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INFORMATION AND COMMUNICATIONS TECHNOLOGIES (ICT) FOR YOUTH IN MENA: POLICIES TO PROMOTE EMPLOYMENT OPPORTUNITIES

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Introduction: On January 18, 2011, the Arab Development Summit Youth Forum met in Sharm-el-Sheikh, Egypt, aiming to provide young Arab leaders and ICT entrepreneurs with the opportunity for dialogue with Arab decision makers, providing recommendations on how to empower youth in MENA through ICT. Tunisia's Jasmine Revolution and its aftermath highlighted demand from youth for good governance. Access to information, freedom of expression and overall economic opportunities, ranked highest among the priorities articulated by youth-led Arab movements for change. They were thrown into sharp relief by the uprising in Egypt itself only one week after the Youth Forum. This Brief takes stock of the Forum's key messages and provides an assessment of the social and economic opportunities ICT offers to MENA's youth.

Context and Challenges: The issue of youth employment is key to inclusive development in MENA which has the youngest population (average age 23 years)² together with the highest global youth unemployment rate.³ In 2010, 3 percent of MENA's surface area was home to 92 percent of the population⁴ largely due to rapid urbanization. Thus there is a large urban youth population looking for employment, many struggling with poverty while rural youth are left even further behind.

Between 2000 and 2010, the number of Internet users in MENA grew tenfold, exceeding 100 million⁵. Mobile penetration rate is over 100 percent⁶ and Facebook users increased 78 percent, from 11.9 million in January 2010 to 21.3 million by December 2010, with 75 percent of users aged 15-29, matching global trends.⁷ Youth are key consumers of technology and a major force in shaping the ICT sector. Using web 2.0, youth generate digital content through platforms from mobile phones to social media.

While demand for ICT has been increasing dramatically, there is a regional youth digital divide. Mobile penetration is high but only 1.6 percent of the population has internet access.⁸ Addressing challenges on the supply-side (eg. lack of competition) and the demand-side (affordability, lagging education and literacy) can enable youth to reap the benefits of ICT.

The Need for Arabic Content: Social networking has swept across the region with some 15 million users at the end of 2010 and over 50 percent of users under the age of 25.⁹ In MENA 85 percent of mobile phone owners use it to access the internet and tend to download applications for social networking. Increasing numbers of Arabic speakers use Twitter, with 40 percent located in the UAE. However, the majority of users in the region primarily use English and French. According to a survey by Ipsos, 96 percent of

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² http://www.assetmanagement.hsbc.com/uk/attachments/global-funds/mena_equity.pdf

³ ILO Data from 2009

⁴ <http://siteresources.worldbank.org/INTMENA/Resources/OverviewENprintersversionspatialdisparities.pdf>

⁵ <http://www.internetworldstats.com/stats.htm>

⁶ "Providing Youth with Skills, Training and Employment Opportunities through ICT Initiatives", Tan Yigitcanlar and Scott Baum, Griffith University, Brisbane

⁷ <http://www.dsg.ae/LinkClick.aspx?fileticket=fXqdJFbHRxg%3d&tabid=222>

⁸ "Providing Youth with Skills, Training and Employment Opportunities through ICT Initiatives", Tan Yigitcanlar and Scott Baum, Griffith University, Brisbane

⁹ <http://www.arabianbusiness.com/mena-facebook-users-top-copies-of-newspapers-271231.html>

social network sites used by Arabs are in foreign languages with only 4 percent in Arabic.

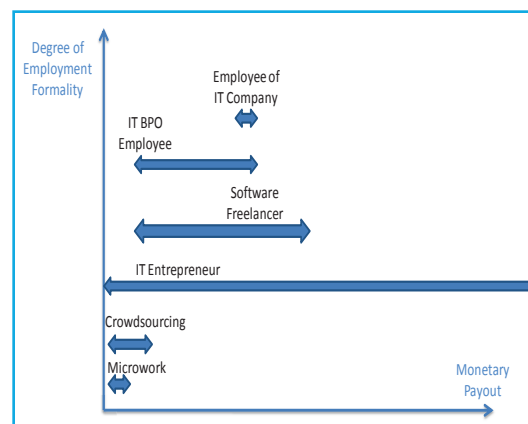
The Digital Gender Divide: In MENA, the gender gap in mobile phone ownership is twice the global average with women 24 percent less likely to own a mobile phone¹⁰ and only 37 percent of Facebook users are female compared with 56 percent in the USA¹¹. Twice as many men in MENA use Twitter than women contrary to global trends of 55 percent female users. Also, among high-end ICT users in MENA, female mobile Internet users were more likely to use sophisticated applications than males.¹² The gender gap in technology use is the smallest in Jordan and Lebanon. In Jordan, women account for 44.9 percent of all Internet users.¹³

Educational Disparities among Users: Young men and especially women in MENA remain most adversely affected by low levels of access to education and low literacy reflecting disparities in income and gender. About 60 percent of all youth with university degrees access the Internet in contrast to only 7 percent of those with secondary education or lower. In Egypt, in 2008 6.8 percent of lower income households accessed the internet against 74 percent for higher income groups. There is also a gender gap - 2008 male usage of the internet was 61 percent and only 39 percent for females¹⁴. Most female users are between the ages of 17 and 25 and have university degrees.¹⁵

ICT and Youth Employment and Economic Opportunities: ICT offers new opportunities for young people to enter the job market. ICT is also a revolutionary force that lowers barriers of entry to job markets and the degree of formality in the employment relationship. It eliminates geographic boundaries, provides flexibility in the

value chain, enabling younger people to compete for higher-level jobs due to specific skill advantage in technology.

Figure 1: Youth and the degree of formality in ICT labor markets ¹⁶



Opportunities in Formal and Informal jobs while catering global and local demand: At the top of the formality scale, software graduates can join an ICT company through a formal contract. As ICT is a high-growth industry centered on technology, it absorbs a high share of youth, in particular the mobile sector.¹⁷ Less formal jobs for youth are generated by IT-enabled services—in particular Information Technology Enterprise Solutions (ITES) and Business Processes Outsourcing (BPO), with demand from European countries that suffer from shrinking and aging labor pools.¹⁸ Lastly, the creation of easy-to-use and accessible software services can dramatically reduce the formality barriers to participating in the labor force¹⁹ by enabling microtasking and crowdsourcing. These emerging employment trends leave some gray areas for further study: such as child labor and dispute resolution.

¹⁰ GSMA development Fund, Cherie Blair Foundation, “Women & Mobile: A Global Opportunity”, 2010

¹¹ Creative Commons and Spot On Public Relations, 2011, <http://www.spotonpr.com/2011/01/>

¹² <http://www.spotonpr.com/strong-mena-interest-in-mobile-apps/>

¹³ <http://www.ameinfo.com/249673.html>

¹⁴ Ministry of Communication and Information Technology, Egypt, 2008

¹⁵ <http://itidjournal.org/itid/article/viewFile/257/127>

¹⁶ Analysis based on qualitative research and estimates. C. Rossotto, World Bank 2011.

¹⁷ In competitive markets such as Tunisia, Orange Tunisie employed 5000 local software developers when it entered the market. Indirect employment in the mobile sector is estimated to be a multiplier of formal direct employment, and it ranges from construction to resale of pre-paid mobile cards.

¹⁸ <http://www.atkearney.com/index.php/Publications/offshoring-opportunities-amid-economic-turbulence-the-atkearney-global-services-location-index-gsli-2011.html>

¹⁹ www.txteagle.com

High potential for Entrepreneurship: ICT inspires young entrepreneurs all over the world with examples of globally-known entrepreneurs, including now entrepreneurs in emerging markets like India's Vishal Gondal who launched Indiagames, as a 23 year old, after dropping out of college. Challenges to the emergence of ICT entrepreneurs in MENA include slow bureaucratic procedures and lack of access to funds due to bias for traditional investments.²⁰ Nevertheless, the potential demand for Arabic content will create growth opportunities for entrepreneurship in MENA such as two.four.54.²¹

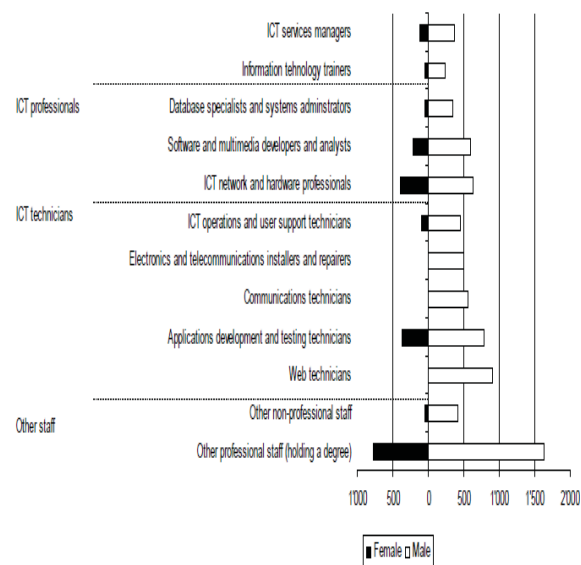
ICT and Increasing Female Labor Force Participation: MENA has the lowest female labor force participation rate of all regions. However, remote micro tasking and outsourcing micro tasks enables women to earn an income while adhering to cultural sensitivities, i.e. by working from home. In Egypt, young women's share of temporary jobs in IT clubs and internet cafés is respectively at 43 and 58 percent and increasing at twice the rate as men, while women's share in permanent jobs is 10 percent.²²

ICT and Opportunities in Less Formal Jobs and with Less Formal Learning: ICT expands the boundaries of work by lowering the degree of formal education required for employment. Instead of university degrees with high investments in time and money, the sector places greater emphasis on applied skills that young people can acquire through vocational training and accreditation. MENA labor markets are experiencing a skills mismatch between the skills that educational institutions supply and skills needed by industry.

ICT Tools to match labor supply and demand: The problem in MENA labor markets is not merely a lack of employment opportunities but also a lack of tools to connect job-seekers and

employers. Despite unequal access to ICT, IT solutions can still empower young job-seekers

Figure 2: Gender breakdown of Egypt's ICT sector employment ²³



to connect with potential employers through mobile phones for example. Platforms in the region such as Souktel's JobMatch service enable young job-seekers to submit their basic resume through a mobile phone and match it with job advertisements.²⁴

ICT for Social Inclusion and Active Participation: ICT is an equally important tool for empowering young people as active citizens, particularly in view of limited opportunities in this area. A 2010 youth survey conducted by the Tunisian Youth Observatory shows that only 4 percent of young people belong to various type of associations and only 3.4 percent to political parties. In Egypt, the rates are even lower with only 3.4 percent of young males and 1 percent of young females participating in voluntary activities in 2009.

²⁰http://www.booz.com/me/home/what_we_think/40007409/40007869/ict_evolution

²¹ <http://www.twofour54.com>

²²http://www.popcouncil.org/pdfs/events/2010MENAWks_hop_02.pdf

²³ UNCTAD, 2007

http://www1.aucegypt.edu/src/wsite1/pdfs/rewebsites_cid_a/Dina_No4.pdf

²⁴ <http://www.souktel.org>

Expanding the overall educational content in Arabic as well as ICT access to less privileged youth was a key message conveyed by the Summit. Some Arab social networking and media platforms are building virtual communities of practice around environmental awareness and civic responsibility, perhaps indicating a promising trend in social entrepreneurship. Arab youth to youth dialogue is essential as is the role of youth organizations in empowering youth through ICT and encouraging e-learning.

ICT - Enhancing Government Accountability and Participation: A related theme is the use of ICT for better governance and accountability, allowing participation in policies relevant to young people, for example through e-consultations, as public policies are developed and implemented. Arab youth are requesting standards for participation, updated information and the disclosure of the results of consultations.

Recommended Next Steps:

- *Expand access to ICT through an open and competitive infrastructure.* More competitive and technology-neutral telecom markets have a natural incentive to increase innovative services and follow consumer demand while youth are well-placed to effectively capture the benefits of these new services.
- *Promote ICT for rural youth and women's inclusion.* Aside from competitive ICT markets, introduce proactive and targeted policy measures to address supply and demand-side constraints to provide disadvantaged groups with access to ICT. (IT alphabetization, creation of ICT enabled communal areas for young women and rural youth).
- *Incorporate ICT into a coordinated approach to urban planning.* Such measures can increase efficiency and exploit the synergies of ICT infrastructure expansion and other infrastructure development.
- *Enhance youth employability by Matching Education and Employment skills.*
 - a) First, increase access to ICT in primary and secondary schools and develop ICT literacy early on.
 - b) Second, improve and promote vocational training and software certification with

curriculum based on industry demand and focused on applied skills.

- c) Third, disseminate good practices of matching youth labor supply and demand through ICT solutions and develop effective platforms for microwork and crowdsourcing for youth.
- *Strengthen the culture of entrepreneurship.* Assist local young entrepreneurs in accessing finance through start-up loans targeting ICT innovation or fund competitions, and reduce red tape for start-ups. Foster public-private partnerships so that governments better enable entrepreneurs to set up their companies.²⁵
 - *Encourage local content development.* The lack of Arabic content hinders the development of region's ICT sector as does censorship and restricting access to websites. The development of attractive, engaging, and informative Arabic content and applications key to promoting Internet use but also an important component for e-government in the region.
 - *Support ICT platforms that empower youth to improve accountability and social inclusion.* ICT-enabled platforms such as SeeClickFix²⁶ in the U.S. or Citivox in Mexico enable young citizens to report and track public complaints in particular over public assets through the Internet or their mobile phones.

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²⁵http://www.booz.com/me/home/what_we_think/40007409/40007869/ict_evolution

²⁶ <http://www.seeclickfix.com/citizens>