

Investing in rural youth in the Near East, North Africa, Europe and Central Asia

by
Nader Kabbani

60 IFAD
RESEARCH
SERIES



The IFAD Research Series has been initiated by the Strategy and Knowledge Department in order to bring together cutting-edge thinking and research on smallholder agriculture, rural development and related themes. As a global organization with an exclusive mandate to promote rural smallholder development, IFAD seeks to present diverse viewpoints from across the development arena in order to stimulate knowledge exchange, innovation, and commitment to investing in rural people.

The opinions expressed in this publication are those of the authors and do not necessarily represent those of the International Fund for Agricultural Development (IFAD). The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of IFAD concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The designations “developed” and “developing” countries are intended for statistical convenience and do not necessarily express a judgement about the stage reached in the development process by a particular country or area.

This publication or any part thereof may be reproduced for non-commercial purposes without prior permission from IFAD, provided that the publication or extract therefrom reproduced is attributed to IFAD and the title of this publication is stated in any publication and that a copy thereof is sent to IFAD.

Author:

Nader Kabbani

© IFAD 2019

All rights reserved

ISBN 978-92-9072-977-8-1

Printed December 2019



Investing in rural youth in the Near East, North Africa, Europe and Central Asia

by
Nader Kabbani



60 IFAD
RESEARCH
SERIES

This paper was originally commissioned as a background paper for the 2019 Rural Development Report: *Creating opportunities for rural youth*.

www.ifad.org/ruraldevelopmentreport

Acknowledgements

Funding for this research was provided by the International Fund for Agricultural Development (IFAD). Nejla Ben Mimoune provided excellent research assistance. The author would like to thank Aslihan Arslan and the 2019 Rural Development Report (RDR) team for their helpful guidance and feedback throughout the process of preparing this background paper, as well as peer reviewers and participants at the July 2018 RDR workshop for their valuable comments and suggestions.

This background paper was prepared for the Rural Development Report 2019 “Creating Opportunities for Rural Youth”. Its publication in its original draft form is intended to stimulate broader discussion around the topics treated in the report itself. The views and opinions expressed in this paper are those of the author(s) and should not be attributed to IFAD, its Member States or their representatives to its Executive Board. IFAD does not guarantee the accuracy of the data included in this work. For further information, please contact ruraldevelopmentreport@ifad.org. IFAD would like to acknowledge the generous financial support provided by the Governments of Italy and Germany for the development of the background papers of the 2019 Rural Development Report.

About the author

Nader Kabbani is the Director of Research at the Brookings Doha Center (BDC) and senior fellow with the Brookings Global Economy and Development Program. Prior to joining BDC, Kabbani served as director of policy and research at the Silatech Foundation and before that as the founding director of the Syrian Development Research Centre at the Syria Trust for Development. He has served on the faculty of the American University of Beirut, as an economist with the Economic Research Service of the U.S. Department of Agriculture, and as a fellow and analyst with the California State Senate Office of Research. Kabbani earned a PhD in economics from Johns Hopkins University in 2001.

Table of contents

1. Introduction	1
2. Overview of the Near East, North Africa, Europe and Central Asia region	1
2.1 General characteristics of Near East, North Africa, Europe and Central Asia countries	2
2.2 Contextualizing the Near East and North Africa and Central and Eastern Europe and the Newly Independent States subregions	2
2.3 Rural transformation in the context of the Near East, North Africa, Europe and Central Asia region	3
3. Challenges and opportunities facing youth participation in agriculture and the rural economy	5
3.1 Demographic transitions	5
3.2 Educational attainment	7
3.3 Youth employment and unemployment	9
3.4 Gender	11
3.5 Weak job creation	13
3.6 Conflict	15
4. Inclusive rural transformation and changing opportunity structures	16
4.1 Innovation and technology	16
4.2 Water scarcity and climate change	18
4.3 The agricultural business climate	19
4.4 Youth empowerment and participation	19
5. Policy and programmatic alternatives to rural youth inclusion	21
5.1 Youth policy in the Near East, North Africa, Europe and Central Asia region	21
5.2 Youth policy approaches relevant to the Near East, North Africa, Europe and Central Asia region	24
5.3 Youth programmatic approaches relevant to the region	26
6. Conclusion	29
References	30
Appendix	34

Abstract

Countries of the Near East, North Africa, Europe and Central Asia (NEN) region face a myriad of social, economic and political challenges that have stalled their structural and rural transformation processes. This has had a detrimental impact on rural youth, who, as a result, face limited economic opportunities. The NEN region has the highest youth unemployment rates in the world. Weak education systems are failing to provide youth, especially in rural areas, with the cognitive and non-cognitive skills they need to compete in a global economy. The NEN region also suffers from low levels of female labour force participation. Excessive regulation has dampened the agricultural business climate. This is especially problematic given that the region is among the most water-scarce in the world, a condition further aggravated by global warming. The resulting high rates of joblessness, unemployment and informal work have encouraged rural youth to migrate to urban areas and abroad in search of better opportunities.

This background paper reviews the opportunities and challenges facing rural youth in the NEN region and suggests a number of programme and policy priorities that NEN governments should consider. These include (1) improving the rural business environment and moving away from resource-depleting rentier systems that institutionalize cronyism and dependency; (2) reforming education systems to provide rural youth with the market-relevant skills they need to succeed; (3) addressing gender imbalances and developing policies to ensure that young women are able to find acceptable work; (4) improving the evidence base on effective rural youth policies and programmes; and (5) improving access to microfinance and business services for rural youth who are trying to start, manage or grow a business.

1. Introduction

The Near East, North Africa, (Central and Eastern) Europe and Central Asia (NEN) region, as covered by the International Fund for Agricultural Development (IFAD), sits at the crossroads of the three continents of Europe, Asia and Africa. It is the region of the world where people first settled down to farming, where the first towns emerged, and where the first civilizations developed and grew. In other words, it is where the world's earliest structural and rural transformations occurred.

Today, the NEN region faces a myriad of interconnected social, economic and political challenges, which have stalled further structural transformation and delayed rural economic development in many countries of the region. The Near East and North Africa (NENA) subregion suffers from water scarcity, high rates of youth unemployment, low rates of female labour force participation and a broken social contract between citizens and the state that has contributed to social unrest and even civil war. The Central and Eastern Europe and the Newly Independent States (CEN) subregion suffers from weak economic growth and misaligned economic incentives and institutions (IFAD, 2016).

Rural youth across the NEN region also face challenges as they transition from dependence to independence. They face obstacles to accessing decent work, leading to delays in marriage and family formation. They face dwindling opportunities in the agricultural sector, as a result of high population growth rates and reductions in available agricultural land due to poorly managed urban expansions, water shortages and desertification. They also face weak growth in upstream and downstream economic activities linked to agriculture, resulting from a weak agricultural business environment and investment climate. The ensuing high rates of joblessness, unemployment and informal work have encouraged rural youth to migrate to urban areas and abroad in search of better opportunities.

The implications of reduced economic opportunities for rural youth in the NEN region are stark. Stalled transitions to economic independence have resulted in lower economic growth rates and wasted potential as young people remain unproductive. They also stall transitions to social independence and family formation. This has led to frustration, radicalization and social unrest, especially in conservative societies of the NEN region, where premarital relationships are forbidden.

This background paper examines the challenges facing youth in rural areas of the NEN region, within the broader context of the structural and rural transformations taking place there. Section 2 of the paper provides an overview of the NEN region across economic, social and political dimensions. Section 3 outlines the main challenges and opportunities facing youth economic participation in the region, focusing on rural areas. Section 4 presents an analysis of the rural transformation process and the changing opportunity space through a youth lens. Section 5 outlines relevant policy and programmatic approaches to rural youth inclusion, highlighting examples from the region. Section 6 concludes.

2. Overview of the Near East, North Africa, Europe and Central Asia region

The NEN region, as covered in the 2019 Rural Development Report (RDR), comprises two distinct subregions: NENA and CEN. While the NEN region geographically includes the oil-rich countries of the Gulf, the RDR focuses specifically on developing countries of the region. In addition, this background paper places greater emphasis on NEN countries in which IFAD has ongoing operations.

Countries of the NEN region are diverse, economically, socially and politically. However, they do share many common features. Furthermore, countries within each of the NENA and CEN subregions share a common history, which translate into similar political, social and institutional contexts. With reference

to the approach taken in the 2016 Rural Development Report (IFAD, 2016), this section explores the general characteristics of countries of the NEN region and its two subregions, and aims to provide context for the analysis undertaken in subsequent sections of this paper.

2.1 General characteristics of Near East, North Africa, Europe and Central Asia countries

- Economically, nearly all countries of the NEN region can be classified as middle-income, developing countries. Only the natural resource rich countries of the Gulf are classified as high-income by the World Bank and only two NEN countries are classified as low income, Syria and Yemen (World Bank, 2017). The low-income status of Syria and Yemen is mainly the result of civil wars ranging in each country over the past few years. In addition, the high-income NEN countries are rich in oil and gas, but still “developing”. Their economies are not diversified, and they are dependent on revenues from oil and natural gas for their wealth. All other NEN countries are classified as upper- or lower- middle income (World Bank, 2017).
- In terms of human development, nearly all NEN countries also rank in the middle two tiers of the Human Development Index (UNDP, 2016). Again, only the natural resource rich countries of the Gulf rank in the highest tier and only Syria and Yemen rank in the lowest tier, together with Djibouti. The high ranking of the resource-rich Gulf countries is mainly driven by their high incomes (which factor into the Human Development Index score). Average years of schooling in Gulf countries are on a par with the middle-tier countries, despite higher spending on education.
- Countries of the NEN region rank low on indicators of freedom and democracy. Most have strongly authoritarian regimes. Tunisia is the only country currently listed as “free” (Freedom House, 2017). However, it acquired this status in 2015 and remains just on the margins. Of the remaining countries, 9 are listed as “partly free” and 13 as “not free”, the highest proportion in the world. The authoritarian regimes of the NEN region maintain control through a combination of repression and provision of social services. This system has led to an unsustainable mix of cronyism and public spending. The inability of NEN countries to keep their commitments in terms of public services has led to protests in marginalized communities (Ianchovichina, 2017).
- Institutionally, development in the NEN region tends to be government-led and top-down. Governments often invest in large mega-projects that do not always benefit ordinary citizens. The private sector is heavily regulated, allowing the emergence of crony capitalists that can navigate the system. Investments tend to flow to geographical areas that are aligned with regimes and their political bases. This has resulted in geographical marginalization across much of the region, with rural areas being especially susceptible to economic, social and political exclusion. Other marginalized groups include women, youth and migrant workers.

2.2 Contextualizing the Near East and North Africa and Central and Eastern Europe and the Newly Independent States subregions

Countries of the NENA subregion share a common historical context. All NENA countries covered in this report are part of the League of Arab States and have predominantly Muslim populations. Except for Morocco, they were part of the Ottoman Empire and all experienced various degrees of European colonialization during the first half of the twentieth century. The post-colonial period witnessed authoritarian regimes emerging in all NENA countries. Authoritarian tendencies persist today, with the recent exception of Tunisia. Lebanon has a degree of democracy at the country level, but individual leaders hold significant authoritarian sway within Lebanon’s various ethnic groups.

The authoritarian context of the NENA subregion contributed to a government-led development model and a wider “authoritarian bargain” (Desai et al., 2009) in which citizens give up effective political participation in exchange for public jobs, benefits and services. As a result, public-sector employment in the NENA subregion became the highest in the developing world (Behar and Mok, 2013). This model helped the region achieve significant gains in human development during the 1960s, 1970s and 1980s in both urban and rural areas (UNDP, 2002). Educational attainment increased, health indicators improved and extreme poverty rates were (until recently) among the lowest in the developing world.

However, rapid improvements in health outcomes were not immediately followed by declines in fertility rates. This lag in timing led to a demographic wave that is moving through the population (Kabbani and Kothari, 2005). Until recently, the NENA subregion had the highest proportion of youth in the world. The increase in population and subsequent increase in demand for public jobs and service placed a strain on government finances and affected service provision and quality.

Starting in the late 1980s, NENA countries began to liberalize their economies and turned to the private sector to generate economic growth and create jobs. However, the formal private sector that emerged primarily benefited those with close ties to the ruling regimes, leading to policies and practices that disadvantaged entrepreneurs in favour of well-established insiders (World Bank, 2009). As a result, the formal private sector failed to generate enough decent jobs, and young entrants from low-and lower-middle-income backgrounds were forced to seek informal work. Eventually, the system came under severe strain, resulting in social unrest and uprisings across the region over the past decade. These underlying strains remain, creating the conditions for continued future unrest.

Countries of the CEN subregion share a common history as well. Most of the CEN countries came under the influence of the Ottoman Empire at some point in their history. During the twentieth century, most CEN countries spent decades as part of the Soviet Union or under its sphere of influence. While some countries of Eastern Europe and the Caucasus experienced economic development within the Soviet bloc, others, mostly in Central Asia, were regarded as part of the Soviet Union’s rural hinterland and lagged behind in their social and economic development (IFAD, 2016).

With the break-up of the Soviet Union, countries of the CEN subregion emerged from under the influence of communist rule and began the long process of modernizing their economies, societies and political institutions. However, the legacy of Soviet rule continues to cast a long shadow over the region’s development. Most CEN countries are struggling to overcome decades of weak institutions, mismanagement and misaligned economic incentives. Those that were relatively developed, such as Georgia, or that were blessed with natural resources, such as Azerbaijan and Kazakhstan, have developed at a rapid pace. Less developed countries, such as Tajikistan, are moving at a slower pace and have only begun the transition from a predominantly rural economy.

2.3 Rural transformation in the context of the Near East, North Africa, Europe and Central Asia region

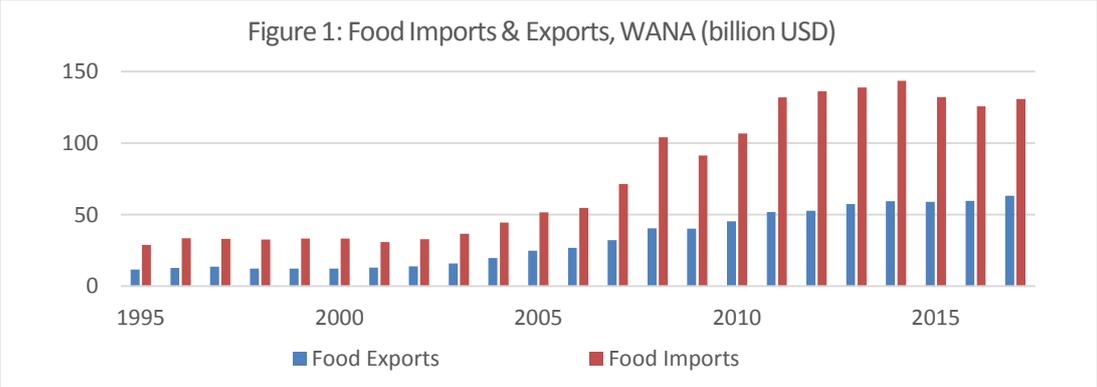
Rural transformation takes place within the context of wider structural transformations in an economy (IFAD, 2016). When market mechanisms function well, productivity improvements in agriculture release surplus labour to engage in other productive pursuits in manufacturing and services. Most NEN countries have made significant strides in terms of both structural and rural transformation. The process began during Ottoman times and continued through the colonial period, accelerating in NENA countries during the post-colonial period and in some CEN countries during and after the fall of the Soviet Union.

By 2017, nearly all NEN countries for which data are available had achieved relatively high levels of both structural and rural transformation. The exceptions are Tajikistan in CEN, which lags behind in terms of structural transformation with a relatively low value of non-agriculture output share in GDP, and Yemen in NENA, which lags behind in terms of rural transformation with a relatively low level of value added per worker in agriculture. While recent data are lacking, Syria and Libya have probably experienced serious degradation to their structural and rural economy infrastructures as a result of ongoing conflicts.

However, the speed of structural and rural transformations has slowed in many NEN countries. Egypt and Tunisia have experienced both slow structural and slow rural transformation in recent years. Other countries experiencing slow rural transformation, measured in terms of average annual growth rate of value added per worker in agriculture, include Morocco and Tajikistan. Countries experiencing slow structural transformation, measured in terms of average annual growth rate of share of non-agriculture in GDP, include Kyrgyzstan. The only two NEN countries with available data that are experiencing high rates of both structural and rural transformation are Turkey and Uzbekistan.

Furthermore, advances in rural transformation seen in the NEN region are at best a partial success. The NEN region suffers from a high degree of food dependence. The West Asia and North Africa (WANA) region is among the highest net importers of food in the world, reaching over US\$70 billion in 2014-2015 (UNCTAD, 2017; figure 1). This places the NEN region at serious risk of food insecurity and susceptibility to fluctuations in world food prices. It also points to a deficit in the rural transformation process, in which technologically driven productivity increases have not sufficiently compensated for reductions in rural employment to produce enough food for urban populations.

Figure 1. Food imports and exports, WANA (US\$ billion)



Source: United Nations Conference on Trade and Development (UNCTAD). UNCTADStat.

The lacklustre structural transformation process of the NEN economies in recent years has dampened the incentives to increase agricultural productivity and has short-circuited the rural transformation process in much of the region. The weak productivity gains across sectors in the NEN region have been due to over-regulation of the private sector, along with the prevalence of crony capitalism and high levels of corruption, leading to underinvestment in the region’s production capacity (World Bank, 2009). Combined with high population growth rates, this has led the private sector to create fewer jobs than needed, resulting in high rates of unemployment among the region’s youth and contributing to high migration rates to other regions of the world with better employment opportunities.

3. Challenges and opportunities facing youth participation in agriculture and the rural economy

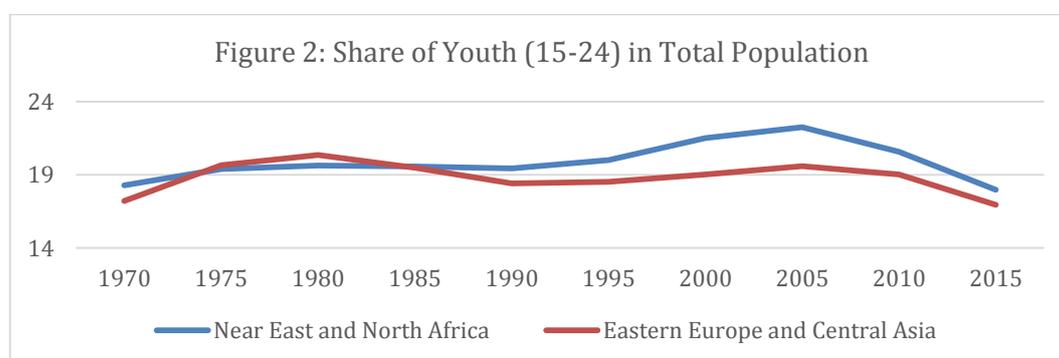
Youth in rural areas of the NEN region face a wide range of factors affecting their participation in agriculture and the rural economy. These include supply-side factors, such as demographic trends and weak education systems, and demand-side factors, such as weak job creation and the effects of armed conflict. These factors have combined to result in weak youth employment outcomes across the region. Young women in rural areas face additional challenges that must also be considered.

3.1 Demographic transitions

Over the past half century, demographic transitions in the NEN region have been a significant part of the youth narrative. Demographic transitions play an important role in economic transformation. As countries develop, there is often a time lag between improvements in health outcomes, such as infant mortality rates, and declines in fertility rates. This gap in timing can result in a demographic wave leading to a temporary decline in the dependency ratio and creating a window of opportunity for rapid social and economic transformation, including agricultural transitions. To take advantage of this window of opportunity, countries must invest in their youth when their proportion in the population peaks, creating a “youth bulge”. Investing in youth and ensuring that they have access to productive employment during this time can lead to increased savings, investment and economic growth.

In the CEN subregion, the proportion of youth in the population peaked during the mid-1980s, reaching 20.4 per cent in 1980. This peak was higher than the global average, which hovered between 16 and 19 per cent from 1950 to 2015 (United Nations, Department of Economic and Social Affairs, Population Division, 2017).¹ However, this youth bulge coincided with political and economic transitions in the CEN countries, distracting from investments in youth. Thus, while countries of the CEN subregion have benefited from a decline in the dependency ratio starting in the 1980s, they have not benefited as much as East Asian countries that had invested in their youth a decade earlier. The initial youth bulge in the CEN subregion was not large and a second bulge peaked in 2005. This effectively extends the period of low dependency ratio through 2050, providing CEN countries with a longer window of opportunity to take advantage of the demographic transition.

Figure 2. Percentage of youth (15-24) in total population

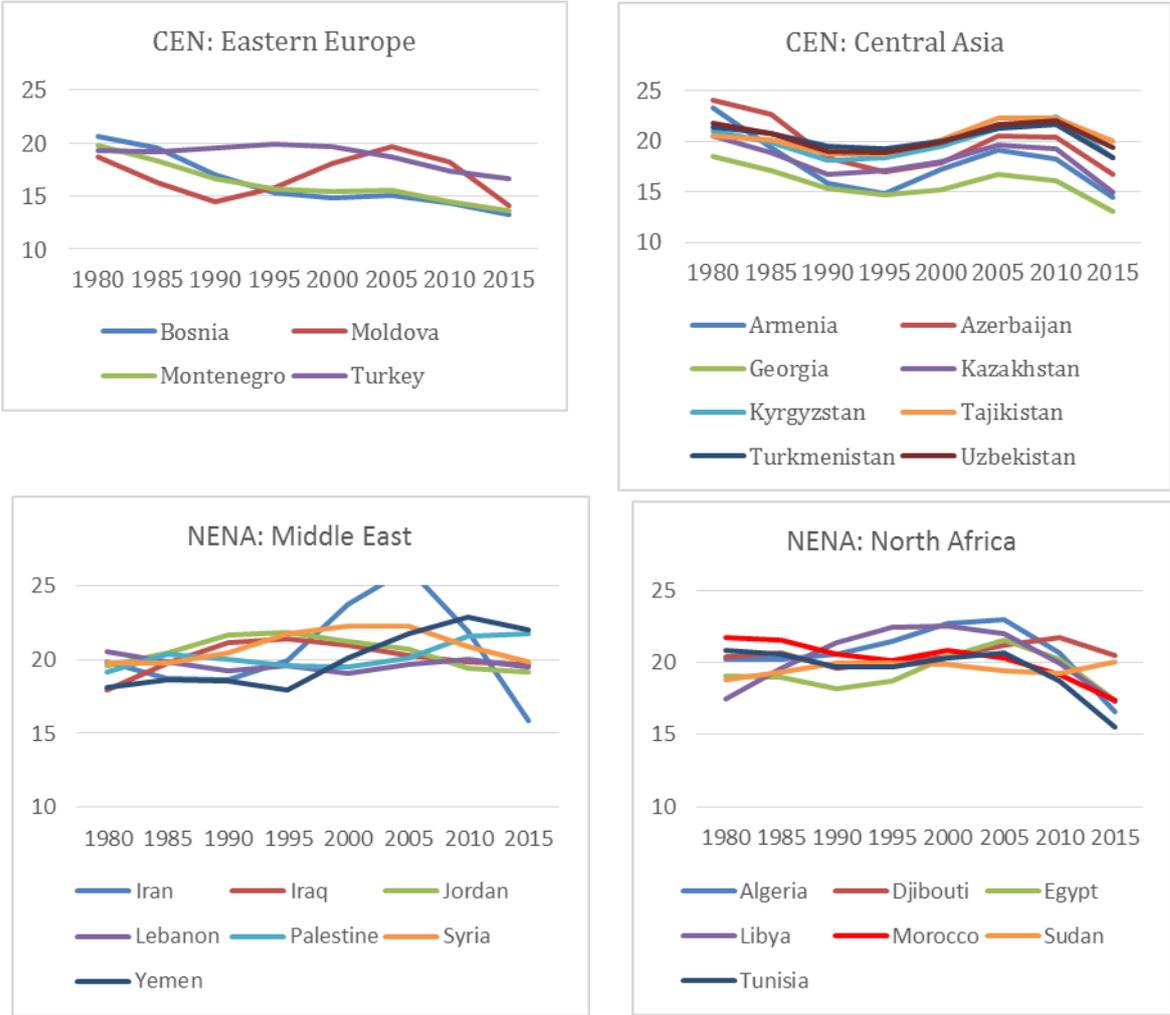


Source: United Nations, Department of Economic and Social Affairs, Population Division, 2017, Population by age groups-both sexes

¹ Globally, the proportions of youth in the population are expected to decline steadily over time, dropping to below 14 per cent by 2050, as fertility rates decline more uniformly and populations age across the world.

The NENA subregion experienced a later, but much stronger, demographic wave. The proportion of youth in the population peaked at 22.2 per cent in 2005, the highest in the world at the time (figure 2). Although the NENA subregion invested in the education of its young people during this time, the excess demand on its education systems affected education quality. The region was also not successful in creating enough jobs to absorb the incoming cohorts of young people (as we discuss below). Thus, like the CEN subregion, NENA benefited from lower dependency rates, but not as much as it would have had its youth been fully and productively engaged in the economic development of their countries.

Figure 3. Percentages of youth in the populations of the CEN and NENA subregions



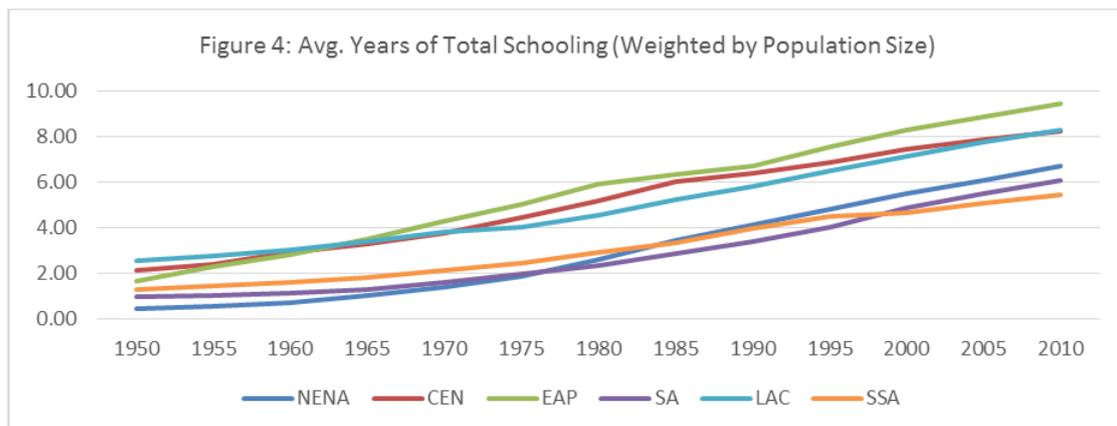
Source: United Nations, Department of Economic and Social Affairs, Population Division, Population by age groups

Looking across countries of the CEN subregion, we find that the youth bulge in all countries of Central Asia plus Moldova followed the same pattern and timing as in the wider subregion. The proportion of youth in the populations of Bosnia and Herzegovina and of Montenegro declined steadily from a single peak in 1980. Turkey's youth bulge was small and peaked around 1995. In NENA, the most significant youth bulge was in Iran, peaking in 2005. This was the result of sharp declines in fertility rates between 1990 and 2000 due to an ambitious family-planning programme in rural areas launched by the Iranian government (Salehi-Isfahani et al., 2010). Algeria, Egypt, Libya and Syria followed the typical demographic pattern for NENA, with the proportion of youth in the population peaking around 2005. Jordan and Iraq peaked earlier, around 1995. Lebanon, Tunisia and Morocco peaked around 1980. Djibouti, Palestine, Sudan and Yemen followed slightly later, around 2010-2015.

3.2 Educational attainment

Over the past half century, the NEN region has achieved among the largest increases in educational attainment in the world. Among countries listed in the Barro and Lee database (Barro and Lee, 2018), average schooling increased by more than 6 years between 1950 and 2010 in both the NENA (6.2 years) and CEN (6.1 years) subregions. The only region with larger increases in average years of schooling was South-East Asia, with an increase of 7.8 years of schooling during this time. By comparison, average years of schooling increased by 5.7 years in the sample of countries from Latin America, 5.1 years in South Asia and only 4.1 years in sub-Saharan Africa.

Figure 4. Average years of total schooling (weighted by population size) EAP, East Asian and the Pacific; LAC, Latin America and the Caribbean; SA, South Asia; SSA, sub-Saharan Africa



Source: Barro and Lee Educational Attainment Data.

That said, there were significant differences in improvements in educational attainment across countries of the region. In Iran, Kazakhstan and Jordan, average years of schooling all increased by more than 8 years, whereas Armenia, Sudan and Yemen all witnessed increases of less than 4 years. In addition, the quality of education remains a concern, especially in the context of the cognitive and non-cognitive skills young people need in order to be competitive in the global economy.

There are also significant differences in educational attainment across populations within countries. While some countries have achieved near parity in education outcomes between rural and urban areas and between male and female populations, others continue to face significant gaps. In the NENA subregion, Algeria, Jordan, Egypt, Palestine, Tunisia and Syria (before the current conflict) had primary school completion rates of over 90 per cent (UNESCO, 2018). In all five countries, completion rates among women were on par with or higher than among men. In rural areas of Jordan, Palestine and Syria completion rates were on a par with urban areas. In rural areas of Algeria, Egypt, and Tunisia they were lower in rural areas, with Tunisia registering the largest urban/rural differences. Djibouti, Iraq, Morocco, Sudan and Yemen all had primary school completion rates of between 55 and

70 per cent. In all five countries, completion rates among women were lower than among men, with the smallest differences in Sudan and the largest in Yemen. In rural areas of these countries, differences between men and women were even larger, with the largest differences registered in Morocco, Yemen and Djibouti.

All countries of the CEN subregion had primary school completion rates of over 99 per cent. This effectively eliminates any significant differences between men and women and between rural and urban areas. The lowest completion rate is 97 per cent among rural women in Montenegro.

Table 1. Completion rates, primary education (%)

Country	Year	Total			Male			Female		
		All	Rural	Urban	All	Rural	Urban	All	Rural	Urban
NENA										
Algeria	2013	94.2	91.8	95.7	93.7	92.6	94.4	94.8	91.0	97.0
Djibouti	2006	72.9	42.7	74.0	79.2	48.9	80.4	66.0	34.3	67.0
Egypt	2014	90.9	89.9	92.6	90.2	89.8	90.9	91.5	90.0	94.4
Iraq	2011	65.4	51.1	72.0	68.4	60.3	72.1	62.3	41.4	71.9
Jordan	2007	97.5	97.6	97.5	97.1	98.1	96.9	98.0	97.0	98.2
Morocco	2004	57.5	34.9	74.9	60.1	43.3	73.5	55.2	26.6	76.2
Palestine	2014	99.1	99.2	99.1	99.5	99.3	98.7	98.8	99.1	99.5
Sudan	2014	65.4	58.1	81.4	66.5	59.6	81.4	64.4	56.6	81.4
Syria	2006	95.6	94.6	96.5	94.7	96.5	96.4	96.4	92.8	96.6
Tunisia	2012	94.0	89.0	96.9	91.1	87.4	96.1	95.0	90.6	97.8
Yemen	2006	61.2	52.6	80.4	77.4	73.8	84.7	46.1	34.1	75.8
CEN										
Armenia	2016	99.3	99.6	99.1	99.4	100	99.0	99.1	99.0	99.2
Bosnia and Herzegovina	2012	99.7	99.7	99.9	99.6	99.4	100	99.9	99.9	99.8
Kazakhstan	2015	99.9	99.9	99.9	99.8	99.9	99.7	99.9	99.9	100
Kyrgyzstan	2014	99.3	99.2	99.5	99.1	98.8	100	99.5	99.7	99.0
Moldova	2012	99.1	99.2	99.0	98.7	98.8	98.5	99.5	99.5	99.4
Montenegro	2013	99.3	98.5	99.8	100	100	100	98.5	97.0	99.7
Tajikistan	2012	98.1	97.8	99.3	98.5	98.4	98.9	97.8	97.9	99.5
Turkmenistan	2016	99.9	99.8	100	100	100	100	99.7	99.6	100

Source: UNESCO, UIS Statistics, Education Dataset.

In terms of secondary school, in the NENA subregion, only Jordan and Palestine have completion rates above 50 per cent, followed by Egypt and Tunisia at around 40 per cent. Low completion rates are at least in part due to difficult terminal national exams at the end of secondary school in many NENA countries and the weak vocational secondary systems, which suffer from high rates of dropout. Countries of the NENA subregion exhibit a wide range of gender differences, with substantially higher completion rates among women in Algeria, Jordan and Palestine, and among men in Djibouti, Morocco, Tunisia and Yemen. Completion rates among women are similar to those of men in Egypt, Iraq, Sudan, Syria and Yemen. Completion rates are considerably higher in urban areas in all NENA countries, with the exception of Palestine. The largest differences are in Morocco, where urban

completion rates were 31 per cent compared with 4 per cent in rural areas. This is followed by Djibouti, Egypt, Sudan, Tunisia and Yemen.

In the CEN subregion, secondary school completion rates are high across all countries, exceeding 50 per cent in all countries with available data. Completion rates are highest in Bosnia and Herzegovina, Kazakhstan, and Turkmenistan, reaching above 90 per cent in each case. Secondary school completion rates among women are substantially higher than among men in Armenia, Moldova and Montenegro. Female completion rates are roughly on par with male rates in Bosnia and Herzegovina, Kazakhstan, Kyrgyzstan and Turkmenistan. Only in Tajikistan are secondary school completion rates substantially higher among men, 75 per cent compared with 50 per cent among women. Secondary school completion rates in rural areas are lower than in urban areas in all CEN countries with available data. The one exception is Turkmenistan, where completion rates in urban and rural areas are similar. The largest urban/rural differences are in Moldova, with completion rates of 75 per cent in urban areas compared with 39 per cent in rural areas. This is followed by Armenia, Montenegro and Tajikistan.

Table 2. Completion rates, upper secondary education (%)

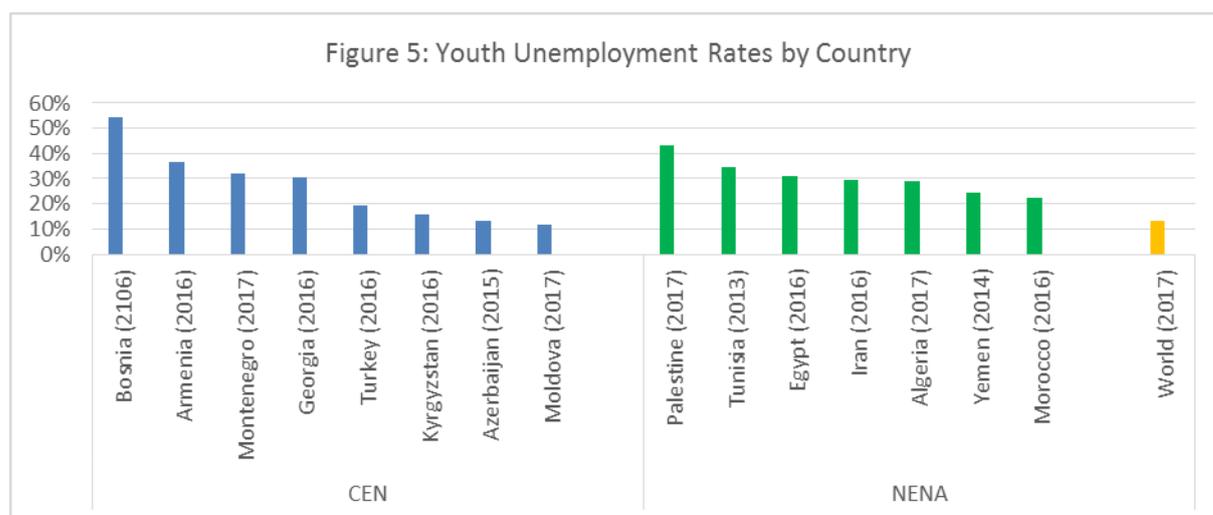
Country	Year	Total			Male			Female		
		All	Rural	Urban	All	Rural	Urban	All	Rural	Urban
NENA										
Algeria	2013	29.4	22.8	33.3	21.9	16.7	25.1	37.2	29.2	41.8
Djibouti	2006	20.7	8.18	21.1	27.6	13.8	27.8	14.6	5.16	14.9
Egypt	2014	41.9	33.9	56.6	42.8	34.9	56.8	41.0	33.0	56.3
Iraq	2011	18.7	8.73	22.4	19.2	11.6	22.0	18.1	5.74	22.9
Jordan	2007	57.3	50.0	58.9	51.9	44.1	53.9	63.3	57.8	64.4
Morocco	2004	19.8	4.35	30.6	23.0	7.6	33.0	17.1	1.71	28.4
Palestine	2014	62.2	64.1	61.7	52.1	56.6	51.2	72.7	72.4	72.8
Sudan	2014	16.6	9.12	30.3	17.7	10.5	29.4	15.6	8.01	31.2
Syria	2006	19.9	14.4	24.7	18.8	14.5	22.5	21.3	14.3	27.4
Tunisia	2012	44.2	25.9	53.3	51.0	22.7	46.0	38.0	29.7	61.0
Yemen	2006	33.1	24.4	47.4	42.5	39.0	48.5	24.4	10.7	46.4
CEN										
Armenia	2016	64.7	51.7	75.9	55.5	45.0	66.2	73.7	59.6	84.0
Bosnia and Herzegovina	2012	93.1	90.9	96.9	92.7	90.5	96.7	93.5	91.4	97.2
Kazakhstan	2015	93.8	91.8	95.4	92.9	99.8	93.9	94.9	91.9	97.0
Kyrgyzstan	2014	80.6	79.6	82.8	79.2	76.2	86.1	81.8	82.5	80.3
Moldova	2012	56.4	38.8	74.9	50.5	32.8	70.8	62.5	45.6	78.8
Montenegro	2013	54.9	46.2	59.0	45.3	40.7	47.6	65.3	52.8	70.7
Tajikistan	2012	61.7	57.3	75.1	74.5	70.8	84.5	50.2	45.6	65.5
Turkmenistan	2016	95.6	96.1	94.8	94.1	94.5	93.5	96.9	97.4	95.9

Source: UNESCO, UIS Statistics, Education Dataset.

3.3 Youth employment and unemployment

The NEN region has among the highest youth unemployment rates in the world, reaching close to 30 per cent across the region in 2016, compared with 13 per cent globally (figure 5). Indeed, the region has had among the highest rates in the world for over a quarter century. The four countries with the highest published youth unemployment figures span its subregions: 54 per cent in Bosnia and Herzegovina (2016), 43 per cent in Palestine (2017), 36 per cent in Armenia (2016) and 35 per cent in Tunisia (2013).

Figure 5. Youth unemployment rates by country



Source: ILO. ILOStat, See Table A1 in appendix.

The high rates of youth unemployment reflect lengthy transitions from school to work. Delayed transitions prevent youth from becoming independent and affect other pathways to adulthood, including marriage and family formation. This period of “waithood” (Singerman, 2007) is a source of wasted potential and social exclusion, which can lead to frustration and unrest. The “inability to find employment creates a sense of uselessness and idleness among young people that can lead to increased crime, mental health problems, violence, conflicts and drug taking” (ILO, 2010, p.6).

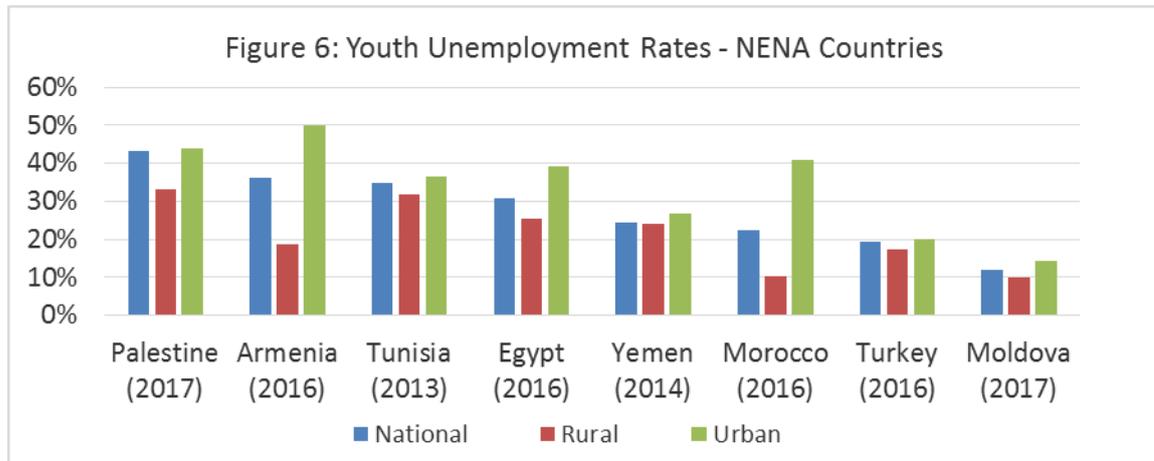
Education systems in the region are failing to provide youth with the technical and soft skills they need to succeed in the labour market (Salehi-Isfahani, 2012; Assaad et al., 2018). At the same time, economic opportunities are scarce in most countries of the region due to overreliance on public-sector employment (World Bank, 2004; Assaad, 2014), over-regulation of the private sector and a weak business environment due to corruption and crony capitalism (World Bank, 2009; European Bank for Reconstruction and Development et al., 2016). Finally, market information systems and

intermediation are underdeveloped, resulting in poor decision-making by individuals and firms, leading to an inefficient allocation of labour across sectors.

Youth unemployment rates are lower in rural areas than in urban areas in countries with available data (figure 6). However, they remain above the global average of 13 per cent in most countries (ILO, 2018). Lower unemployment rates in rural areas may reflect differences in employment opportunities. However, they may also reflect differences in transition periods from school to work as a result of differences in the timing of leaving school; the ability to add workers within the agricultural sector, including on a part-time or intermittent basis; and/or differences in labour supply pressures due to rural-urban migration patterns. In any case, it remains true that the lack of decent job opportunities in the urban regions is short-circuiting the rural transformation process.

The high rates of youth who are actively looking for, but unable to find, suitable employment have profound implications for economic transformations and rural transitions. If decent employment opportunities outside agriculture are not widely available, it dampens the incentives for young people to leave the farm and may even reduce incentives to improve agricultural productivity. Migration to other countries has been the alternative that many young people eventually choose to take.

Figure 6. Youth unemployment rates, NENA countries



Source: ILO. ILOStat. See Table A1 in appendix.

The problem of youth unemployment is compounded by the fact that job opportunities are mainly to be found in the informal sector. The proportion of youth employed in the informal sector is as high as 95 per cent in Palestine, 92 per cent in Egypt, 86 per cent in Tunisia and 80 per cent in Kyrgyzstan (ILO, 2016, 2017). The lowest rates in NEN countries with available data are in Moldova (23 per cent) and Jordan (48 per cent). The informal sector is characterized by poor job quality (low salaries and benefits, and low levels of social protection), lack of employment contracts protecting young workers, and weak career development and advancement opportunities. As a result, most young people in the NEN region prefer to queue for jobs in the formal private sector or the public sector, which offer decent pay and benefits as well as job security, further complicating youth employment transitions.

Many well-educated youth are willing to endure long periods of unemployment as they seek jobs in the public sector and formal private sector, which offer higher wages and benefits. The traditional social contract in NENA and former communist countries – that governments are the main provider of employment – is breaking down as governments struggle to contain their wage bills. Meanwhile, the region’s economies specialize in sectors that have low employment growth potential (ILO, 2014a).

The high rates of youth unemployment represent a missed demographic opportunity. Throughout much of the past 30s years, the NEN region has had the world’s highest proportions of youth in its populations, and it was only recently surpassed by sub-Saharan Africa. This youth bulge represented, and continues to represent in some NEN countries, a window of opportunity. If youth could be connected to productive employment during this time, it will result in a demographic dividend that leads to higher savings, investment and economic growth. The fact that most countries of the NEN region were not able to help their youth secure decent jobs during this time represents a missed opportunity.

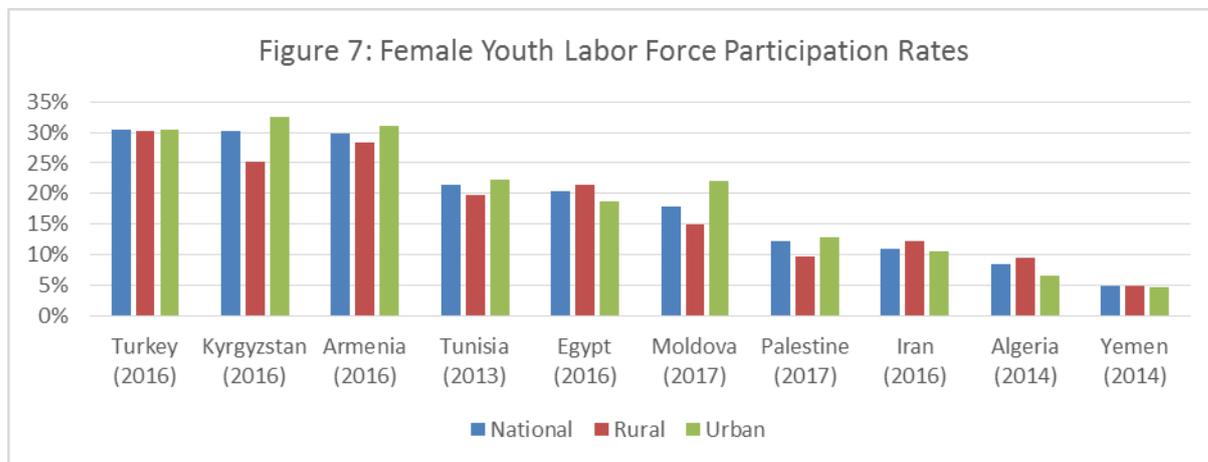
3.4 Gender

Most countries of the NENA subregion and some countries of the CEN subregion rank poorly in terms of female empowerment. This is reflected in low levels of female labour force participation, political participation, social inclusion and legal rights.

Labour force participation rates of young women in the NENA subregion are by far the lowest in the world, reaching 15 per cent among young women, compared with 35 per cent worldwide (ILO, 2017). This indicates that young women in NENA are facing structural and cultural barriers that hinder them from engaging in the workforce (UNDP, 2016). The situation is better in CEN countries, where labour force participation rates among young women are around 30 per cent in countries with available data, still lower than the world average, but not by much. Labour force participation rates among young

women in rural areas tend to be the same or slightly lower in rural areas than urban areas (figure 7; ILO, 2018).

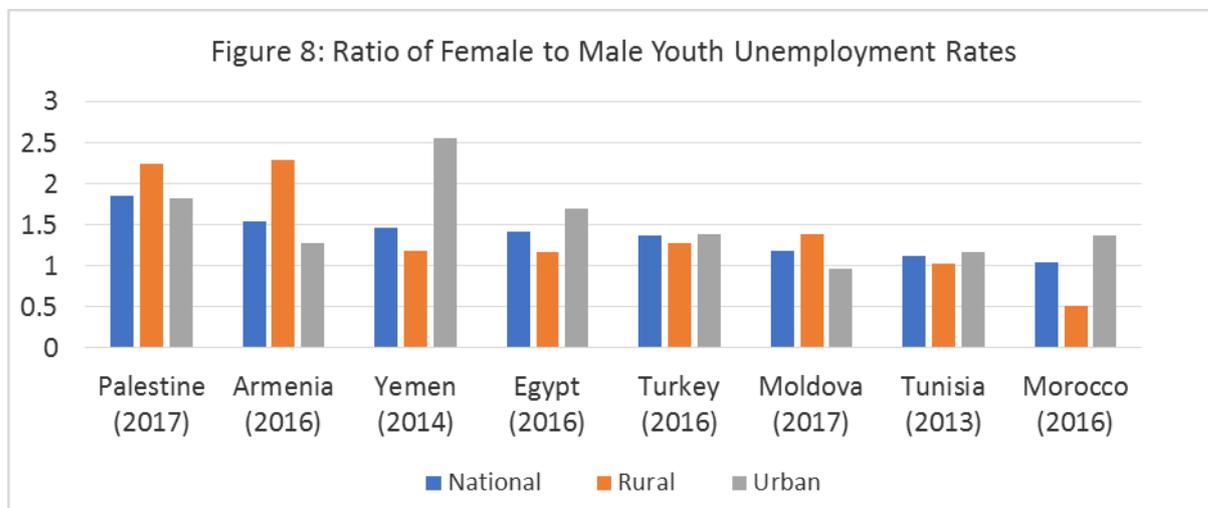
Figure 7. Female youth labour force participation rates



Source: ILO. ILOStat. See Table A3 in appendix

Social norms play a strong role, especially in Muslim-majority countries, where women are seen as subordinate to men, are not able to pass along citizenship to their children and, in some countries, cannot travel without the accompaniment or approval of a male guardian. Social norms also limit the kinds of work and workplaces that are deemed appropriate for women. Women are more likely to seek jobs in the public sector or formal private sector, which are seen as more respectable and provide a more professional environment, reducing (if not eliminating) harassment. Many women prefer to work in occupations that offer a degree of social acceptability. This contributes to higher levels of job queuing among young women. Given this, unemployment rates among young women in the NEN region are higher than among young men (figure 8; ILO, 2018) and in some cases nearly twice as high. One exception is the unemployment rate among young women in rural areas of Morocco, which is half that of their male counterparts. This might be due to the high internal and external migration rates among young men from rural areas.

Figure 8. Ratio of female to male youth unemployment rates



Source: Author's calculation based on ILO (ILOStat). See Table A1 in appendix.

Cultural norms play a crucial role in young women's employment options and participation in public life. Social practices such as early marriage undermine women's educational and employment prospects. Social and economic norms that cast men as breadwinners and women as caregivers shape how young women select and pursue educational and career options. In some NEN countries, young women tend to choose careers that are reserved almost exclusively for them, such as caregiving, education and health services. Such restricted opportunities undermine the potential of young women and curtail their future prospects by excluding them from better-paying jobs in male-dominated professions (UNDP, 2016).

Discrimination also plays a role. Employers cite gender as a key factor in their hiring decisions and often pay men more than women for the same work. While young women are less likely to work in the informal sector, they are more likely to have an informal job in the formal sector (ILO, 2017). Thus, they are less likely to have a job with a contract or social benefits, even when employed with a registered company. Many women accept this, in exchange for more flexible contracts and working hours. Indeed, social norms and women's own choices often interact, making it difficult to distinguish personal and societal factors behind female labour force participation and employment decisions.

Restrictions on the types of acceptable workplaces can manifest themselves in unexpected ways. For example, women are often compelled to find work close to their homes, both to limit social interactions with men and to better manage household responsibilities (Assaad and Arntz, 2005). This can further limit the available employment opportunities, especially for young women living and working in rural areas, who might have to commute longer distances to where the jobs are.

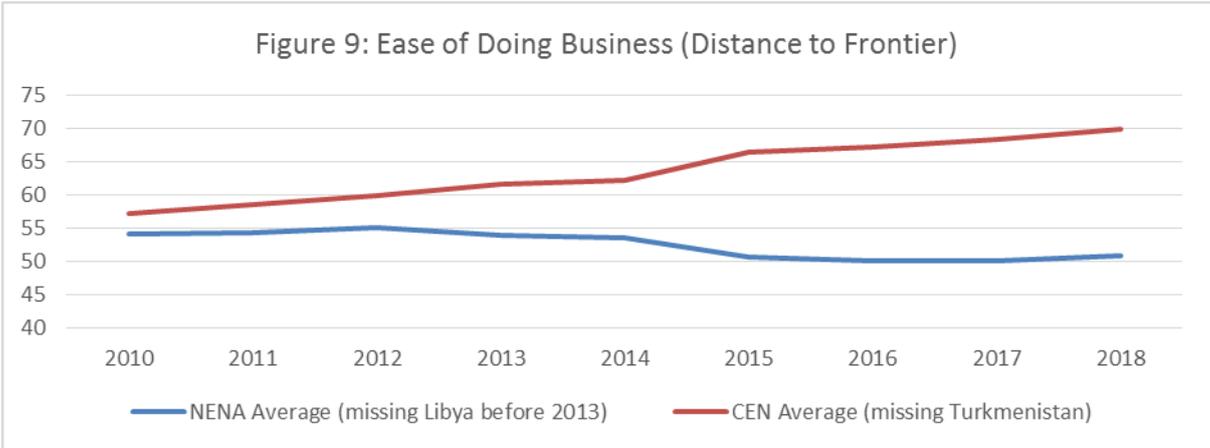
Factors affecting marginalization and exclusion compound each other. Thus, being young and female presents a double barrier to social, economic and political participation (Kabbani and Kamel, 2009). Add in low social-economic status and living in a rural area, and the barriers quickly become substantial. Young women in rural areas have fewer options to exercise agency and have limited access to information, health services, training, contraception and other resources. In rural communities, the age at first marriage has not risen as much as in urban areas (UNDP, 2016). While educational attainment among young women has improved greatly (UNDP, 2016) and now surpasses that of men in most NEN countries, female illiteracy rates in rural areas remain stubbornly high and higher than among men.

3.5 Weak job creation

Rural transformation depends on the extent of structural transformation in an economy. New jobs must be created in order to absorb labour released from agricultural activities. The issue of youth employment is inexorably linked to this structural transformation process. It is mainly young people, at the beginning of their careers, who select career tracks outside the farming sector and who migrate to urban areas in order to explore and take up new job opportunities.

The greatest obstacle facing youth transitions to work is weak job creation. Jobs are created when new firms are established and then grow from small to medium and from medium to large. In the NEN region, excessive business regulation has limited the number of new firms that are started and that successfully grow over time. In this regard, the NENA and CEN subregions have followed very different trajectories over the past decade (figure 9). In 2010, the two were close in terms of ease of doing business, and neither was very competitive. Since then, the two subregions have diverged, with CEN becoming more competitive and NENA falling further behind (World Bank, 2018a).

Figure 9. Ease of doing business (distance to frontier)



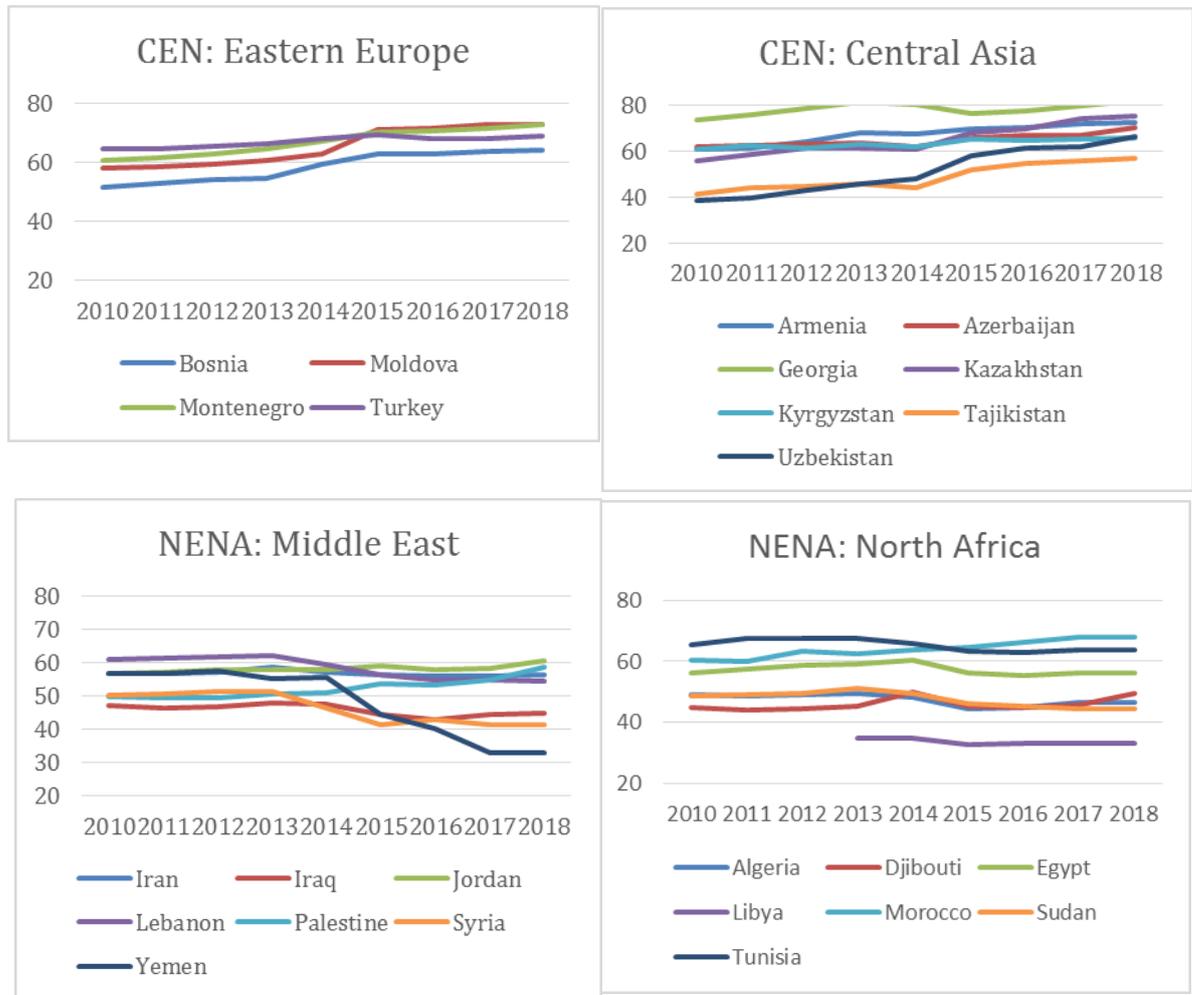
Source: World Bank. Doing Business Databank.

A closer examination across countries confirms the subregional trends. CEN countries made steady improvements in their business environment between 2010 and 2018. There are no exceptions. Georgia leads the group and was ranked ninth in the world in terms of ease of doing business in 2018. The country that achieved the greatest progress in improving its business regulatory environment since 2010 was Uzbekistan (World Bank, 2018a).

The experiences of countries in the NENA subregion are more divergent in terms of the competitiveness of their business regulatory environments. In the Middle East, only Palestine and Jordan have improved their business environments slightly. Yemen experienced a sharp deterioration. The other countries experienced relative deterioration. It is important to note that the Doing Business Indicator benchmarks against best practice. In a world where other countries are improving, simply standing still means that a country is falling behind in relative terms. Thus, NENA countries are simply failing to improve. In North Africa, only Morocco and Djibouti have achieved significant improvements. Note that Djibouti began from a very low base and the improvements made have been marginal.

The range of constraints that people face in starting a new enterprise in the NENA subregion is sizeable, including inadequate infrastructure and inadequate access to finance. Only 8 per cent of all bank loans in NENA go to small and medium-sized enterprises (SMEs) (Rocha et al., 2011). This significantly constricts the job creation potential of the region. NENA countries have implemented a wide variety of programmes to promote entrepreneurship. However, these efforts tend to be government-led and may be reinforcing the existing top-down development model. Youth face an additional hurdle, in the form of highly regulated labour markets. Many of the root causes of youth exclusion in employment and other spheres are the result of established individuals (insiders) effectively blocking the inclusion of newcomers (outsiders) (Assaad, 2014). Youth in the NENA subregion have by far the lowest rates of financial inclusion in the world. A World Bank study found that only 13 per cent of young people in NENA had an account at a formal financial institution, compared with 31 per cent among youth in developing economies worldwide. By comparison, 32 per cent of youth in Europe and Central Asia had an account at a formal financial institution (Demirgüç-Kunt and Klapper, 2012).

Figure 10. Ease of doing business in NEN countries (distance to frontier)



Source: World Bank (2018a). Doing Business Databank.

3.6 Conflict

The effects of conflict throughout the NEN region continue to reverberate, affecting both conflict countries and their neighbours. The Syrian conflict, which began in 2011, has led over 5 million Syrians to leave the country and has displaced 7 million people internally, out of a pre-conflict population of 23 million. While fighting in large urban centres such as Aleppo has captured headlines, much of the conflict, devastation and displacement has occurred in rural areas of the country. Entire villages have been levelled, disrupting rural infrastructure and livelihoods and leading to an explosion of populations in urban centres caused by people from rural communities seeking refuge from the fighting. Indeed, the Syrian conflict has a strong rural dimension; it was preceded by a steep decline in agricultural employment and a three-year drought that internally displaced 300,000 people.

The conflict in Yemen began in 2011, but the full-fledged civil war broke out in 2014 when the Houthis rebelled and took over the capital, Sana'a, and a coalition led by Saudi Arabia intervened to re-establish the government. The civil war has led to the death of over 50,000 people, mostly civilians, and the displacement of over 3 million people. Close to 18 million people are food-insecure. Yemen is a heavily rural country and the conflict has disrupted the lives and livelihoods of most of the population.

The NEN region is also home to several cold conflicts, including an unstable situation in Iraq and the decades-old Israeli-Palestinian conflict. A dispute between Armenia and Azerbaijan over the region of Nagorno-Karabakh remains unresolved. Another simmering conflict is between Georgia and the territory of South Ossetia in the northern part of the country. The independence of the Central Asian republics has opened a Pandora's box of border disputes. The process has been slow and antagonistic, highlighting the potential for conflict (International Crisis Group, 2002).

The NEN region now has the world's highest percentage of refugees in its population. Most of these have remained within the region. Lebanon is home to 1.5 million Syrian refugees, representing over 20 per cent of the country's population, placing enormous strain on its social services and infrastructure. Jordan is home to nearly 1 million Syrian refugees, in addition to nearly 100,000 Iraqis, to say nothing of Jordanians of Palestinian origin. Yemenis remain mostly internally displaced, unable to flee the country, but around 250,000 have sought refuge in Somalia.

Conflict has a devastating effect on the lives and livelihoods of all people involved, but its effects are especially harsh on youth. Conflict disrupts young people at the moment when they are transitioning to social and economic independence. In the absence of viable pathways to support themselves, young people are forced to wait, to migrate in search of better opportunities or to join the fight, either willingly or unwillingly (through conscription). The long-term consequences of these disrupted youth transitions on the economies of conflict countries can be substantial.

4. Inclusive rural transformation and changing opportunity structures

It is not a given that rural transformation will be inclusive. Countries must adopt policies to ensure that the rural transformation process benefits marginalized groups, including youth (IFAD, 2016). This section examines the changing opportunity space relevant to rural transformation in the NEN region, focusing on water scarcity, climate change, and on the agricultural business climate. In addition, the 2019 RDR has identified three foundations for thinking differently about rural youth: productivity, connectivity and agency. This section will examine each of these in turn.

4.1 Innovation and technology

Innovation and technology are the main drivers behind the rural transformation process. It is through innovation and technological advancement that agricultural productivity increases, freeing up labour to move to manufacturing and service-sector jobs. However, technological progress also destroys jobs, resulting in uncertainty and hardship among affected families and communities in rural areas. Communities that isolate themselves from these trends may mitigate the short-term disruptive forces of technological change, but at the cost of lower rates of economic growth. Communities that are open to these trends, but fail to adapt adequate policies to support adversely affected workers and families, will expose their societies to painful and prolonged transitions (Kabbani, 2017).

The latest technological revolution is coming to farming and will be highly disruptive. Advances in robotics and artificial intelligence have the potential to help smallholder farms (King, 2017). In addition, the low entry cost and virtual nature of information, connectedness and logistics will allow individuals and firms to be located and effectively operate from virtually anywhere. This presents rural communities with an opportunity to develop industries that capture a greater proportion of post-farm production and service sectors. To be successful, however, rural areas must integrate into clusters in order to allow the agglomeration and more efficient use of technology, expertise and opportunities. These clusters can create ecosystems that contribute to innovation and growth.

Technology also has the potential to significantly expand the opportunity space for rural youth. Rural youth are best positioned to take advantage of new information and communications technology (ICT) that can increase the competitiveness of rural communities. However, while rural areas in most countries of the NEN region have access to the Internet, education systems have not provided rural youth with the skills they need to use technology effectively to access information and build networks. Furthermore, Internet content in local languages, such as Arabic, remains limited, and useful Internet platforms in the region are scarce.

In the digital age, access to information is key. Farmers in rural areas can benefit greatly from being able to identify market price fluctuations for their products and avoid being taken advantage of by intermediaries. Access to information can also allow farmers to follow weather patterns and agricultural trends more carefully. There are significant differences across countries of the NEN region in terms of access to technology (table 3). NENA countries tend to lag behind, with mobile phone penetration as low as 39 subscriptions per hundred individual inhabitants in Djibouti and 64 in Yemen. The highest penetration rates are in the North African countries of Tunisia (124), Morocco (123) and Algeria (121). In the CEN subregion, the lowest penetration is in Uzbekistan (76 per 100 individuals). All other countries have penetration rates at least 90 per 100 individuals.

Table 3. Mobile subscriptions and Internet usage by country

Mobile subscriptions per 100 inhabitants				Individuals using the Internet (%)			
NENA		CEN		NENA		CEN	
Tunisia	124	Montenegro	166	Lebanon	78	Azerbaijan	79
Morocco	123	Turkmenistan	163	Jordan	67	Kazakhstan	76
Algeria	121	Georgia	147	Morocco	62	Moldova	76
Iran	107	Kazakhstan	145	Iran	60	Montenegro	71
Jordan	106	Kyrgyzstan	122	Tunisia	56	Armenia	70
Egypt	106	Armenia	119	Djibouti	56	Bosnia and Herzegovina	70
Libya	94	Tajikistan	111	Iraq	49	Turkey	65
Iraq	87	Azerbaijan	103	Algeria	48	Georgia	61
Syria	86	Bosnia and Herzegovina	98	Egypt	45	Uzbekistan	52
Lebanon	84	Turkey	96	Syria	34	Kyrgyzstan	38
Sudan	71	Moldova	90	Sudan	31	Tajikistan	22
Yemen	64	Uzbekistan	76	Yemen	27	Turkmenistan	21
Djibouti	39			Libya	22		

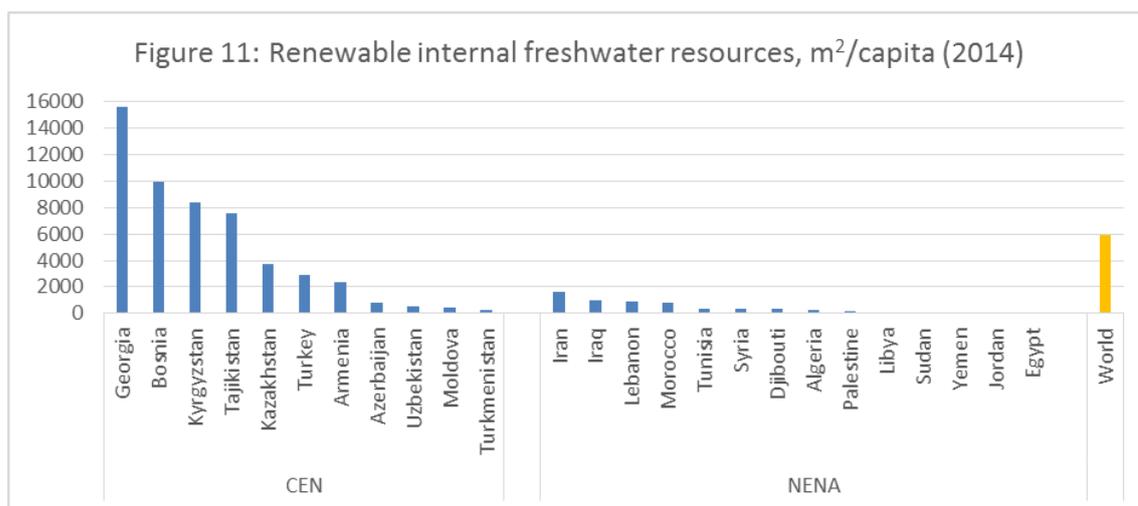
Source: International Telecommunications Union (2018). Data by gender, age and rural/urban location are available through International Telecommunications Union (2019), which needs a paid subscription.

Benefiting from technology requires both access and utilization. While farmers can inquire about the market prices by calling colleagues and dealers, using the internet can be more efficient and provide access to more in-depth information. There can be sizable differences in ability to access information on the internet, especially in light of weak educational systems and the dearth of internet content in native languages. Across the NEN region, as a proportion of the population, Internet usage is highest in Azerbaijan (79 per cent), Lebanon (78 per cent), Kazakhstan (76 per cent) and Moldova (76 per cent). Internet usage is lowest in Turkmenistan (21 per cent), Tajikistan (22 per cent), Libya (22 per cent) and Yemen (27 per cent). Among youth, usage often relates to social media and streaming content. Use of information technology to support learning and commerce is much lower.

4.2 Water scarcity and climate change

The NEN region faces among the most severe water pressures in the world. Only four NEN countries have renewable internal water resources higher than the 2014 global average of 5,921 cubic meters per capita (Figure 11), Georgia, Bosnia-Herzegovina, Kyrgyzstan and Tajikistan, All four are in the CEN subregion. The NENA country with the most abundant resources, Iran, had only 1,639 cubic meters of renewable internal water per capita in 2014, around a quarter of the world average. Indeed, NENA is the most water stressed region in the world, with renewable internal water resources of around 550 cubic meters per capita, one seventh that of the next closest region, Sub-Saharan Africa with close to 4,000 cubic meters per capita (World Bank, 2019). The most highly water stressed countries are in the NENA subregion and include Egypt, Jordan, Yemen, Sudan, Libya, and Palestine.

Figure 11. Renewable internal freshwater resources, m²/capita (2014)



Source: World Development Indicators, World Bank, 2019.

Water scarcity and desertification are eroding agricultural lands and devastating communities. These pressures are likely to grow over time as global warming accelerates. Tensions over water resources are evident throughout the region. Droughts and water scarcity are thought to have been contributing factors behind civil wars in Syria and Yemen (De Châtel, 2014; Suter, 2017). Egypt has threatened military intervention to prevent Ethiopia from diverting water that feeds into the Nile river as part of the US\$5 billion Grand Ethiopian Renaissance Dam project (Johnson, 2018).

Rural populations will be especially affected by extreme weather and prolonged droughts. These conditions have been further exacerbated by poor central planning, unsustainable agricultural practices and lack of investment in marginalized areas. One of the main challenges facing the NEN region is countering the effects of climate change and global warming. Strategies include switching to crops that can better cope with water shortages; introducing more efficient irrigation systems; and capturing and reusing a greater proportion of water resources.

The youth of today will inherit this legacy and will be the ones to feel the full effect of water scarcity and climate change. Young people across the region are already leaving agricultural activities because of the difficulties in farming in an increasingly arid climate. The incidence of drought and the uncertainty of agricultural yields from year to year are likely to increase. The youth of tomorrow will continue to be affected by climate change, as declining economic opportunities in highly affected areas will force young people to seek alternative livelihoods or migrate.

4.3 The agricultural business climate

As we have seen, countries in the NENA subregion rank relatively poorly in terms of having an enabling environment for business overall, which is a necessary foundation for the creation of economic opportunities for youth. Countries of the CEN subregion have done better. However, the business of agriculture is quite different and is typically regulated differently.

Those NENA countries for which data exist also rank relatively poorly in terms of the agricultural business climate. The one exception is Morocco, where farmers have decent access to water, transport and machinery. However, access to finance and fertilizer remains a problem. NENA countries such as Egypt and Sudan, which rely heavily on their agricultural sector, are weak across all indicators of the agricultural business climate, especially access to finance, water, transportation, markets and ICT. Both countries provide decent access to machinery, but only Egypt supports seed and fertilizer as well.

Countries of the CEN subregion also perform poorly in terms of their agriculture business climate. Indeed, all CEN countries with available data do better in terms of their overall business environments than their agriculture business climates, suggesting that they have prioritized the former in their national development policies. CEN countries do not perform at consistent levels across the various dimensions of their agricultural sector; they perform very well on some dimensions and very poorly on others. This suggests the lack of integrated rural development strategies and cohesive agricultural support policies.

Table 4. Indicators of enabling the business of agriculture (distance to frontier)

Country	Seed	Fertilizer	Machinery	Finance	Markets	Transport	Water	ICT	Average
Turkey	72	74	89	49	60	63	24	56	61
Morocco	68	32	60	29	64	80	77	67	60
Bosnia and Herzegovina	32	96	51	23	75	57	81	56	59
Georgia	71	68	42	44	68	49	30	94	58
Kazakhstan	54	73	81	37	71	19	66	61	58
Kyrgyzstan	36	69	65	79	73	18	46	44	54
Jordan	66	71	51	4	64	67	37	61	53
Armenia	62	29	54	36	65	18	83	56	50
Tajikistan	42	37	58	32	58	84	47	36	49
Egypt	53	57	55	30	47	13	16	33	38
Sudan	49	23	55	34	31	43	10	33	35

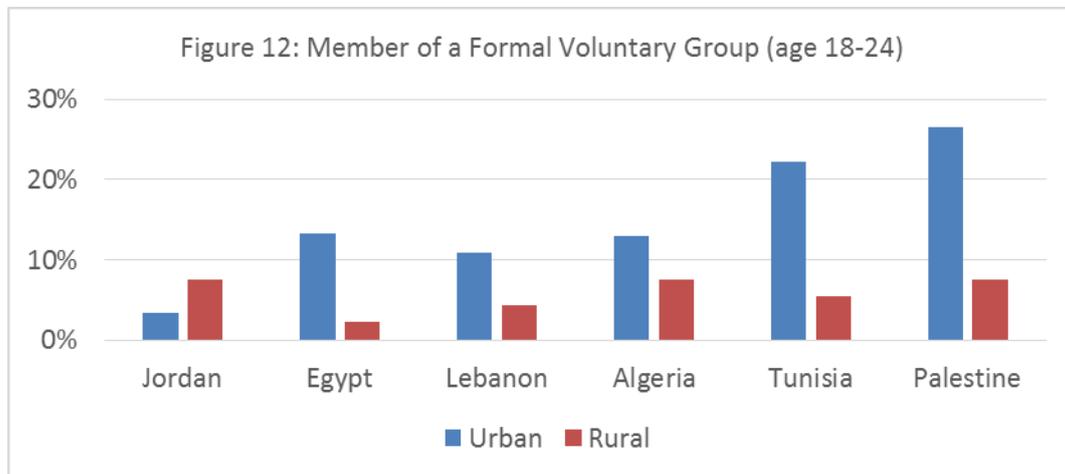
Source: World Bank (2018b).

4.4 Youth empowerment and participation

There are limits to social and political participation across the region's populations generally, not only rural youth. Governments of the NEN region provide their populations with a restricted space for social and political participation, such as elections for pre-selected leaders and participation in publicly sanctioned organizations, political parties and social groups. The main power structures of these social and political institutions tend to be located in urban centres. Rural youth have limited access to many of these state-sanctioned institutions, while at the same time they are discouraged or prevented from starting their own social or political initiatives in rural areas.

The limitations on civic activity means that rural communities are often less able to self-organize to address social issues they face. One could argue that, because rural communities are farther away from the centres of power, they may be more insulated from the interference of political institutions. This would imply that there might be more opportunities for rural youth to become socially (if not politically) active. However, the evidence does not support this conclusion. Civic participation is lower in rural areas in most NEN countries with available data (figure 12).

Figure 12. Percentage of youth (aged 18-24) who are members of a formal voluntary group



Source: author's calculations based on Arab Barometer, wave 4 [2016-2017].

Indeed, social and political participation are weak across urban areas as well. Governments in the NEN region insist on being both the referees and the main players in the development of their countries. While it is challenging to maintain this dual role, the process has been managed successfully in other countries such as Singapore and China, contributing to successful structural transformation and long-term economic growth. The main development challenge in the NEN region is that the space of government activity is not clearly defined. Furthermore, governments keep changing the rules.

The issue of cronyism is a key factor in both the private business and civil society sectors. Governments often tweak the rules and tilt the playing field to favour those closely associated with the regimes. Government contracts are often awarded based on selection criteria designed to favour specific applicants. NGOs associated with members of the ruling party or family and their associates are typically free to operate with little restriction. Independent private entities often face severe constraints on their ability to register, attract funding and partner with government agencies.

Finally, private actors are often reluctant to introduce innovations that might be seen as disruptive to the status quo. The ability to introduce innovative, disruptive technology is a key ingredient of successful structural and rural transformations. The agricultural sector must replace labour-intensive processes with more efficient technologies, freeing up workers to take up jobs in upstream and downstream activities or move to other sectors of the economy. The overall economy, in turn, must improve productivity in order to absorb the incoming cohorts of workers from the agricultural sector. This process cannot take place, or take place efficiently, if governments intervene too heavily.

5. Policy and programmatic alternatives to rural youth inclusion

The previous sections of the background paper make the case that, while NEN countries have made significant strides in terms of both structural and rural transformation, the pace has slowed in recent years and the process has been impeded by political and economic obstacles. As a result, youth in rural areas face substantial challenges when it comes to participating in agriculture and the rural economy. This section outlines policy and programmatic approaches to supporting rural youth inclusion that are relevant for the NEN region. It relies on current thinking and examples from across the region.

5.1 Youth policy in the Near East, North Africa, Europe and Central Asia region

The challenges facing rural youth are multifaceted and complex. They involve challenges with the education system, private-sector development, access to finance, labour market intermediation, rural development and much more. Given this, many countries of the NEN region have introduced national youth policies or strategies that provide an integrated framework for addressing youth issues.

In the NENA subregion, 3 of the 14 countries studied have current national youth policies or strategies in place. Three NENA countries had policies or strategies in place at one time, but these have expired, and their status is unclear. Eight countries have never had an approved national youth policy or strategy, although four had worked on or produced drafts that were not adopted.

The situation in the CEN subregion is very different. Of the 12 countries studied, 9 have current national youth policies or strategies in place and two had strategies that expired recently. Only one country, Bosnia and Herzegovina, never had a national youth policy or strategy. One reason for this difference between subregions is that more than half of the CEN countries have youth laws, in addition to youth policies or strategies. Providing a legal framework affords a higher status for youth issues in a country and ensures continuity even when a national policy or strategy expires.

Nearly all national youth policies or strategies cover education, training and employment (table 5). Many also cover health, political and/or civic participation, social issues and recreational activities. Other issues covered are specific to the particular circumstances of different countries. For example, Lebanon's strategy covers migration, given the high proportion of young Lebanese who migrate for work or permanently. Kazakhstan and Tajikistan address issues of radicalization and extremism in their strategies. Agricultural and rural concerns are covered in most national policies and strategies. These mainly provide a rural perspective on the main issues concerned.

While adopting a national youth policy or strategy can provide an integrated policy framework for addressing youth issues, another challenge is implementing the components of these strategies. Youth issues are covered by a myriad of different ministries including education, labor, commerce, and agriculture. Youth issues are also covered by a number of different government agencies addressing SME development and finance, civic participation, family policy and more. Supporting youth as they transition from dependence to independence requires a significant amount of coordination among these various, often competing, policy actors. Furthermore, none of these agencies views youth as its main constituency (Kabbani, 2019).

National youth policies and strategies often lack mechanisms for coordinating their implementation, which can render them ineffective. Most NEN countries have established ministries of youth and sports to cater to the needs of young people and coordinate government youth policies. However, these ministries lack any real authority to make or change policies in the areas that are most important

to youth development. In an effort to mitigate this challenge, in addition to their legal frameworks, many CEN countries have also adopted national youth action plans or programmes that aim to operationalize their strategies.

Table 5. Rural youth in youth policies and strategies in selected NEN countries

Country	Main issues	Reference to rural youth and agriculture	Policy or strategy document	Government ministry or agency
NENA				
Lebanon	Demography and migration; economic participation; education and culture; health; social integration; political participation	Major	National Youth Policy 2012-present	Ministry of Youth and Sports
Morocco	Social security and inclusion; youth services; extra-curricular activities; ICT access; employment and training	Major	National Youth Policy 2003-present	Ministry of Youth and Sports
Yemen	Employment; civic participation; leisure options; health	Major	National Youth Strategy 2006-2015	Ministry of Youth and Sports
Djibouti	Development; empowerment; integration; unemployment; education	Minor	National Youth Policy 2001-2005	Secretariat of State for Youth and Sports
Jordan	Participation; rights and obligations; education and training; employment; sports and recreation; media; culture; ICT; globalization; health; environment	Minor	National Youth Strategy 2005-2009	Higher Council for Youth
Palestine	Participation; citizenship, civil rights; economic, social and political empowerment; access to various youth services and programmes	Minor	Youth Cross-cutting Strategy 2011-2013	Higher Council for Youth and Sports
Egypt	Employment; political participation; education; health; population; culture; mass media; volunteer work; social welfare; sports and recreation; environment; research	Minor	Draft: National Policy for Youth in Egypt 2009	Ministry of State for Youth Affairs
Iraq	Education; health; promotion of rights and national identity; community engagement	Major	Draft: National Youth Strategy 2013	Ministry of Youth and Sports
Sudan	Training; microfinance	Not able to tell	Draft: National Youth Strategy 2007	Ministry of Youth and Sports
Syria	Education and training; employment; health; environment; sports	Not able to tell	Worked on National Youth Policy 2008-2011	Commission for Family Affairs
Algeria	No youth policy or strategy			Ministry of Youth and Sports
Iran	No youth policy or strategy			Ministry of Youth Affairs and Sports
Libya	No youth policy or strategy			Ministry of Youth and Sports
Tunisia	No youth policy or strategy			Ministry of Youth and Sports Affairs

Country	Main issues	Reference to rural youth and agriculture	Policy or strategy document	Government ministry or agency
CEN				
Azerbaijan	Education; employment; participation in cultural life; health; supporting talented youth, young families and youth organizations	Minor	Youth Policy Law 2002; programme implementation 2011	Ministry of Youth and Sport
Georgia	Education; employment and mobility; participation; health; support and protection	None	National Youth Policy 2014-present	Ministry of Sport and Youth Affairs
Kazakhstan	Globalization and cultural values; labour values; consumption; prevention of radicalization; marginalization	Not able to tell	National Youth Policy Law 2004; National Youth Policy 2013	Ministry of Education and Science
Kyrgyzstan	Young family support; health; civic development; education; economic independence; leisure; employment; social services and rehabilitation	Major	Youth Policy Law 2009	Ministry of Labour, Migration and Youth
Moldova	Employment; education; health; participation and involvement in decision-making; access to information and services; leisure; institutional capacity development	Major	Youth Law 1999; National Youth Policy 2009	Ministry for Youth and Sport
Tajikistan	Rights and freedoms; education; employment; social protection; professional and physical development; prevention of religious extremism; promotion of youth organizations	Minor	Youth Law 2004; National Youth Policy 2006; Youth Programme 2012	Committee on Youth Affairs
Turkey	Education; culture; employment; entrepreneurship; participation and civic consciousness	Minor	National Youth Policy 2013-present	Ministry of Youth and Sports
Turkmenistan	Participation; rights and freedoms; education; health; creative activity; vulnerable youth; young families; physical and spiritual development; employment; entrepreneurship; cultural entertainment; recreation; supporting youth organizations	Not able to tell	State Law on Youth Policy 2013	Makhtumkuli Union of Youth of Turkmenistan ²
Uzbekistan	Education; employment; entrepreneurship; youth funds; social services; supporting youth organizations and young families		Law on State Youth Policy 1991-present	No official youth state council, ministry or department
Armenia	Participation; employment; economic and social involvement; health; cultural values	Major	State Strategy for Youth Policy 2013-2017	Ministry of Sports and Youth Affairs
Montenegro	Education; employment; health; social participation; human rights; culture; leisure; information and nobility; family	Major	National Youth Action Plan 2006-2011	Directorate for Youth and Sports of the Ministry of Education and Sports
Bosnia and Herzegovina	No youth policy or strategy			Ministry of Family, Youth and Sports

Source: compilation by authors from various national youth policy documents available at youthpolicy.org

² A government-financed organization, responsible for implementing the National Youth Policy.

5.2 Youth policy approaches relevant to the Near East, North Africa, Europe and Central Asia region

At the level of specific policies and areas for reform, there is much that NEN countries can do to support rural youth. Indeed, the analysis above provides clear guidance on the kinds of policy priorities that should be pursued to improve the economic and social situation of youth in rural areas.

- **NEN governments must redefine the social contract with their citizens.** Authoritarian regimes throughout the NEN region use a combination of public service provision and repression to ensure that they remain in power. This has created a rentier system that has produced a combination of dependency and cronyism which diverts resources away from the process of real transformation. Rent-seeking behaviour by citizens has, in turn, created perverse incentives that distract from the development process. This complex political economy has thus created a Gordian knot that has impeded positive structural and rural transformations. In many NEN countries, resources are further diverted towards mega-projects that align with the visions of autocratic rulers but do not yield positive returns on investment for citizens. Policy analysts have called into question the economic benefits of expanding the Suez Canal or building a new capital in Egypt; or the potential of a high-speed train in Morocco for rural citizens who will not be able to afford such a high-tech option.
- **NEN governments must improve the business regulatory environment and create more jobs.** The main issue impeding structural transformation of the region's economies, and subsequently the rural transformation process, is the weak business climate. The literature suggests that excessively rigid business and labour regulations could harm employment prospects for youth (Robalino et al., 2013). In the NEN region, weak employment growth in the private sector has limited the ability of the non-farm sector to absorb excess farm labour. Weak job growth disproportionately affects new labour market entrants, mainly youth. Given this, the main policy objective of governments of the region should simply be to allow the private sector to develop, grow and create economic opportunities. As we have seen above, CEN countries have achieved notable improvements to the business climate and have begun to reap the benefits. They do, however, need to expand business-friendly regulations to include the rural and agricultural areas. By comparison, most countries of the NENA subregion have fallen further behind in terms of creating a favourable business climate for private-sector growth and job creation. The World Bank's annual Doing Business report provides a useful guide for governments to identify areas for simplifying regulations.
- **Reform education systems, especially in rural areas.** Education systems in the region are not providing youth with the skills they need to succeed in the labour market. The primary objective of education systems in the region is imparting youth with knowledge they need to pass national exams in order to gain entry into public university systems. Vocational tracks are seen as a second-tier system for students who are not able to access the primary track. However, primary educational tracks do not provide youth with practical knowledge and skills they need for the world of work, and secondary vocational tracks typically involve outdated curricula that are not well linked to job opportunities. Furthermore, access to education is far from a level playing field, as high-income and upper-middle-income families from urban areas have the financial resources to help their children prepare for and pass national exams. Thus, after years of studying, youth from disadvantaged backgrounds find themselves able neither to access the public university system nor to gain the practical skills they need to succeed without a university degree. Public education systems need to do a much better job of tailoring the curricula to meet the needs of their students and provide them with marketable skills at all levels. This applies to both urban and rural areas. Primary

education systems need to include practical material, such as entrepreneurship education programmes, and structure learning more around projects and teamwork, not just knowledge transfer and rote memorization. Vocation education systems need to link more directly to the labour market and increase the use of on-the-job training.

- **NEN governments need to address gender imbalances in the social space and legal code.** Young women remain legally subordinate to men in many countries of the NEN region and few have access to a safe space of their own, or resources to combat injustices when they occur. Some progress has been made through amendments to personal status codes in Morocco and Tunisia after the Arab Spring. However, at the same time, women's rights have been under attack in Egypt and Iraq. In rural areas of the NENA region, more needs to be done to ensure that young women are able to find acceptable work and are able to secure their rights, including inheritance and ownership of land. In addition, governments need to do more to prevent social practices that demean young women, such as female genital mutilation. After a long struggle, female genital mutilation was finally banned in Egypt in 2007 and has been restricted or outlawed in Djibouti, Iraq, Somalia, Sudan, Yemen and other countries. However, more needs to be done to raise awareness and prosecute offenders in rural areas.
- **Address gender differences in educational outcomes in rural areas.** Women across the NEN region have made significant strides in educational attainment. Young women are now completing secondary education and tertiary education at rates on a par with or higher than young men across most countries. The exception is literacy rates in rural areas. NEN governments need to more to address gender imbalances at this level. There are examples of successful programming from across the region. One example comes from Egypt.

Case study 1

Ishraq is a social initiative that has been working to improve educational, health and social opportunities for thousands of adolescent girls in rural Upper Egypt since 2001. Significant numbers of adolescent girls in upper Egypt continue to never enrol in school or to abandon their studies after only a few years. Girls who are not enrolled in school are at risk of early marriage, sexual violence and poverty. These problems are compounded by cultural restrictions, as girls are likely to have limited mobility, be socially isolated and lack peer support networks. In rural Upper Egypt, half of adolescent girls have never been to school and they are frequently overlooked by development programmes. Ishraq was launched in 2001 by the Population Council, in conjunction with other NGOs. Ishraq combines literacy training, life skills and nutrition education with sports and financial education. The programme creates girl-friendly "safe spaces" where girls gather, make friends and learn from female graduates in their communities. The programme expanded to include a companion programme to provide boys with training on gender equality, civil and human rights, and responsibility to self, family and community. Ishraq has reached thousands of children in over 50 villages. For participants, Ishraq has improved literacy, developed life skills, increased self-confidence and led to greater mobility and community participation. For example, 81 per cent of female participants in Ishraq who have taken the national literacy exam passed it and more than half of them have gone on to formal schooling (Brady et al., 2007).

5.3 Youth programmatic approaches relevant to the region

Over the past two decades, countries of the NEN region have implemented a wide range of programmes aimed at improving the lives and livelihoods of youth. While there has been an urban bias to youth programming (Eichhorst and Rinne, 2015), many of these programmes have targeted rural youth.

- **Improving the evidence base for youth programming:** an important component of youth programming is ensuring that outcomes are monitored and impact is evaluated. This is the only way to know which programmes are working and which need to be improved or replaced. The NENA and CEN subregions differ in the evidence base for their programmes. In NENA, there is a dearth of reliable evidence on programme effectiveness. In 2007, an analysis of the global Youth Employment Inventory found that no programme in the database from the NENA subregion had undergone a rigorous impact evaluation. By comparison, nearly 30 per cent of youth programmes from CEN had (Betcherman et al., 2007). By 2014, the proportion of youth programmes from NENA that had undergone an impact evaluation had risen to only 2 per cent, far below the 10-35 per cent range of other regions (ILO, 2014b).

Case study 2

Taqeem is an initiative originally launched in 2010 by the International Labour Organization in response to the lack of evidence on the effectiveness of youth employment interventions in the NENA subregion. The objective of the initiative was to engage with youth employment policymakers and practitioners, build their capacity and support them in enhancing the monitoring and evaluation of their programmes (ILO, 2015). In 2015, the ILO partnered with IFAD to strengthen the Taqeem Initiative's reach and promote gender mainstreaming in rural areas. Since its inception, Taqeem has provided youth employment practitioners and researchers with evaluation training and support. In partnership with donor agencies, it has provided seed funding for impact evaluations to build a critical mass of evidence on their effectiveness. Finally, Taqeem has organized evidence symposia, policy roundtables and an interactive online knowledge platform that target policymakers and practitioners and disseminate findings from impact research (ILO, 2017; United Nations, 2018).

- **Improved access to microfinance for youth:** as discussed above, youth in the NENA subregion have the lowest rates of financial inclusion in the world. By comparison, youth in CEN are on a par with the average for developing economies (Demirgüç-Kunt and Klapper, 2012). This lack of access extends to microfinance services for youth interested in starting, managing or growing a business, including rural youth engaged in agricultural activities. Across NENA, young people are underserved by microfinance institutions. Critical drivers of this outcome include the lack of assets and collateral as well as the perception of risk in lending to youth.

Case study 3

Silatech partnered with Al-Amal Microfinance Bank in Yemen to address gaps in access to microfinance. In 2009, only 15 per cent of Al-Amal Bank's lending went to young people. After working with Silatech to develop a dedicated youth lending facility, Al-Amal Bank found that the loan repayment rates of youth were on a par with those of adult clients (Silatech, 2014). The experience encouraged Al-Amal to expand its youth customer base. Later, IFAD's Rural Youth Economic Empowerment Programme supported Al-Amal Bank in expanding its youth financial services to reach rural youth. Despite a major conflict in 2015, the bank launched operations in 13 rural areas. Five different lending products were designed to serve different purposes and accept different types of collateral. While the products were generally the same as those offered in urban areas, there were significant differences in how young people used the products. Rural youth were more likely to use group lending involving small, short-term, group-guaranteed loans that increased based on performance and repayment. In rural areas, the size of the group was expanded from 5 to up to 25 to reduce the cost of lending. Another popular product was Reayah, which targeted poor households that received government support payments. The loan sizes disbursed were small, and government payments were used as collateral. The rural expansion proceeded faster than expected and Al-Amal reached 3,600 youth by March 2015 (IFAD, 2018).

- **Access to finance for start-ups:** financing start-ups presents an altogether different set of issues from access to credit for existing enterprises. Start-ups can introduce innovation and develop new products and services that link into agricultural value chains. Successful start-ups can contribute to real job creation and economic growth. However, start-ups require significantly more capital than lines of credit needed to support existing enterprises. Setting up a new enterprise is also far more risky than supporting an existing business with a proven track record, requiring borrowers to provide higher levels of collateral to secure a loan. Given this, lenders are reluctant to fund start-ups and to lend to young people in particular, who do not have a proven track record and do not have access to collateral.

Case study 4

IFAD's Rural Financial Services and Agribusiness Development Project supported the provision of start-up loans of up to US\$15,000 to finance young entrepreneurs' investments in agricultural value chains in Moldova. Partner banks contributed a minimum of 20 per cent of the total loan, bore the credit risk of the loans, and decided on the approval of applications. Applicants were required to submit a business plan demonstrating the financial and technical feasibility of the project as well as its potential to create jobs. Young entrepreneurs contributed a minimum of 10 per cent of the total investment and were entitled to a matching grant, equal to the size of the loan, to help fill any collateral gap. Repayment periods depended on the project, but were up to a maximum of eight years. The programme provided technical assistance, training and capacity-building to both borrowers and participating banks. In total, 445 young entrepreneurs received loans from the project to start their agribusinesses and created over 1,700 full-time equivalent jobs.

- **Skills development:** private companies often list their inability to recruit workers with the right skills as a primary obstacle to running and growing a business. Skills training programmes represent 86 per cent of the 500 cases in the Youth Employment Inventory (Robalino et al., 2013). A critical element for the success of skills training programmes is the inclusion of an on-the-job training component. Skills training programmes achieve the best results when they are coupled with in-firm internships and are responsive to market signals. This could present a constraint in rural areas that have fewer firms and formal employment opportunities. The main

focus, ahead of introducing skills training programmes, remains supporting a business climate in rural areas that would encourage the development and growth of new enterprises, such as those linking to agricultural value chains. Entrepreneurship skills training programmes have the potential to increase the development of new businesses in rural areas, if coupled with a strong enabling environment. Other types of programmes in the Youth Employment Inventory have less potential to benefit rural youth. These include employment services, which again require that opportunities be available, and subsidized employment programmes – wage subsidies and public works – that increase youth employment in some circumstances but often have negative side effects, such as substitution effects, when employers fire a regular worker in order to hire a subsidized one in their place. Finally, labour market reforms have a positive effect in the long run, but their effectiveness depends on the specific nature of the reform and the government's ability to enforce changes.

- **School-based work experience:** unemployment spells among young, first-time job seekers in the NEN region can be measured in years rather than months. Young people typically leave school with no practical work experience and little idea of the employment opportunities available. Indeed, as we have seen, education systems in the region focus on imparting knowledge rather than developing practical skills of immediate use in the labour market. This includes the skills and experience required to search for, secure and succeed in a job. This skills deficit affects employability at all school levels, from university graduates to school dropouts. Practical experience can be integrated into school curricula through project-based and service learning. Another support strategy for young people is to try to ease their transition from school to work by providing career guidance and counselling. Schools in urban areas of the NEN region have begun experimenting with these models. However, bolder steps are possible. Furthermore, such programmes can and should be expanded to rural areas.
- **Virtual work platforms:** virtual work holds much promise in the NEN region, given the limited mobility of many marginalized groups. These include refugees and displaced populations in conflict areas. They also include women who live in more conservative communities or who prefer flexible work schedules. The NEN region also has high penetration rates for ICT. Upwork provides a large platform for online freelance work, but smaller regional platforms such as Nabesh.com are also promising. Projections indicate that more than 1.3 billion people will work virtually within a few years (Johns and Gratton, 2013). In developing regions, virtual work provides the potential to earn a higher income than conventional work, while retaining a high degree of flexibility. Youth in the NEN region have technical skills that can help them access virtual work platforms. However, they have tended to score poorly on experience ratings in the virtual platforms. This has been mainly because of limited work experience and poor basic skills, including communication skills, work habits and teamwork. A number of NGOs, including Mercy Corps, have been working to fill this gap in the region.
- **Working together:** addressing the issues facing rural youth requires governments, the private sector and youth-serving organizations, in addition to youth themselves, to play a role in the development process. Youth-serving organizations are best able to experiment with innovative solutions, identify promising interventions that work, and encourage youth participation and inclusion. Governments are the only sector able to undertake structural reforms, reduce inequities, align incentives, create space for participation and innovation, and scale up interventions that work. The private sector is best able to develop inclusive hiring practices, support SME development through more inclusive supply-chain practices, and develop base-of-the-pyramid markets and distribution channels. Finally, youth must view themselves as part of the solution rather than rely solely on public-sector-led solutions. The Ishraq initiative, discussed above, is a good example of a project that brought together the various sectors to help pilot and

later expand the programme. Ishraq partnered with Egypt's Ministry of Youth, NGOs and youth centres to create new classes with local resources. Committees were formed at the village, governorate and national levels to provide ongoing support to institutionalize the programme at the local and national levels.

6. Conclusion

The NEN region has achieved relatively high levels of both structural and rural transformation. However, the speed of transformation has slowed in recent years. Indeed, countries in the region face a myriad of social, economic and political challenges that have stalled the structural transformation process and delayed rural economic development. The NENA subregion suffers from water scarcity, high rates of youth unemployment, low rates of female labour force participation and a broken social contract between citizens and the state. The CEN subregion suffers from weak economic growth and misaligned economic incentives and institutions.

The stalled structural and rural transformation processes have had a detrimental impact on youth as they transition from dependence to independence. Rural youth face dwindling opportunities in both the farm and non-farm sectors. The ensuing high rates of joblessness, unemployment and informal work have encouraged rural youth to migrate to urban areas and abroad in search of better opportunities. Stalled transitions to economic independence have affected youth transitions in the social sphere, including family formation, leading to frustration, radicalization and social unrest.

Rural youth in the NEN region face a range of barriers to economic, social and political participation. The region has the highest youth unemployment rates in the world, reaching close to 30 per cent, compared with 13 per cent globally. While youth unemployment rates tend to be lower in rural areas, they remain above the global average in most cases. Demographic transitions created a youth bulge that increased pressures on the education systems and labour markets of the region. Weak education systems are failing to provide youth with the cognitive and non-cognitive skills they need to compete in a globalized economy. In addition, despite gains in educational attainment, many NEN countries suffer from gaps in access in rural areas, especially for girls. In terms of gender imbalances, the NEN region suffers from low levels of female labour force participation, social-political inclusion and legal rights.

Arguably, the most important issue facing rural youth in the NEN region today is weak job creation. In the context of healthy structural and rural transformation processes, new jobs must be created in order to absorb labour released from agricultural activities. In the NEN region, excessive regulation has dampened business development and job creation. However, the two subregions have diverged in this regard, with CEN economies becoming more competitive over time and NENA economies falling further behind. NENA countries are also lagging in terms of technology adoption, while job opportunities available to youth are mainly in the informal sector. That said, the agricultural business climate in both subregions remains uncompetitive. This is a problem given that the NEN region is among the most water-scarce in the world and will be adversely affected by global warming.

Many countries of the NEN region, especially the CEN subregion, have introduced national youth policies or strategies that provide an integrated framework for addressing youth issues. Most of these cover agriculture and rural areas. Many CEN countries have also adopted national youth action plans or programmes that aim to operationalize their strategies. By comparison, NENA countries have been less successful at developing and implementing integrated youth policies and programming. While NEN countries have introduced a myriad of youth policies and programmes, there is evidence of an urban bias and there is much more that can be done to support rural youth in the NEN region.

References

- Arab Barometer Database. 2018. Wave IV(2016-2017).available at: <http://www.arabbarometer.org/waves/arab-barometer-wave-iv/>.
- Assaad, R. 2014. Making sense of Arab labor markets: The enduring legacy of dualism. *IZA Journal of Labor & Development* 3(6).
- Assaad, R. and M. Arntz. 2005. Constrained geographical mobility and gendered labor market outcomes under structural adjustment: Evidence from Egypt. *World Development* 33(3): 431-454.
- Assaad, R., C. Krafft, and D. Salehi-Isfahani. 2018. Does the type of higher education affect labor market outcomes? Evidence from Egypt and Jordan. *Higher Education* 75(6): 945-995.
- Barro, R., and J. Lee. 2018. Barro-Lee educational attainment data. Available at: <http://www.barrolee.com/>. (Accessed September, 2018).
- Behar, A., and J. Mok. 2013. Does public-sector employment fully crowd out private-sector employment? International Monetary Fund Working Paper WP/13/146.
- Betcherman, G., M. Godfrey, S. Puerto, F. Rother, and A. Stavreska. 2007. Global inventory of interventions to support young workers: Synthesis report. Social Protection Discussion Paper 40601. Washington, D.C.: World Bank.
- Brady, M., R. Assaad, B. Ibrahim, A. Salem, R. Salem, and N. Zibani. 2007. *Providing new opportunities to adolescent girls in socially conservative settings: The Ishraq program in rural Upper Egypt*. Cairo: Population Council.
- De Châtel, F. 2014. The role of drought and climate change in the Syrian uprising: Untangling the triggers of the revolution. *Middle Eastern Studies* 50(4): 521-535.
- Demirgüç-Kunt, A., and L. Klapper. 2012. *Measuring financial inclusion: The Global Findex Database*. Washington, D.C.: World Bank.
- Desai, R., A. Olofsgard, and T. Yousef. 2009. The logic of authoritarian bargains. *Economics and Politics* 21(1): 93-125.
- Eichhorst, W., and U. Rinne. 2015. An assessment of the youth employment inventory and implications for Germany's development policy. IZA Research Report 67. Bonn: IZA.
- European Bank for Reconstruction and Development, European Investment Bank, and World Bank. 2016. *What's holding back the private sector in MENA? Lessons from the enterprise survey*. Washington, D.C.: World Bank.
- Freedom House. 2017. *Freedom in the world 2017. Populists and autocrats: The dual threat to global democracy*. New York: Freedom House.
- HCP (Haut-Commissariat au Plan du Maroc). N.d. National Statistics Commission. Morocco database. Available at: <http://bds.hcp.ma/data/1.5> and <http://bds.hcp.ma/data/1.1>. Rabat: HCP.
- HCP (Haut-Commissariat au Plan du Maroc). N.d. La Situation du marché du travail en 2016. Centre National de Documentation. Available at: https://www.hcp.ma/La-Situation-du-marche-du-travail-en-2016_a1872.html. Rabat: HCP.

- Ianchovichina, E. 2017. *Eruptions of popular anger: The economics of the Arab Spring and its aftermath*. World Bank MENA Development Report. Washington, D.C.: World Bank.
- International Crisis Group. 2002. Central Asia: Border disputes and conflict potential. ICG Asia Report 33. Osh/Brussels.
- International Fund for Agricultural Development (IFAD). 2016. *Rural development report 2016: Fostering inclusive rural transformation*. Rome: IFAD.
- IFAD. 2018. *IFAD's engagement with rural youth: Case studies from IFAD loans and grants*. Rome: IFAD.
- International Labour Organization (ILO). 2010. *Global employment trends for youth: Special issue on the impact of the global economic crisis on youth*. Geneva: ILO.
- ILO. 2014a. *Global employment trends: The risk of a jobless recovery*. Geneva: ILO.
- ILO. 2014b. Youth employment inventory database. Available at: <http://www.youth-employment-inventory.org/>. Geneva: ILO.
- ILO. 2015. *Making learning count: Effective monitoring and evaluation of youth employment programs in the Arab world*. Geneva: ILO.
- ILO. 2016. School-to-work transition survey (SWTS) country briefs. Available at: <https://www.ilo.org/employment/areas/youth-employment/work-for-youth/publications/country-summaries/lang--en/nextRow--0/index.htm>. Geneva: ILO.
- ILO. 2017. Taqueem initiative: What works in youth employment. <https://www.ilo.org/global/topics/youth-employment/projects/evaluation/>
- ILO. 2018. ILOSTAT (International Labour Organization statistical database) (available at: https://www.ilo.org/ilostat/faces/ilostat-home/home?_adf.ctrl-state=2svbrv43i_4&_afLoop=1241336397918337. Accessed June and August 2018). Geneva: ILO.
- International Telecommunications Union. 2018. ICT country profiles 2017 indicators. Available at: <http://www.itu.int/net4/itu-d/icteye/CountryProfile.aspx>.
- International Telecommunications Union. 2019. World telecommunication indicators/ICT indicators database 2018. <https://www.itu.int/en/ITU-D/Statistics/Pages/publications/wtid.aspx>.
- Johns, T., and L. Gratton. 2013. The third wave of virtual work. *Harvard Business Review*, January-February.
- Johnson, K. 2018. Egypt-Sudan spat muddies prospects for deal on big Nile dam. *Foreign Policy*, 11 January.
- Kabbani, N. 2017. A robust regional economy for improved labour market outcomes. Paper presented at the Tripartite Arab Meeting on the Future of Work, Beirut, 3 April.
- Kabbani, N. 2019. Youth employment in the Middle East and North Africa: Revisiting and reframing the challenge. Brookings Doha Center Policy Briefing, Doha, February.
- Kabbani, N., and N. Kamel. 2009. Tapping into the economic potential of young Syrians: Ensuring economic inclusion during a time of transition. In *Generation in waiting: The unfulfilled promise of young people in the Middle East*, edited by N. Dhillon and T. Yousef, 189-210. Washington, D.C.: Brookings Press.

- Kabbani, N., and E. Kothari. 2005. Youth employment in the MENA region: A situational assessment. World Bank Social Protection Discussion Paper 534, Washington, D.C.
- King, A. 2017. Technology: The future of agriculture. *Nature* 544 (April): S21-S23.
- Robalino, D., D. Margolis, F. Rother, D. Newhouse, and M. Lundberg. 2013. Youth employment: A human development agenda for the next decade. Social Protection and Labor Discussion Paper 1308. Washington, D.C.: World Bank.
- Rocha, R., with Z. Arvai and S. Farazi. 2011. *Financial access and stability: A road map for the Middle East and North Africa*. Middle East Development Report. Washington, D.C.: World Bank.
- Salehi-Isfahani, D. 2012. Education, jobs, and equity in the Middle East and North Africa. *Comparative Economic Studies* 54(4): 843-861.
- Salehi-Isfahani, D., M. J. Abbasi-Shavazi, and M. Hosseini-Chavoshi. 2010. Family planning and fertility decline in rural Iran: The impact of rural health clinics. *Health Economics* 19(Supplement 1): 159-180.
- Silatech. 2014. *Youth microfinance services in MENA*. Doha: Silatech.
- Singerman, D. 2007. The economic imperatives of marriage: Emerging practices & identities among youth in the Middle East. Middle East Youth Initiative Working Paper 6. Washington, D.C.: Brookings Institution.
- Suter, M. 2017. Running out of water: Conflict and water scarcity in Yemen and Syria. Atlantic Council, 12 September. <https://www.atlanticcouncil.org/blogs/menasource/running-out-of-water-conflict-and-water-scarcity-in-yemen-and-syria>.
- United Nations. 2018. Partnerships for the SDGs: Global registry of voluntary commitments & multi-stakeholder partnerships: Taqeeem Initiative: What Works in Youth Employment. <https://sustainabledevelopment.un.org/partnership/?p=23525>.
- United Nations Conference on Trade and Development (UNCTAD). 2017. *State of commodity dependence 2016*. Geneva: UNCTAD.
- UNCTAD. 2018. UNCTADStat. <http://unctadstat.unctad.org/EN/Geneva:UNCTAD> (Accessed: September 2018.). Geneva:UNCTAD.
- United Nations, Department of Economic and Social Affairs, Population Division. 2017. World population prospects: The 2017 revision. Custom database. Available at: <https://esa.un.org/unpd/wpp/Download/Standard/Population/>. (Accessed September, 2018). New York: UNDESA.
- United Nations Development Programme (UNDP). 2002. *Arab human development report 2002: Creating opportunities for future generations*. New York: UNDP.
- UNDP. 2016a. *Arab human development report 2016: Youth and the prospects for human development in changing reality*. New York: UNDP.
- United Nations Educational, Scientific and Cultural Organization (UNESCO). 2018. UIS statistics, education and literacy data. <http://uis.unesco.org/>. (Accessed September 4, 2018). Paris: UNESCO
- World Bank. 2004. *Unlocking the employment potential in the Middle East and North Africa: Toward a new social contract*. MENA Development Report. Washington, D.C.: World Bank.

World Bank. 2009. *From privilege to competition: Unlocking private-led growth in the Middle East and North Africa*. MENA Development Report. Washington, D.C.: World Bank.

World Bank. 2017. *Annual report*. Washington, D.C.: World Bank.

World Bank. 2018a. Doing business databank. Available at:
<http://www.doingbusiness.org/en/rankings>. (Accessed September, 2018). Washington, D.C.: World Bank.

World Bank. 2018b. Enabling the business of agriculture. Available at:
<http://eba.worldbank.org/data/exploretopics/all-topics>. Washington, D.C.: World Bank.

World Bank. 2019. World Development Indicators. Accessed April 2019.
<https://databank.worldbank.org/data/source/world-development-indicators>.

Youthpolicy.org. n.d. National youth policy database. Available at:
<http://www.youthpolicy.org/nationalyouthpolicies/>. Berlin: Youth Policy Labs.

Appendix

Table A1. Unemployment rates – youth (15-24)

Country	Year	Total			Male			Female		
		All	Rural	Urban	All	Rural	Urban	All	Rural	Urban
Armenia	2016	36.3	18.6	50.1	29.5	12.5	44.4	45.7	28.6	57.0
Egypt	2016	30.8	25.5	39.3	27.2	24.3	32.0	38.6	28.3	54.6
Iraq	2012	16.1	10.0	19.2	14.6	10.8	16.5	29.8	4.5	54.0
Morocco	2016	22.5	10.3	41.0	22.2	11.9	37.5	23.3	6.1	51.2
Palestine ^a	2017	43.3	41.5	44.0	37.4	35.6	38.1	69.7	70.0	69.6
Tajikistan	2009	11.1	9.8	17.1	16.8	15.5	21.4	4.1	3.5	8.2
Tunisia	2013	34.7	31.8	36.5	33.4	31.6	34.6	37.7	32.5	40.3
Turkey ^a	2016	19.5	17.2	20.2	17.2	15.7	17.8	23.5	20.1	24.7
Yemen	2014	24.5	24.0	26.8	23.5	23.6	23.2	34.6	27.8	59.3
Algeria	2017	29.0			25.7			45.5		
Azerbaijan	2015	13.4			11.4			15.8		
Bosnia and Herzegovina	2016	54.3			52.1			77.7		
Georgia	2016	30.5			31.2			28.9		
Iran	2016	29.2			25.4			44.2		
Kyrgyzstan	2016	15.5			12.7			20.6		
Moldova	2017	11.8			10.9			13.0		
Montenegro	2017	31.7			30.7			33.2		

^a Rural areas of Turkey and Palestine include areas listed as “not elsewhere classified”.

Sources: HCP Morocco database, all others, ILOStat database.

Table A2. Unemployment rates – all (15-64)

Country	Year	Total			Male			Female		
		All	Rural	Urban	All	Rural	Urban	All	Rural	Urban
Armenia	2016	18.2	5.9	26.9	18.2	6.1	26.5	18.2	5.6	27.4
Egypt	2016	12.6	10.5	15.5	9.0	7.8	10.7	23.8	19.2	29.6
Iraq	2012	8.1	5.6	9.1	7.3	6.0	7.8	12.5	3.7	16.4
Morocco	2016	9.4	4.2	13.9	8.9	5.0	11.7	10.9	2.4	22.1
Palestine ^a	2017	27.6	25.7	28.3	22.4	20.8	23.0	47.6	45.5 ^b	48.3
Tajikistan	2009	5.8	5.1	7.8	6.9	6.4	8.4	3.9	2.6 ^b	6.9
Tunisia	2013	16.1	15.9	16.2	13.5	14	13.2	23.1	22.6	23.3
Turkey ^a	2016	11.1	9.6	11.6	9.7	8.7	10.1	13.9	11.3	14.8
Yemen	2014	13.8	14.2	12.6	12.7	13.3	10.6	26.4	25.2	20.8 ^b
Algeria	2017	12.0 ^b			9.8 ^b			20.6 ^b		
Azerbaijan	2015	5.0			4.1			5.9		
Bosnia and Herzegovina	2016	25.8			22.8			31.3		
Georgia	2016	13.4			15.8			10.3		
Iran	2016	12.7			10.7			21.0		
Kyrgyzstan	2016	7.3			6.2			8.8		
Moldova	2017	4.3			5.0			3.5		
Montenegro	2017	16.1			15.4			16.9		

^a Rural areas of Turkey and Palestine include areas listed as “not elsewhere classified”.

^b Age range 15+.

Sources: HCP Morocco database, all others, ILOStat database.

Table A3. Labour force participation rates – youth (15-24)

Country	Year	Total			Male			Female		
		All	Rural	Urban	All	Rural	Urban	All	Rural	Urban
Algeria	2014	26.0	24.4	29.1	42.8	38.7	50.8	8.50	9.60	6.50
Armenia	2016	34.7	35.4	34.1	39.2	41.9	37.2	29.9	28.4	31.0
Bosnia and Herzegovina	2016	30.2	33.6	25.2	38.1	41.8	32.8	21.3	24.5	18.9 ^a
Egypt	2016	31.4	33.5	28.5	42.0	44.8	38.0	20.3	21.5	18.7
Iraq	2012	30.0	33.2	28.5	53.1	56.7	51.6	5.70	9.00	4.30
Iran	2016	26.6	32.1	24.6	41.4	49.7	38.2	11.0	12.3	10.5
Kyrgyzstan	2016	41.8	35.3	44.6	52.9	45.3	56.1	30.3	25.3	32.5
Moldova	2017	19.5	17.6	22.6	21.1	19.9	23.2	17.8	15.0	22.1
Morocco	2016	28.7	38.6 [±]	20.4	41.2			15.7		
Palestine ^b	2017	32.3	30.4	33.1	51.5	49.7	52.3	12.2	10.8	12.8
Oman	2016	39.8	31.7	42.5	57.4	48.7	60.0	14.1	11.4	15.1
Tajikistan	2009	25.7	28.5	17.6	30.5	32.7	24.5	21.5	25.0	11.2
Tunisia	2013	33.3	36.6	31.5	44.5	54.3	39.8	21.4	19.7	22.3
Turkey ^b	2016	42.3	42.7	42.2	54.2	55.0	53.9	30.4	30.2	30.4
Yemen	2014	25.8	26.5	23.4	44.8	45.8	41.2	4.90	5.00	4.80
Montenegro	2016	32.8			35.8			29.6		

^a Data point from 2012.

^b Rural areas of Turkey and Palestine include areas listed as “not elsewhere classified”.

Sources: HCP Morocco database and https://www.hcp.ma/La-Situation-du-marche-du-travail-en-2016_a1872.html; all others, ILOStat database.

Table A4. Labour Force Participation Rates – All (15-64)

Country	Year	Total			Male			Female		
		All	Rural	Urban	All	Rural	Urban	All	Rural	Urban
Algeria	2014	43.9	44.3	43	71.1	69.7	74.0	16.1	18.6	11.1
Armenia	2016	63.7	68.7	60.5	73.6	75.1	72.6	55.4	63.1	50.9
Bosnia and Herzegovina	2016	54.2	51.9	57.4	66.2	66.4	66.0	41.9	36.4	46.5
Egypt	2016	48.6	49.6	47.3	72.4	74.2	70.0	24.1	24.2	24.0
Iraq	2012	42.8	43.0	42.8	74.4	74.9	74.3	12.5	13.0	12.3
Iran	2016	45.8	48.2	45.0	74.2	78.3	72.8	17.5	19.0	17.0
Kyrgyzstan	2016	65.1	65.0	65.2	78.7	78.7	78.8	51.8	53.0	51.1
Moldova	2017	46.9	44.0	50.6	48.9	45.2	54.1	45.0	42.8	47.5
Morocco	2016	46.4	55.7	40.5	70.8	77.9	66.3	23.6	34.9	16.6
Palestine ^a	2017	47.4	46.5	47.8	73.8	73.0	74.1	20.0	18.8	20.4
Oman	2016	72.5	62.4	75.0	89.3	84.1	90.5	30.9	21.8	33.9
Tajikistan	2009	44.1	45.0	41.7	58.8	59.8	56.1	30.7	31.2	29.2
Tunisia	2013	51.6	47.8	53.4	75.7	79.0	74.3	28.1	19.9	32.2
Turkey ^a	2016	56.9	57.5	56.8	77.6	78.1	77.4	36.2	36.6	36.0
Yemen	2014	37.4	37.0	39.1	68.0	67.8	68.7	6.30	5.70	8.50
Montenegro	2016	63.4			70.3			56.6		

^a Rural areas of Turkey and Palestine include areas listed as “not elsewhere classified”.

Sources: HCP Morocco database and https://www.hcp.ma/La-Situation-du-marche-du-travail-en-2016_a1872.html; all others, ILOStat database.

List of RDR 2019 Background Papers published in IFAD Research Series

- **The demography of rural youth in developing countries**
By Guy Stecklov, Ashira Menashe-Oren
- **What drives rural youth welfare? The role of spatial, economic, and household factors**
By Aslihan Arslan, David Tschirley, Eva-Maria Egger
- **Youth agrifood system employment in developing countries: a gender-differentiated spatial approach**
By Michael Dolislager, Thomas Reardon, Aslihan Arslan, Louise Fox, Saweda Liverpool-Tasie, Christine Sauer, David Tschirley
- **Gender, rural youth and structural transformation: Evidence to inform innovative youth programming**
By Cheryl Doss, Jessica Heckert, Emily Myers, Audrey Pereira, Agnes Quisumbing
- **Rural outh inclusion, empowerment and participation**
By Carolina Trivelli, Jorge Morel
- **Economic participation of rural youth: what matters?**
By Louise Fox
- **Landscapes of rural youth opportunity**
By James Sumberg, Jordan Chamberlin, Justin Flynn, Dominic Glover and Vicky Johnson
- **Rural youth, today and tomorrow**
By Ben White
- **Climate and jobs for rural young people**
By Karen Brooks, Shahnika Dunston, Keith Wiebe, Channing Arndt, Faaiga Hartley and Richard Robertson
- **Rural transformation and the double burden of malnutrition among rural youth in developing countries**
By Suneetha Kadiyala, Elisabetta Aurino, Cristina Cirillo, Chittur S. Srinivasan and Giacomo Zanella
- **Inclusive finance and rural youth**
By Arianna Gasparri, Laura Munoz
- **Information and communication technologies and rural youth**
By Jenny Aker
- **Youth access to land, migration and employment opportunities: evidence from sub-Saharan Africa**
By Felix Kwame Yeboah, Thomas S. Jayne, Milu Muyanga and Jordan Chamberlin
- **Rural youth in the context of fragility and conflict**
By Ghassan Baliki, Tilman Brück (Team Leader), Neil T. N. Ferguson and Wolfgang Stojetz
- **Rural youth: determinants of migration throughout the world**
By Alan de Brauw
- **The Impact of Migrants' Remittances and Investment on Rural Youth**
By Manuel Orozco, Mariellen Jewers
- **Unlocking the potential of rural youth: the role of policies and institutions**
By Lauren Phillips, Paola Perezniето
- **Investing in rural youth in the Asia and the Pacific region**
By Roehlano Briones

- **The rural youth situation in Latin America and the Caribbean**
By Maia Guiskin, Pablo Yanes, Miguel del Castillo Negrete
- **Investing in rural youth in the Near East, North Africa, Europe and Central Asia**
By Nader Kabbani
- **The narrative on rural youth and economic opportunities in Africa: Facts, myths and gaps**
By Athur Mabiso, Rui Benfica

[All publications in the IFAD Research Series can be found at:](https://www.ifad.org/en/web/knowledge/series?mode=search&catSeries=39130673)

<https://www.ifad.org/en/web/knowledge/series?mode=search&catSeries=39130673>



International Fund for Agricultural Development
Via Paolo di Dono, 44 - 00142 Rome, Italy
Tel: +39 06 54591 - Fax: +39 06 5043463
Email: ifad@ifad.org
www.ifad.org

-  facebook.com/ifad
-  instagram.com/ifadnews
-  linkedin.com/company/ifad
-  twitter.com/ifad
-  youtube.com/user/ifadTV

