

Refocusing Investments To Help Youth Can Transform MENA Economies

Today, the Middle East and North Africa (MENA) has the largest youth population in the world with 60% being under the age of 25. Millions of young adults are entering the job market every year but MENA's local economies are not growing fast enough to absorb them. This raises the question, is the large concentration of youth an asset to drive prosperity or a cause for concern?

There is no single talent market in MENA, but instead three main blocks with different education systems and economies: the GCC, North Africa and the Levant. In North Africa, for example, the public education system is French-dominated and disconnected from most sectors of the market. The private education system, however, appears to be adapting quickly both in the choice of curricula and importance of English language mastery.

"This is creating a huge gap between the youth who grew up in private schools and the rest," says Salah Mouaddib, CEO of Pepsi-Varun Morocco. According to a recent BBC News Arabic study, nearly 50% of youth in some MENA countries consider emigrating as a result of limited local economic opportunities.

According to Rana Ghandour Salhab, Regional Talent & Communications Partner at Deloitte Middle East, there is a partial solution that has been overlooked. "Contract, freelance and gig employment is going mainstream and needs to be managed strategically rather than viewed as 'alternative work' options that supplement full-time jobs."

Leveraging this trend can drive business growth and create new jobs by unlocking novel ways to identify the right talent where and when it is needed most. It also offers diverse talent with flexible opportunities to onramp into the economy. The integration of the gig economy into MENA could be especially helpful for women in the region, who currently make up only 21% of the labor force.

In addition to creating an environment that enables gig employment, there is also a significant need to embrace STEM-focused education to accelerate MENA's digital economies, which are far behind China, India and North America. Accomplishing this digital transformation requires "encouraging both entrepreneurship and investment in new technologies, including artificial intelligence," notes Mouaddib.

According to Salhab, the changing pace of technology is having a significant impact on the future of work in three ways: the nature of work, the workplace, and the workforce. She notes that artificial intelligence and data-driven work will require a new set of skills for future jobs, however, human skills will remain in high demand.

Companies in collaboration with universities and training institutions have a significant role to play in helping to foster the digital transformation and promote STEM-focused education. Similarly, governments also need to do their part by supporting small and medium-sized

enterprises—which make up 90% of registered companies in MENA – and often do not have the resources to invest in robust training programs.

The final piece of the talent-equation and one of the most important factors in today's job market is that millennials and Generation Z globally are seeking to work for companies with a sense of purpose and want work-life balance. In a recent survey, being passionate about the job emerged as the single most important factor fresh graduates in MENA took into account when selecting a position. "The war for talent in MENA is not only between big corporations anymore, but is with all the startups in the world who are looking for the right talent to join their journey and make a difference," says Salah Metwali, People Experience & Operations Director for North Africa, Middle East, Turkey & Russia for Unilever Mashreq.

While recruiting skilled talent is difficult, retention is an even greater challenge given the rapid pace of change. "Youth want a better job and now. They are not just looking for higher compensation. They also care about finding a better culture," says Mouaddib.

Despite the number of talent-related challenges, business leaders at some of the world's largest brands in MENA are actively advocating for targeted investment to unlock youth potential, such as fostering the gig economy, collaborating with educational institutions and developing a more robust digital workforce. Today, the private sector is taking more steps than ever before to create a more inclusive economy where youth can live out their potential close to home and help to build prosperous and stable economies.

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