they do express their needs because they don't always express their needs clearly .We also should train for future jobs and for future firms which aren't there and which is very hard to do but also universities and schools are all supposed to contribute to the production of knowledge which means an improvement in the techniques and methods of the producer and that of course isn't demanded by current firms.

Second point rapidly, the question of weak institutions which I think is a very important question since I don't think we are going to solve the problem and then start developing this may take centuries to come. So the question is what needs to be done ,for better institutions are built and governance made better .I suggest that we take into account incentives and also information, incentives that we shouldn't recommend things that can never be implemented also we should built on the information system on the ability to disseminate knowledge and may be give the priority to anything that may likely to benefit the people and especially anything in that would benefit the people particularly the neediest of the people especially in the areas of education, vocational training and we need to work on that a lot as vocational training not enough attention is turned to it, we tend to focus on universities ,regular education but not enough on the area of vocational training . We tend to focus on health, infrastructure and on openness which of course would help with generating jobs.

Finally one world about industrial policy I mean there has been a lot of debates around it because a lot of people think that nobody could pick winners so nobody could say let us do this or that. Nevertheless, I think a lot of economists today agree that there is a lot of room for industrial policy because at least we should focus on market failures and coordination failures and I think a lot in this respect to be done. This means when we plan infrastructure, training, macro-policy and so on something has to be done to make sure that all the resources devoted to all of that converge to save some strategic and basic objectives .Otherwise we might be building a road here ,doing some education there ,establishing some sort of project here and there but the outcome could be very weak so we make sure that we concentrate our efforts according to some objectives I think this is industrial policy and it is worth doing .Ok there is a lot to be said but one thing I would say that today we should trust ourselves and maybe we can do it .[pause]

I said maybe we can do but yes we can right, yes we can. [Laughter]

[00:24:45]

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Mrs. Gisela Nauk: Can we move to Egypt?

Dr. Ibrahim Awad:

Thank you very much I will not talk specifically about Egypt. I think the questions were general .I think with regards to institutions I think we would probably identify which type of institutions we are talking about, which institutions really have a barring on employment and on the labor market and then what do you mean really by institutions do you mean organisms, organs or do you also means laws and regulations these are also considered institutions? What sort of it? Do institutions that are considered appropriate for Germany are same institutions that are appropriate for Tunisia and Egypt. So I think there is too much ideology at times, for instance this is related to the role of the state at the end of the day --- Role of the state which means policies including public policies. Why is it that public policies were completely barred for too long? There are only unsubstantiated justifications by the way, so I think that institutions should be looked at with flexibility in accordance with the situation of each country which brings me to what Nacer Eddine has said which is called “La Réponse Unique” because after all it doesn’t mean all the institutions that are valid for Sweden would be valid for Mauritania which frankly cannot make sense.

Now with regards to higher education I agree with what my colleague Mongi has said .I think a country with a deficient education system like Egypt , a very bad education system and yet it has sent workers abroad and these workers aren’t very well educated. However they are educated enough to work in semi-skilled jobs in the Gulf, they have generated income, they have generated remittances, they staged a protest .So education even if it isn’t at the level we are looking for, education has its own benefit and education matters. Education that we have isn’t education that is related to the labor market ,it is education to citizenship even deficient but the importance ---I don’t think we want our countries---I don’t mean our own countries or Argentina or Thailand or whatever to be a market only .Countries aren’t markets ,countries are much more broad than markets. Therefore education has functions that go beyond markets and matching of demand with supply of labor.

Thank you

[00:28:52]

Dr. Ibrahim Saif:

I am glad that I am talking just behind him to tell that also We can’t become so romantic about education actually in our part of the world given that 85% of our citizens are wage earners. So actually we educate for the sake of education as a value in itself but we also educate to cater for a labor market but actually speaking about education here I will dwell a little bit more on Jordan on a study that we have recently conducted in the council, actually education--- [pause] we have been talking about education as a homogenous product which is not the case. The AUB in Beirut isn’t similar to other type of education we have here. What we found in Jordan at least that the richest 10th decile of the society spends 16 times what the poor segments in the society are spending, so education isn’t a tool for social

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mobility and it's not also a melting pot for the society as well ,to the contrary it is actually a polarizing factor. In an economy that is actually producing jobs that both [pause]

I am not telling you that it has to remain I am just telling you the fact and what was the status in Jordan in 2008.Now I forgot all what I was going to say. [Laughter]

In an economy that is producing jobs at the higher end of the market and at the lower end of the market , you can imagine who is going to take advantages of the newly created jobs .It is actually the richest group within the society that are able to join the banking ,the finance, the insurance , the high tech newly created jobs which means that middle layer /middle poor are only capable to go to other parts of the economy ,that only means that social cohesion isn't capable of achieving .I am not arguing by any means Dr. Mongi that this should be the case I am just saying how bad it is and that we should be aware of the diversity in the educational process.

The concept of crony capitalism, here again when we talk about private sector I would like to distinguish immensely between the private sector in our part of the world in general and the real innovative entrepreneur private sector that came about Google and Facebook etc.....Our private sector has actually lived and survived in a structure of the economy ---- and Lachen is here, we did two studies on several Arab Countries on two issues: Entry and Exist in the market and on market concentration. What we found is that : In most of the Arab countries , markets are highly concentrated which means that 80% of the market is taken by 3-5 players this is to be the oligopoly/oligopolistic structure that lies in the market which means they can exploit the market ,they can dictate the rules of the game and when it comes with dictating the rules with the employees with the labors actually they are in a position to influence the decision maker so there is no balance within the society even in the issue of wage settings and the achievement of any sense of social equity .So that lack of balance is something we need to introduce and Nada sitting here –so the issue of industrial relation is something we need to emphasize that even when we talk about approaching the economic and social policy in a different way, things to remember with the exception of the GCC countries most countries in the region are really functioning under serve budget deficit and fiscal constraints .Very little work has been done on evaluating the impact of social spending in this country ,so it's not a matter of more social spending ,it's a matter of how we are selecting those priorities and how efficient is public spending in sustaining because this is something that we could easily advocate for but it might not be the remedy or the way out of this bottle neck .

Thank you

[00:33:58]

Dr. Lachen Achy:

Well Thank you.

The concept out of the 8 presentations this morning is the high level of youth unemployment in the region. Although in other countries there is also youth unemployment but the rates we have in the market is much prevalent for highly educated people which isn't exactly the case when we look to the data in other parts outside the region, it's much more middle skills workers rather than highly educated workers regarding the roots I think that we

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might have examined this morning one common factor is the state of institutions .Institutions in the sense of political and economic institutions ,elections --for me-- is part of the institutions, parliament is part of the institutions, law making is part of the institutions, the competition authority as you talked about the concentration of markets and the prevalence of anti-competitive practices in our markets, also the prevalence of corruption, the privileges that are prevalent in all the economy. This is something which is common to our countries because I can see that we have differences in other factors, for instance when we talked about education; education isn't as the same problem in Morocco as it is in Lebanon. We still have very high illiteracy rate ,we still have very little access to education so we aren't talking about Lebanon with 50% of the population going to the tertiary education .The demography in Morocco and Tunisia we have a demographic transition much faster than in other countries ,Lebanon as well .But this isn't the case of Yemen ,this isn't the case of Jordan , Egypt is also in between so this is the different factor ,Syria as well still there is a high [pause] Yeah --- I said Jordan as well.

So there are differences in terms of education and in terms of demographics and also in terms of labor market policies, the initiatives that started in Syria for instance, in Tunisia a lot of money is spent on labor market policies yet the impact is not there, in Morocco as well we spent a lot of money on labor market policies.

In terms also of the role of the public sector [pause] The role of the public sector is much more important in terms of employment for instance in Egypt and Syria. While this isn't the case in Morocco and Tunisia where only 10% of the labor force is working in the public sector .So the common thing is in the quality of institutions in the broader sense in the economic and political institutions. Now today there are two approaches, those who consider the current institutions as part of the problems and people who are policy makers are part of the problem not part of the solution so they aren't willing to talk on how to proceed with these institutions but on how to change these institutions. This is one option that is today on the table which isn't something we can aspire but rather something which is real .The others are also under pressure is and they cannot proceed in doing business as usual .In Morocco ,in Algeria although we still didn't have this protest ,massive protest etcPolicy makers are thinking on how to make these institutions and people understand today that the matter is institutions. They are asking for constitutional reform ,so I think that we have two options and we should in terms of recommendation think about these options that are on the table .Proceed with the institutions we have, we have countries like Tunisia that have shifted from a situation with a new situation with new questions .How to proceed and I think that Mongi is going to make a presentation on the specific case of Tunisia later today on this case .We might also hear from Dr. Awad on his ideas about this change in institutions and how it will impact employment and poverty and poor employment etc.....And also to hear from others on the way forward in terms of institutions. Thank you.

Mrs. Gisela:

Thank you very much to all the speakers. From my feeling we are still very much in the scholarship, analysis, research rhythm. And I would like to encourage everybody into more discussion about policy and the way forward. I think the analysis of the problem needs to be on a country by country level as was highly emphasized, there are specificities in each of the countries but there are also commonalities. Let us focus on the commonalities and a bit more on the policies.

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[00:41:15]

Participant:

I want to go back to the education because this is the thread that's coming. I have been hearing education jobs, high paid jobs. Frankly I think education, the value is been already proven, any year of additional education of a young girl, a young girl will lead to additional lower child mortality, lower maternal mortality. So education has to be, which in the end leads to savings to the economy of the country ---you know a better development. So in terms of arguing for education beyond the earning power at the end of the day, the individual needs to keep this into really consideration. Education at that level is very crucial in so many countries and even ours, which leads me to the issue of youth. Youth is a gender neutral word, we say youth but actually youth as girls and boys, young men and young women .In our discussion of all youth we do not see to be capable of doing ,you know penetrate that difference. It's youth it's actually men but if you see for what's happening in Tunisia and Egypt that women were as much part of the movement as men were .We all know and have been taking about the very low level of women's participation in the economy of every single country of the Arab World. A Global Gender Gap report was actually very strong in making that point I was struck mainly when Tunisia which was supposed to be our shining light, women equality was actually just as bad. We all down hindered all the way down. So in that transformation discussion, unless we take the gender dimension into all the discussions, the education also doesn't take into consideration the issue of keeping the girls at school, avoiding early marriage, you know dropping employment. All this needs to be taken into consideration, what are the issues that are keeping the girls away from jobs/ looking for a job? Why is it that the young girls looking for the husband whether they got to find him or not but they all are. Whether they are working now their young girls they are only working until they find the husband so that they can stay home. So all this recognition by the state and so on of the concept of women as head of household .We still have this very difficult concept accepted within our government circles .You know culturally there is always a man out there , so what are you talking about. So gender to me needs to be talked about because with the society that half of it is gone .This appears from the numbers, this appears from the discussion of statistics .We need to talk about gender sensitive policies we need to talk about gender sensitive institutions and it is true also having a mass of women in terms of the number of people sitting in an institution may be part also of getting the thinking across. I see enough women here but when we are in certain forum, you do not see that many. So I think this gender issue we need to be more focused on that very consciously. We need to hold ourselves accountable to it because our world is really crying for this.

Thank you

[00:44:43]

Mrs. Nada Al-Nashif:

We do not have a lot of time, I know we each in our institutions in individual roles are trying to think about what's new? Let's say what needs to be different as I have been involved in arguably policy development for about almost 20 years. Unfortunately this discussion

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doesn't sound remarkably different to me from others. I take Sharazade's point of view that has finally deduced that we need an organization called UN women after a result of almost a decade of reflection. Now trying to collapse for different UN entities if you can imagine that, to one big Monolith that is supposed to solve all the problems. We haven't even solved the organic view on women. And you know it's already in operation effective on the first of January.

On the issue of Youth I am again saying we have reached a stage when it has been a little bit complicated to talk about even more analysis. It is understood that on the regional level there is so much data, there is so much analysis. I have to deal with ministers who refuse to see anything on research now. We reached a point where they say to me: "Don't tell me that we got to commission another piece of work; I want a solution that works". What works is clearly different between one organization and the other but I think we have to talk about the opportunity now with a new trend in political will, which have been the only thing that has changed over the last few months at least if I can be very specific. I think it was building up and think it was all starting in January or started in mid-December in Tunisia .I think what you were seeing is a very hard core call for a new reign of social justice which is about equality of opportunity and equality of opportunity across age, across gender, across geographical lines and across sectors even I mean industrial policy, agricultural policy but the issue is to have a return that is quite tangible in people's lives. Quite honestly it's still a minimum but for many people we aren't even there .The levels are so suboptimal in terms of work and I think if you listen to the discourse of *Midan El Tabrir* or what is going on .They are being articulated in very clear unequivocal terms, none has really asked to go to the ballot box again .I mean of course these are all linked, so democratization is implicit and it is inclusion in whichever way. But I think it would be very good to get a sense if there is no business as usual for Arab governments and Arab leaders whatever else you may wish to call them, then how is business going to be different for us as people sitting on the edge of research and policy. How do we change? How do we do business to interact these people? How do we take advantage of this possible new window of opening? Which is all the analysis that we have but a political commitment now to move, which I think is to be the most important thing? And how will we talk about policy coherence, revisiting causality as we understand from some of these discussions but really directing it to one of these tangible applications. We will not be going to put all the answers today but I think that it will be very interesting to us to continue among those lines that is the additional ties of the analysis.

[00:48:28]

Mrs. Gisela Nauk:

Thank you for taking the point number three and thank you for the positive answer. Yes the lady from the UNDP and the lady behind.

[00:48:38]

Participant:

I would like first to add a point with regards to the issue of gender participation .We in the Arab world we haven't stressed on this issue, most of students at the university level are females. Meanwhile in the past 10 years, the participation rate of women in the labor force

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has declined .In Morocco the participation rate of women declined from 25% to 19%, in Syria if I remember from 23% to 13%. This issue is out of the scope of unemployment .In Algeria there is the lowest rate of 13% .Therefore we are in a world that has an increase in the rates of educated females while having a decline in the participation rate to the lowest levels ever in the world .Therefore any discussion about unemployment should put this issue as a priority.

The second issue with regards to institutions is: Are we facing an issue of building and strengthening the institutions? Or we are facing a structure of a political economic establishment that aims at weakening and discrediting institutions or even reaching a point of full hollowness. This is the Egyptian example because if the situation was the second case then we would continue to talk about building institutions for ages with no feasibility.

With the same reason, we know quite well that since the early 1990's we were facing inflation in the number of youth at the working age from one side and an increase in their educated levels on the other hand. Therefore this case led to the emergence of forestry workers in Morocco and wall builders in Algeria. They used to burn themselves by unsafely navigating the sea and now they do in an explicit and different manner. Therefore the civil war in Algeria evolved .Hence the issue of youth unemployment isn't a new issue .During the past 10-15 years we are repeating the same case and we are still facing it .This issue in particular have led to what has happened in the Tunisian revolution and now in the Egyptian revolution .Therefore the question is if we agree upon the transformation from an economy based on rent and social services to one which is based on investment in productive sectors with higher levels of value added in a technical manner. Is the structure of the 'rentier' economy in all the Arab world has the capacity to shift to productive sectors or not? Therefore the key issue is a case of political economy basically and on the other hand it's a sociological issue. The equity of distribution from my point of view isn't only youth unemployment but the feeling of Arab Youth in Tunisia, Morocco and elsewhere that it's not only an issue of unemployment but inequality and discrimination in the distribution of job vacancies. This is much more dangerous with its social and institutional ramifications than the unemployment solely. Therefore when we are talking about strengthening and building institutions we have to raise this issue.

Practically speaking we are facing two experiences here. The Tunisian experience and the Egyptian experience that simultaneously are trying to exit the circle of rent, despotism and corruption .This equation tries to do so and this is what is raised now in Egypt. Therefore the question is how can we, as economists, sociologists and experts in this field construct a vision in order to break the vicious circle in Egypt and Tunisia? How can we contribute to present another scope regarding manufacturing, unemployment etc...?

Thank you.

[00:53:35]

Participant:

Marlin Nasr, from the Center of Arab Unity studies and the Lebanese University, a sociologist. I will speak in Arabic.

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With regards to the policies that we could suggest or think about: First I have a comment that before setting policies, those who implement such policies should be part of the discussion and the debate around it. Therefore we should know that the suggestions we are raising are very relative and far from policy implementers in different countries. This is a suggestion that those executives should be involved in the discussion about such suggestions for policy setting in order not to continue working on fragmented basis administratively, scientifically etc... We were used to work in such a manner long time ago. Then we find out that the reality is completely different. This is the first comment regarding the methodology and such ways of policy setting.

Secondly there is an important issue regarding work institutions. The institutions that organize work in the economies of Arab countries and the world in general. Till now these institutions are organized in a disintegrated fragmented manner. For example if we took the ministries which is the model that stands in the whole world as a vertical hierarchy for institutions, we will find that the Ministry of Economics plans for the economy, ministry for agriculture for agriculture, ministry of industry for manufacturing and so forth. Currently the economy in the whole world is integrated. With the problems and the fast changes in the Global, national and local economy the old manner became ineffective. Thus the main obstacle from my view ---even if I am not a minister is the vertical division and organization of the institutions especially the government institutions that we have copied from the prevalent and dominant model in the whole world. Then if there is a change in our world at the current stage maybe we should come up with different methods of planning and different methods for cooperation and policy setting in a horizontal manner meaning that the Ministry of Economics plans with its counterpart in agriculture and in higher education so as to reach a level of changes that could be implemented and reflected into outcomes. This is the second point.

The third point I want to speak about is that it's time to think that the concept of work isn't the notion that was existing in the 19th century. I mean that we should review our perspective where we educate more and more while less and less find jobs. Meanwhile there are those who aren't educated in the society which is a big portion of it. Therefore we as the economists, sociologists and experts should have a broader definition of work. For example women who give birth which is a great work in the society where we claim to be sensitive and strugglers, we don't take it into consideration as a productive thing. Feminist movements since the early 20th century consider this action as a productive contribution to a great extent. What bars us from asking to consider giving birth ---- especially that it is a very important social issue in our society --- as a productive value? Why don't we perceive it as a productive value that should have a certain return in the society? This is my third point as it's enough to think about gender as men versus women and the division of their shares. We should think about gender to reformulate the society in which the females have a significant role in. And we should stop thinking about gender as a hierarchy of patriarchal structure where some people have authority while others don't. Lets stop thinking about gender as a division of society between male and female. No it is not like this it's a whole structure in which the productivity of society is an issue. And labor, the definition and meaning of labor is something we have to review in order to make it larger and all inclusive to all kinds of activities in the society.

So the last point where I highly apologize for not being exposed to labor economics, if economics became mere statistics and ratios then it should not. In my opinion economics is

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another perspective to production and reformulation of the society with its productive forces .If we didn't define what is the new concept of economics in the Arab world? We will not reach any outcome. And the youth will continue migrating if they are impoverished and those who are better off wouldn't work unless we reconsidered economics in our region with a different perspective.

[01:00:09]

Mrs. Gisela Nauk: Thank you very much. I have another lady just before that wanted to speak and then I will see you yes.

Participant:

I just wanted to get back to what Mrs. Nashif said because you said that actually this discussion isn't very new but may be because of the timing. I think it was convenient to the popular uprising and the issue is now in everybody's interest and so on. May be we should get back to what these popular uprisings are quite demanding. Because it's quite unique connection between bread and freedom, I mean either policy makers, donors are considering the issue of creation of democracy, citizenship and it's also quite isolated from each other. And now we have people in the thousands and not only young people, old people, workers ,trade unions I mean trade unions in Tunisia aren't only young people they are people who have been demanding these issues for the past 20 years. They were calling for both bread and freedom and I think this could give an emphasis to make the discussion a bit fresher and say we can't separate this anymore especially if we want to talk about institutions. I think it's not abnormal here that the Tunisian colleague is the most optimistic here especially when you have a situation when you can hopefully rebuild your institutions and might really lead to policies that can really connect both issues .In Egypt we don't really know what is going to happen? Those who are in power don't really want to give it up .Also in Jordan and Syria we don't really have real change .So we are asking as we did before, authoritarian institutions to reform themselves and the success of this is probably very limited .This is why I think we should probably look at what people are saying now and that the main critique is focusing on corruption on the national level, the guardian is publishing the huge assets of Mubarak etc... I mean how you can really communicate to young people that institutions are working education and whatever policy is, if amounts that is beyond imagination are stolen from them .And the second thing is that all of this is just bigger than the national level. I mean there was also massive critique at organizational and at the International levels like the IMF, WTO, the World Bank and their policies in the Middle East .Also what does it mean for education ,for the labor market? So it's a bigger issue and I think this discussion could may be reap from the momentum if we don't discuss local corruption, lack of democracy and the larger critique against international financial institutions etc... All of this, the discussion could benefit from it very much.

[01:03:29]

Mrs. Gisela Nauk: Thank you very much. I also think that it might be as Nada also said a window for opportunity so whatever we come up with, with policy recommendations or new ideas would be very useful. (off mike)

[01:03:56]

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Participant: Fife kallab consultant in environmental and socioeconomic issues for many agencies of the UN: FAO,UNDP ,etc

I would have liked that the two girls who spoke to me outside would have come to you and explained to you what they have told me outside and their problems with unemployment. They were two highly educated girls, one of them is an intern in the Carnegie Endowment here and another one in the UN, I wished that they have told you what they told me. If you have heard them all your opinions would have changed. We speak theoretically while we need to speak in a more practical sense.

Another issue is that we hear a lot about studies regarding unemployment, gender participation ratios and proportions .However nobody have spoken to us about the labor market and how many offers it provides. Nobody has said to the Lebanese or Arab youth in that certain area you have x-vacancies. We don't have employment offices with a true significance in our countries. We don't have a presentation of the available vacancies so that youth would know where is it? We don't have any strategy for us .All of our employment strategies are imported from outside, nothing is tailored upon us .All what we do is copy and paste where nothing is much easier since we all know internet whenever it was and wherever it was .This means that the qualification of youth for us doesn't depend upon the needs of the labor market .How many vacancies we have? In manufacturing how many opportunities do we have? Nobody knows. In agriculture how many opportunities do we have? This is one issue.

Another issue we all have in the Arab countries which are that all the large investments are in the hands of the ruling elite of our countries. That's why whenever a president leaves we would have stagnation in billions of dollars in the whole economy. There are no investments in the productive sectors that foster employment all of it are fast investments .A political leader takes over the rule and because he doesn't know at which stage he leaves office he tries to exploit his position to achieve maximum gains. They don't invest in productive sectors, this is the fact and the reality whether we liked it or not.

We depend a lot on statistics and schedules. And we all know since we are all statisticians and economists that statistics tell us what we want it to tell us .A lot of things are hidden in statistics and everyone may read statistical figures and everyone interprets it and the correlations in his own way .This doesn't show except the appearing part of the iceberg .The issues beyond and underneath are the ones that pushed BouAzizi to burn himself and others to follow suit. I believe that we should demand from the developed countries that are helping us a lot to move onto development that it should teach us how to fish. We don't need the fish but the know-how .A lot of international institutions work on this issue but we need more and more help for the sake of the youth .You need to educate our youth to be flexible because our age is no more an industrial age .Earlier a worker used to work in a routinely manner in a producing facility, this isn't the case anymore. Our era now is the era of ideas .In that sense I want to distinguish between unemployment of the educated and unemployment of the commoners .We all see the unemployment rates among the highly educated versus the others .Both of them are unemployed and we need to re-qualify them in a different manner .

[01:07:52]

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Participant:

I think none of us can underestimate the moral dimension to the issue that we see in Tunisia and Egypt and will see in Yemen and other countries. This moral aspect isn't only in this Arab region. Few days ago there were protests in Italy calling for the resignation of Berlusconi. I think this moral aspect also has to do with an international scope not only a regional one even though it's much more intense in the region since what you have spoken about regarding the correlation between despotism and corruption in the state's institutions. Tackling the moral issue should be done through confidence building measures. Since there is no confidence among Arab Youth anymore in their leaders, the Arab youth confidence building is a long term process not one day process. Granting them some subsidies to fuel or food would help on very short basis. Nobody has comprehended the impact of what's happening in Egypt on Egypt itself in terms of its economy and society. Some short run measures could be taken and were taken already as a preemptive measure so that the people don't revolt and to reduce public discontent. This is an issue but what we should think about is: What are the mid and long term goals? What are the policy options? Political leaders have a tendency and political will to adopt new policy measures which were not existing before in most Arab Countries because otherwise the regime will fall. Even we didn't understand the essence of this slogan "The people want the regime to fall" I think we need time to rethink about it .This slogan has deep connotations and notions. There is a difference between the regime and the state .In Tunisia it was understood that the call was for the regime to fall not the state with its institutions. There is now a process of filtration of the institutions and restructuring of the institutions. In Egypt it's still unclear .From here we should focus our efforts on how to formulate the mid and long term solutions to face the issue. Here I want to focus on one issue which is higher education which we have been talking about .What is the role of universities today? It's a certain strata that we should focus on with regards to the labor market. The university should it prepare the student for the labor market only and or to operate upon encouraging ideas, not speaking about research and development that we aren't encouraging at all. Today some graduates have certificates in computer science in Lebanon and they don't know anything about computers. At our work applicants who graduated from accredited universities they have no knowledge. The type of education and the criteria of education is really important .If we are having graduates, what type of graduates we have. A policy recommendation is that we should review the quality assurance, quality criteria is really a critical issue. It's not important how many graduates do we have, but what type of graduates do we have and what are the skills that they have .This is a policy recommendation that can be executed immediately as we should review the quality assurance and the quality criteria .On what basis is accreditation granted to universities? What type are these universities? How is conducting the monitoring of the process upon those universities that have numerous graduates? Those who are capable of paying go to the AUB, USJ and LAU that have a certain standard of education while the others who can't pay go to other universities with very low standards even though students still pay high tuition fees but get in return certificates that doesn't qualify them to any labor market not even the Lebanese labor market.

[01:13:55]

Mrs. Gisela Nauk: What do you think should be done about it?

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Participant: As I said I think the issue of quality assurance we should consider. How is it done? What kind of universities was being set up? What kind of quality assurances is done? What kind of quality assurances is being given? I think this is a regional issue? The whole issue of accreditation isn't only in Lebanon, this is in Oman this is all over the region .So I think this is one thing.

The question of R&D is essential, we aren't focusing on R&D at all. We are creating a lot of universities but we don't have any R&D. This is critical for job creation on the long run in this region, bringing in the youth, preparing people in order to take part in research and development are all issues we should take into account. Sorry if I have taken a lot of time.

[01:14:41]

Mrs. Gisela: Yes and this relates to one of the issues which is how is the decision making coordinated between the social sector and the economic sector. And I think we need to improve that.

Dr.Nader Kabbani:

Thinking in terms of institutions and on reforming them often then you should go back to the basics and if you think to the basics especially if you have programs and policies. You design a program and a policy, you implement a program and a policy, and you evaluate a program and a policy which reforms the redesign or the development of a new program .But this basic structure isn't followed in most of our programs and policies. I think just to emphasize that there is a link and the research here plays a role both in the evaluation and the redesign. So I think as representatives of civil society and government, we have a role to play possibly in terms of emphasizing this. In a famous survey of Youth interventions across the world Gordon Betchman and his team, at a time of I think 5 years ago didn't find a single Youth intervention in the Middle East that was subject to evaluation in all their study. So when the minister says you should just stop research you should give me something to do, there isn't much to do. I mean okay, well here is a program that seems to work, let's try it and see. We try it often it doesn't work so well but there is no record of it, there is no evaluation of it, no documentation of it and we have to restart the cycle again. So when thinking about institutions I think we all have a role to play, I mean when we propose projects, when we work with the government to remember this basic element. I am still saying do we still have a strong design based upon solid evidence. Is the implementation team capable of carrying out this? If it isn't so that we build capacities so that we can appropriately do this? And we have a strong evaluation design to make out whether it's working or not .And once its done is there a policy mechanism to feed in to the design of the program and approving it .I think if they keep the basic in mind it would help us a lot in terms of seeing the movement forward in terms of our youth interventions.

[01:17:26]

Mrs. Gisela Nauk: Thank you

I see no more people asking to speak I would just sum up and for just a final summary. I think it's very clear that there is an assessment that there isn't a window of opportunity but whether this government or another government, the problems would stay. So there may be

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an opportunity to do things differently. And it would be good to develop the recommendations and evaluate what has worked and what hasn't.

The issue of institutions came up but I also think it isn't also not to underestimate the colleague of the UNDP who said that: "Institutional Building Per se has never worked". It has often led to fragmentation, complication, more institutions, more complexity and so on .If institutions at the same time are undermined by political connections, by the system and how the economy works and the informal ways of doing business. So the way institutions are being built is important and it's important to define who the stakeholders are. Opening up is important but not only to those who are connected but to the entirety of society and I think this may be an opportunity which we are facing.

I would like to thank everybody for this very interesting and for this very engaged passionate debate and I would like to give the final word to Dr. Lahcen Achy.

[01:19:27]

Dr. Lahcen: Okay! Thank you. I would like to thank everybody here speakers and audience for their participation to this event .I think that we have material to work on. The idea is that we are going to prepare a rap up of all this discussion and come up with the key ideas, key policy directions that we will share with you later and that we would also share with our database which comprises a number of policy makers in ministries of labor in government and in all the countries. We are going also to put on our website the video recordings of the two sessions on the region and send links to all these people, so I am sure that we are usually having people that are visiting. Somebody said that policy makers aren't here but we are going to get sure that they get the message and I am also quite sure that these days they are looking for advice and help and I think that they are going to listen to what we said. Finally I would like to thank the communication team who organized the event and the contacts etc...