SPC1: Special Conference on Labor and Development

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Issue: Developing employee competency and suitable employment

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Committee: Special Conference on Labor and Development (SPC 1)

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I. Introduction

The dismal state of the Middle East and North Africa (MENA) labor market is caused by a multitude of intertwined factors that require deep structural reform to solve, and the region has been battling high unemployment for much of its recent history. Exacerbated by political instability, the region's economies have stagnated and failed to provide sufficient employment opportunities to its growing, and increasingly, educated population. Lack of productivity growth means that existing jobs do not provide any suitable career paths and are highly vulnerable to automation. This combined with high unemployment has caused high proportions of informal employment with neither job nor social security. Research and development (R&D) spending is negligible, and entrepreneurship and investment in innovation is lacking. Slow or nonexistent economic growth, caused principally by political instability, corruption and insufficient access to capital bar the regional economy from creating quality employment. Low living standards also ensue as a result. With jobs unavailable, many countries in the region have turned to strict labor regulations as an indirect welfare scheme to protect the populace from unemployment. This, however, only served to increase the share of informal employment, robbing much of the labor force from any form of social security.

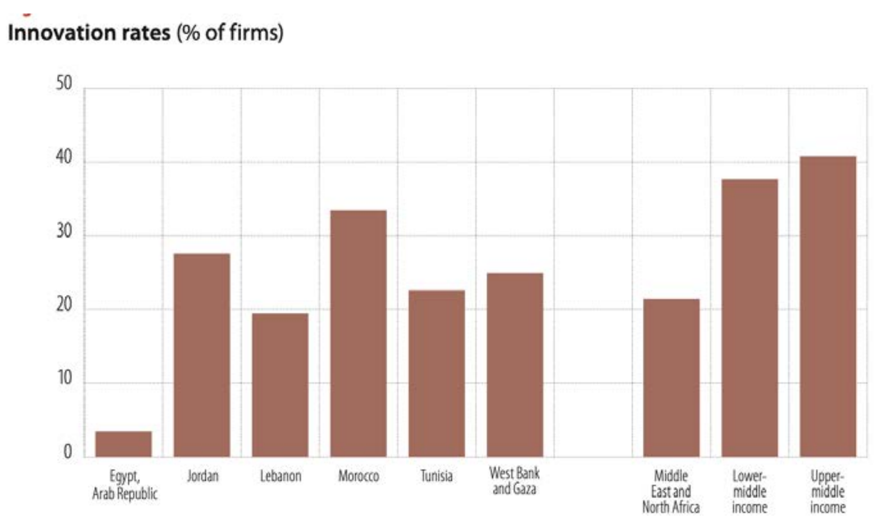

Image 1: Innovation rates in countries as percentage of firms

On the other hand, human capital in the region is severely lacking. The latest Human Capital Index value calculated for the region by the World Bank was 0.57, indicating that a child born now in MENA will only be able to utilize 57% of their potential productivity that they would otherwise achieve if sufficient facilities and opportunities for healthy and productive growth were available. This is despite significant progress in improving schooling rates and health outcomes. Current data and observations indicate that even if access to education is improving, the quality of education is rather low and curricula are detached from the demands of the labor market, especially in tertiary education. This means that graduates often fail to translate their education into increased productivity, resulting in a great waste of resources and opportunity.

Women in the MENA labor force also face great peril. Female workers are not protected from discriminatory practices and in most cases, face legal difficulties placing them behind their male peers. Female education attainment has improved considerably, yet women are prevented from using their skills and knowledge to create economic value, wasting years of education and immense amounts of both human and financial capital, as a result of widespread societal and institutional gender discrimination.

II. Involved Countries and Organizations

The status of the 4 biggest economies in the MENA region, Iran, Saudi Arabia, United Arab Emirates and Egypt (as per World Bank's definition of the region) will be covered in this section.

Iran

Iran, the largest economy in the MENA region, has a Human Capital Index of 0.59, indicating high levels of human capital losses. The country has been battling relatively high unemployment in its recent history, and has a high youth unemployment rate of 27.2% as of 2021. (*Unemployment, Youth Total (% of Total Labor Force Ages 15-24) (Modeled ILO Estimate) - Iran, Islamic Rep.* | *Data*)

Economic sanctions, mismanagement, poor governance and oil price volatility place significant burdens on Iran's economy at large. (*Iran - Economy* | *Britannica*) This is also paired with poor labor productivity growth. These create a precarious economic environment for the vulnerable.

Female participation in the labor force is very low. According to 2020 estimates, only 14% of Iranian women are employed. Iranian women require spouse permission to work, and there is no legislation in place that protects women from gender based discrimination.

The state sector represents approximately 80% of Iran's economic output. Public enterprises, and politically connected firms enjoy significant benefits compared to non-connected private firms. The government employs several economic provisions such as price controls and stringent labor regulations that limit competition. The Iranian Competition Council which has the duty of preventing monopolization, limiting anti-competitive behavior and overseeing privatization is influenced greatly by large and politically connected. As such, Iran scores very low on several economic freedom and competitiveness indices. Another result is that the informal sector is very active in Iran, which leads to socio economic losses *(see Focused Overview.)*

Saudi Arabia

Saudi Arabia, the second largest MENA economy, has a Human Capital Index of 0.58, indicating significant human capital losses. The country has a labor force participation rate of 61%, according to World Bank data. (*Saudi Arabia* | *Data*) Unemployment data and youth unemployment rates have not been published in the latest World Bank analysis. GDP PPP per person employed has been in decline in the last decade, meaning that labor productivity has decreased. Not unlike its peers in the MENA region, Saudi Arabia has been experiencing high unemployment rates. This is also caused by much of the same ailments afflicting the general MENA labor market.

The country is in a better place than most of its MENA peers with regard to market contestability. Competition laws have been enforced in much of the last decade and especially since a restructuring in 2013 of the previously established national competition authority which remained ineffective until then.

Unlike most MENA economies, Saudi Arabia has a very healthy financial system. The banking system is robust, and regulations protecting bank customers have been enforced with high compliance. The country also has a fairly liquid stock market, with adequate protections against market manipulation. The Saudi central bank has had excellent success in controlling inflation. The Saudi government has made great investments in education. The country has also made progress in female inclusion in education, expanding female access to tertiary education, although in segregated schools. Even still, educational outcomes seem to have not improved significantly, and the country remains among the worst performers in international tests. Access to education for the poor and disadvantaged remains difficult.

United Arab Emirates (UAE)

The United Arab Emirates is one of the most prosperous countries in the MENA region. While the UAE government does not publish data on unemployment, estimates and analyses suggest the country has a healthy labor market with an unemployment rate of 3%. (*Unemployment, Total (% of Total Labor Force) (Modeled ILO Estimate) - United Arab Emirates* | *Data*)

The UAE economy enjoys a fairly liberal and contestable market, although state influence is still relatively high. There are some instances of political connections that could lead to conflicts of interest.

The UAE has a Human Capital Index of 0.67, which is higher than most MENA countries, however lower than many other high income economies. There remain issues with female labor force participation, and access to education for the disadvantaged. (*United Arab Emirates* | *Data*)

Egypt

Egypt has had lower unemployment rates than some of its MENA peers, however, the country has a very unhealthy labor market. Youth unemployment is very high at 24.3% per the latest ILO estimates. (*Unemployment, Total (% of Total Labor Force) (Modeled ILO Estimate) - Egypt, Arab Rep.* | *Data*) (*Unemployment, Youth Total (% of Total Labor Force Ages 15-24) (Modeled ILO Estimate) - Egypt, Arab Rep.* | *Data*)

The country has a HCI of only 0.49, lower than the MENA average of 0.57. While schooling rates have improved drastically, the quality of education remains very poor, and those with a tertiary diploma actually have worse prospects of being employed. On the other hand, only 0.9% of the country's GDP is spent on R&D. These mean that neither jobs nor education in Egypt reflect the rapidly advancing world. Most new jobs are low-skill, and high-skill employers continue to cite lack of skill and education as a business obstacle despite ever higher tertiary enrollment rates. ("BTI 2022 Egypt Country Report")

Market contestability is poor. The country ranks 142nd out of 180 countries in the Index of Economic Freedom. ("BTI 2022 Egypt Country Report") Complicated regulations, lacking competition regulation, rampant corruption and very high taxes and tariffs have enlarged the informal economy which is now estimated to constitute nearly half of the country's total economic output.

The country is among the worst performers with regard to state influence over the economy in MENA, with state owned enterprises controlling much of the formal economy. Multiple and significant conflicts of interest exist in the operation of SOE to the detriment of the private sector.

III. Focused Overview of the Issue

1. The state of the MENA labor market

The MENA labor market has historically depended heavily on the public sector in large part due to revenues from fossil fuel extraction and the market environment in most jurisdictions heavily favoring state-run enterprises over their private counterparts. While the public sector employs significant portions of the workforce in the region, this has indirectly contributed to unemployment by preventing the establishment of healthy and functioning labor markets. Lack of an healthy and competitive market environment led to stagnation and low private sector job creation, and while the public sector could offer adequate employment opportunities for previous generations, fiscal constraints have now forced many MENA governments to shrink public employment: In the past, university graduates could expect to easily find public sector employment, yet the better qualified graduates of now have slim chances of public employment.

Accordingly, youth unemployment in MENA has been the highest in the world for two decades. The region has enjoyed the highest intergenerational educational mobility in the world for decades, and the youth in MENA have attained ever higher levels of education as a result. Despite this, however, the region has been afflicted with a high youth unemployment rate (26 percent as of 2019) (World Bank). This represents a serious waste of human capital, as investment spent on educating the youth cannot be translated into economic output.

Even when work opportunities are found, they can very rarely be deemed suitable. This is especially severe for the youth. What work is available for the youth is often low to medium skill informal employment, which neither relates to their schooling nor provides any career paths, and is highly vulnerable to automation. As such, most available employment opportunities are not suitable for the increasingly educated populace of the region. High-skill job creation has been limited, exacerbating the problem. As such, the prime productive years of the youth are wasted away.

Another large and productive component of the MENA workforce consists of the women of the region. However, females have persistently been excluded from the labor market. Female human capital in the region is prevented from participating in the economy due to lack of female schooling, societal pressures and laws discriminating against both female employees and their employers.

The impact of COVID-19 on labor has been particularly severe in the region. In some countries in the region as high as 40 percent of those employed prior to the pandemic reported losing their jobs. Recovery, while visible, has been limited compared to the impact of the pandemic. The impacts of the outbreak were even more significant on females and the informally employed (World Bank).

2. Market contestability and healthy labor markets

In spite of the growing and increasingly educated youth, MENA economies have failed to utilize their human capital potential as they have proved unable to create suitable employment for this educated workforce. Years of research has identified lack of market contestability and the resultant economic stagnation as the main culprit.

Contestable markets involve little costs to entry to exit and are conducive to disruptive innovation and entrepreneurship. Contestable markets thus incentivize innovation and productivity growth, leading to higher wages and creation of quality, high-skilled employment. On the other hand, contestable markets enable market selection, in which uncompetitive and stagnant businesses are "weeded out" by their innovative peers, preventing the misallocation of both human and financial capital. This enables a healthy labor market as it allows the most efficient use of human capital, and employees are able to use their skills to the greatest extent to produce value that benefits both the employee in the form of increased wages and the society at large as economic growth. In addition to this, competition helps diminish discrimiation and bias in hiring, as economic incentives to hire based on productivity and value pick up.

Market contestability in MENA has persistently stayed very low in the near history. This has caused the private sector in the region to lose dynamism. The MENA private sector has stagnated, and in general, labor productivity growth in the region has been negative. Thus, the MENA economies could not accommodate the increasing population.

Due to the poorly contestable market, the share of young firms is very low in the region. In 2019, only 6 percent of firms surveyed by the World Bank were classified as young firms (<5 years of operation), half the average value seen in middle income economies, and this proportion continues to decline. Entrepreneurship is lacking, and the vast majority of firms that do enter the market do not have any reasonable prospects of significant growth. Only 1.41% of small businesses (with 5-19 employees at inception) were ever observed to become large firms (>100 employees). On the other hand, large firms are also unlikely to shrink, with only 7.67% of firms that were classified as large becoming small in 2019. (World Bank)

Size category at start of operations	Size category in 2019		
	Small (5–19)	Medium (20–99)	Large (100+)
Small (5–19)	78.30	20.29	1.41
Medium (20–99)	26.06	59.63	14.31
Large (100+)	7.67	20.35	71.98

Table 1: Transition matrix of firm size: Percentage of firms in small, medium or large size categories tabulated according to their respective sizes in 2019 and at the start of their operations. (World Bank)

This leads to a stagnant environment in which financial and human capital is inefficiently allocated. Innovative businesses with potential to grow in productivity either fail to enter the market or stay small, and large firms are not selected out even if they are rationally uncompetitive. Even more concerningly, firms that do exit the market seem to do so independently of their performance and productivity: indicators of performance were found to be uncorrelated with firm exit. Startlingly, some analyses even suggest that more productive firms were more likely to fail in some cases.

These findings all suggest an environment in which little incentive exists for firms to invest in their futures and growth. This can be seen in the rates of investment in research and development (R&D). Firms in MENA spent much less on research and development than their peers in either low or middle income countries, and more concerningly, R&D spending has decreased in all surveyed countries in the region with available data in recent years. (World Bank) Accordingly, MENA businesses have very low innovation rates, almost half of the average value for lower middle income economies. (*BEEPS | Unlocking Sustainable Private Sector Growth in the Middle East and North Africa*) This also affects the employment rates of firms in the region. In Lebanon, West Bank and Gaza, Jordan, Egypt, Tunisia and Morocco, more firms either stagnated or contracted than expanded in terms of employment ("Jobs Undone").

3. Factors limiting market contestability

Firstly, poor governance and corruption limit competition. The prevalence of political connections among MENA firms has been observed to be high. More importantly, political influence is a very significant determiner of firm performance in the region, and the effects of political connections are greater in MENA than elsewhere. Politically connected firms in MENA have less competitors, more sales, more sales per worker and pay less for labour as a share of their total costs. Politically connected firms enjoy preferential access to financing, a scarce resource in the region. Firms competing against politically connected firms experience the opposite, and their performance is decreased.

Available data suggests that in sectors with the presence of politically connected firms, job growth was negatively impacted. Indeed, for each politically connected firm active in a given sector, 9.4 percent fewer jobs were found to be created. This is in line with the logical implications of political connections on market contestability, as explained above. (*BEEPS | Unlocking Sustainable Private Sector Growth in the Middle East and North Africa*)

Another factor hampering competition is the presence of state owned enterprises (SOEs) in a wide variety of sectors in MENA countries, even where such state operations are unwarranted and irrational. SOEs are present in much more sectors in MENA countries than their peers worldwide. In addition, many MENA SOEs operate in sectors in which private involvement would lead to better outcomes, such as construction, manufacturing, trade or accommodation.

MENA SOEs enjoy favoritism and preferential treatment over private sector firms, including exemption from taxes, lower regulatory costs and competition law. The management of MENA SOEs are often poorly structured. Management structures that lead to conflicts of interest are commonplace, with many regulating entities also being operators. Examples of such structures include the case of Telecom Egypt. The Egyptian Ministry of Communications and Information Technologies, which owns a 80% stake in Telecom Egypt, also controls the regulatory authorities of the Egyptian telecommunications industry, creating an obvious conflict of interest (World Bank). These factors mean that private firms cannot fairly compete with SOEs, and SOEs which are often poorly managed and have low productivity are kept immune from innovative disruption.

Many governments in the region also impose strict price controls. These price controls often cover staple products such as food, medicine and fuel. MENA governments, whose state welfare programs are often lacking, have used price controls as a form of state assistance. However, not only is this an inefficient form of welfare as it does not target the poor and the vulnerable but affects the whole population, it also hampers competition and disincentivizes innovation.

The labor market is also strictly regulated in MENA countries. Firing costs in the region are generally very high, and workers are by law entitled to very generous severance pay, much higher than worldwide peers. Many MENA states also mandate third party checks for firing employees. Most MENA states, apart from the Gulf Cooperation Council (GCC) states, also have very high costs of employment brought on by heavy taxation and large social security contribution requirements. While strict employment protection regulations often intend to protect the vulnerable from unemployment and income loss, a laudable and important effort, they are a very inefficient method of doing so. Strict labor regulation incentivizes informality, which robs employees of any benefits these regulations may bring, and in the end, the workforce is found in a worse position with regard to job security due to rising informal employment (World Bank).

Strict regulation, corruption, competition by SOEs, high tax rates and poor taxation systems heavily incentivize informal firms, which are on average less innovative and productive than their formal counterparts. Informal firms are not afflicted by poor governance practices that formal firms have to tackle. Hence, a staggering 29% of firms in MENA were found to be constrained by competition from informal firms. These constrained firms had significantly worse access to financing, and less skilled workers than their peers not constrained by informal competition.

Poor governance is a symptom of poor policies. Accordingly, research has found that economic policy decisions in MENA economies are very poorly informed. Most states in the region do not conduct research to assess the impacts of proposed regulations, and none requires such research for policy changes. Worse, the region has low statistical capacity, leading to a scarcity of data which may inform decision making.

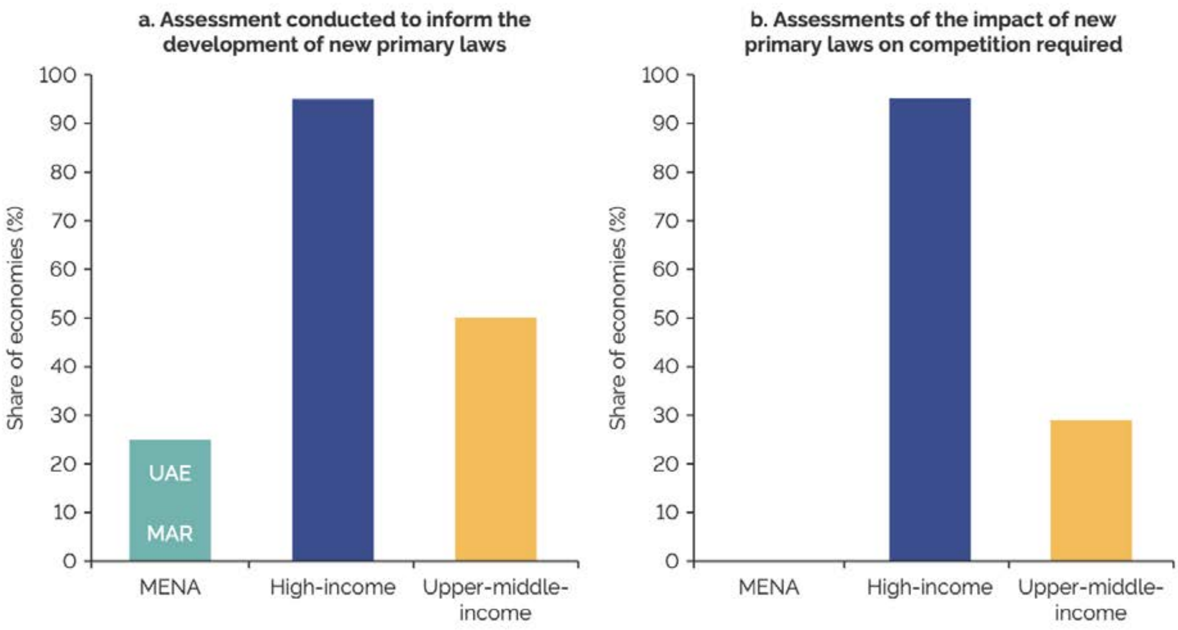

Image 2: Objective assessment of policy decisions is particularly poor in MENA. (World Bank)

However, the single most significant obstacle to business cited by MENA businesses is political instability. Political instability minimizes the incentive for potential entrepreneurs to invest and grow their businesses, as the rewards of entrepreneurship and investment are threatened by an unclear political future. By increasing risks, political instability also reduces access to financing.

MENA enterprises are afflicted by low access to financing, primarily a result of the macroeconomic conditions in the region mostly caused by political instability and poor governance. Almost 60% of businesses in the region were found to be credit constrained. This has resulted in 37% of firms in the region to become financially autarkic, meaning they do not use any external financing.

Credit-constrained firms (in % of firms needing a loan)

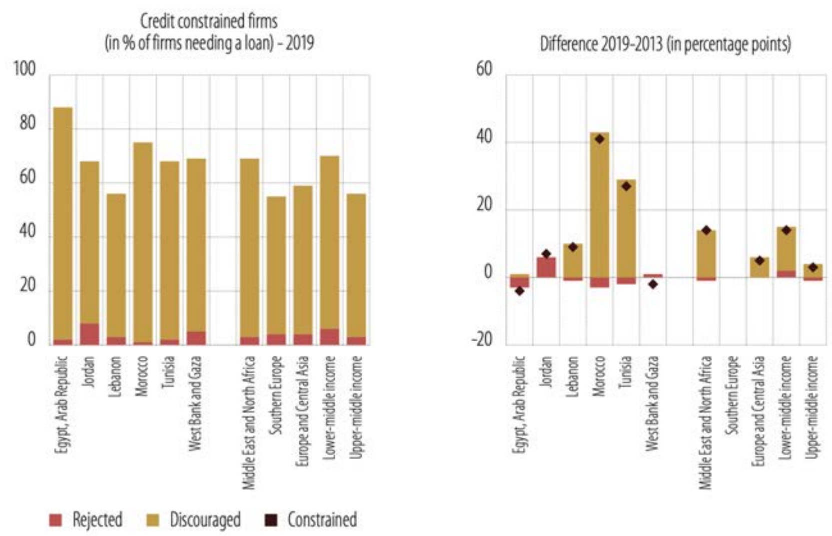

Image 3: MENA has a very high incidence of credit-constrained firms, and the situation has worsened in recent years in most states in the region. (E. I. Bank, *MENA Enterprise Survey Report Working Papers*)

This long term pressure to avoid the need for loans has created a peculiar situation. Of the 37% of financially autarkic firms, almost 80% were voluntarily so. This effect was observed to be even stronger in smaller and younger firms, where higher dependence on external financing to grow and expand operations would be expected. Even among firms that had access to financing, propensity to invest declined.

In an increasingly unstable political environment, and with increasing financing costs, MENA businesses in general have lost the incentives to invest and expand. This high proportion of voluntary autarkic firms reflects an adaptation of firms to the difficult economic environment, in which businesses' strategy has been to choose stagnation over potential losses or ruin.

In such conditions, MENA governments have started to dominate financial markets in their jurisdictions. Instability and high risk have led borrowers to lend to government institutions, which are perceived as less risky. And with MENA countries having outsize public sectors, governments have "crowded out" private businesses in borrowing, further exacerbating the problem of difficult financing.

Difficult financing means that firms are less likely to innovate and invest in growth. This, as explained in the section before, afflicts quality employment greatly. (*BEEPS* | *Unlocking Sustainable Private Sector Growth in the Middle East and North Africa*)

4. Human capital in MENA

Despite being more educated than ever, human capital still cannot be efficiently utilized in MENA, as shown by the region's 0.57 Human Capital Index. (World Bank) Substantial improvements in education enrollment and access seem to have failed to induce growth in productivity. Research indicates that while access to education in MENA improved, quality of education did not. This leads to the outcome of poor human capital productivity despite significantly higher educational expenditures.

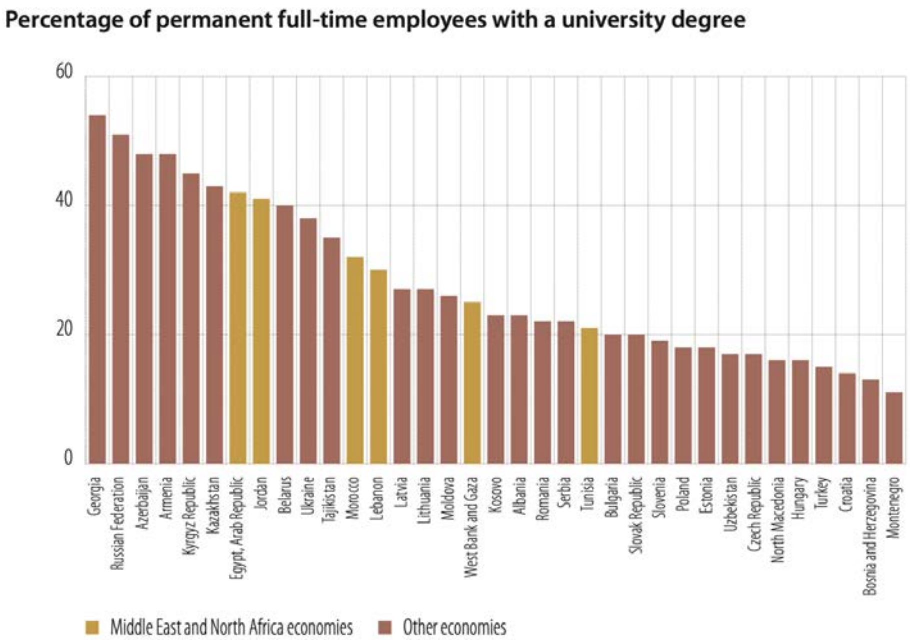

Image 4: The MENA region has a higher incidence of tertiary education in the workforce compared to its peers, however, this has failed to translate into greater productivity. (E. I. Bank, *MENA Enterprise Survey Report Working Papers*)

As explained above, the public sector has had a large influence on the MENA labor market. The public sector, by placing great weight on credentials in hiring, created an incentive for the labor force to collect more credentials. This in turn created high demand for more education, increasing educational attainment and schooling years.

Credentials only have value as long as they are linked to skill, however. The MENA public sector, whose employees are very often underproductive and even redundant, failed to create an incentive for prospective workers to garner actual skills. This led to a detachment of credentials from actual skills. The gap between credentials and skills demanded by industry has widened considerably with the advent of the digital age, and graduates now lack important skills a modern developing economy needs. Hence, the value of diplomas and additional years of education has deteriorated in the eyes of private employers.

Investigations on MENA education systems have also found that curricula are becoming increasingly outdated. Not only do curricula not reflect the current demands of industry, they have also fallen behind research and pedagogical guidance. Traditional values such as obedience and adherence to societal norms are emphasized in curricula, often to the detriment of learning outcomes. A great deal of time is devoted to religious education. Teachers lack necessary autonomy and resources to help students achieve better learning outcomes.

Another problematic aspect of the education system in MENA is the large gap between highest and lowest performing students. Academic performance is also highly correlated with socioeconomic status. Students from disadvantaged backgrounds receive significantly worse education than their better-off peers. This is concerning, as it perpetuates poverty cycles and also contributes to human capital losses. (W. Bank)

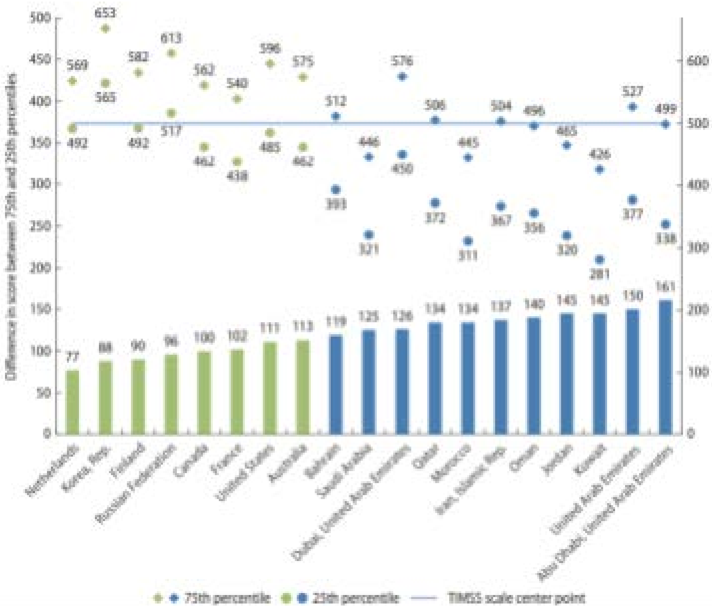

Image 5: TIMSS Scale Score of Countries

Another striking occurrence is the gender gap in learning. Contrary to intuition, girls in MENA perform much better than boys. This has been called a “gender paradox” by the World Bank, in light of the persistent troubles in integrating women as productive individuals into society seen in the region.

MENA businesses are also behind their peers in other countries in formal training of employees. Given that MENA curricula do not endow students with required skills, this is a cause of concern. Because businesses do not invest in training their employees, they fail to increase labor productivity. (*BEEPS | Unlocking Sustainable Private Sector Growth in the Middle East and North Africa*)

5. Gender gaps in employment and education

Female workers face significant discrimination in MENA, both societal and legal. Only 6% of private sector businesses have women in management, compared to 23% in lower middle income economies. In many MENA countries, women need male permission to work, and are barred from certain industries and working night shifts. As a result, female labor force participation in the region is only 20%, one of the lowest in the world. The gender gap in employment is worse in the private sector than in the public sector, and wage gaps are also significant. The exclusion of this large and potentially productive portion of society leads to significant economic losses.

Examples of discriminatory practices include restrictions on female employment in jobs deemed "dangerous" (found in 65% of surveyed MENA economies), lack of paid maternal leave of at least 14 weeks (60%), unequal inheritance (95%), and women being subject to the authority of their husbands (50%). ("Jobs Undone")

IV. Key Vocabulary

Market contestability: The conduciveness of the market to disruption and competition. Perfectly contestable markets involve no barriers/costs to entry and to exit.

State owned enterprises/SOEs: Businesses that are operated and directly or indirectly majority owned by state entities.

Credit constrained firms: Firms that are in need of a loan but are unable to access it, due to rejection or unfavorable terms.

Formal/informal firms: Businesses that are/are not legally registered with a government authority.

Innovation: "The introduction of new or significantly improved products and processes, as well as new or significantly improved organisational and marketing methods, and/or spending on research and development activities." (*BEEPS | Unlocking Sustainable Private Sector Growth in the Middle East and North Africa*)

Governance: "A combination of regulatory quality, government effectiveness, control of corruption and rule of law." (*BEEPS* | *Unlocking Sustainable Private Sector Growth in the Middle East and North Africa*)

Politically connected firms: "Firms that benefit from business privileges by having current and former government office holders in their management or ownership." (*BEEPS* | *Unlocking Sustainable Private Sector Growth in the Middle East and North Africa*)

V. Important Events & Chronology

Date (Day/Month/Year)	Event
1973	The 1973 oil crisis, and the founding of OPEC, which resulted in great capital inflows in the region
2007-2009	The global financial crisis
December 17, 2010	The start of the Arab Spring

VI. Past Resolutions and Treaties

- ECOSOC Resolution 2008/18

  https://www.un.org/en/ecosoc/docs/2008/resolution%202008-18.pdf.

  Promoting full employment and decent work for all

- Resolution 57/165

  https://documents-dds-ny.un.org/doc/UNDOC/GEN/N02/549/09/PDF/N0254909.pdf?OpenElement

  Promoting youth employment

- Security Council Resolution 2250 (2015) https://documents-dds-ny.un.org/doc/UNDOC/GEN/N15/413/06/PDF/N1541306.pdf?OpenElement

VII. Failed Solution Attempts

There have been many solution attempts tried by MENA governments, but most of them have failed to effectively tackle this issue. The main solution brought to the problem by MENA governments have been hastily devised support mechanisms, and an overly enlarged public sector, creating a warped economic relationship between the individual and the state, as explained in the sections above.

Showing this, the MENA economies have tried to implement extensive government spending programs in the face of stagnant economic growth and unemployment. These "mega projects" have been used by governments as an unconventional method of fiscal intervention, but more importantly, have served as propaganda tools for the mostly authoritarian governments in the region. Such "mega projects" include extensive island-building and massive urbanization projects in GCC countries, the Suez Canal enlargement project, and the Egyptian "New Administrative Capital". (*Pro-Government Voices Call for Cancellation of Egyptian Megaprojects - Al-Monitor*) (ElMeshad) These projects have brought in limited economic advancement, however, the end result has been the same: these short-sighted projects not only waste copious amounts of scarce capital, they also perpetuate corrupt economic structures and crony capitalism, as governments extensively contract politically connected firms which grow their political power as they build more and more of nations' critical infrastructure. (Abdel-Latif and El-Gamal) In addition, these mega projects do not create suitable employment opportunities for the increasingly educated youth of the country, perpetuating the waste of highly educated workers in low-skill jobs.

To create a healthy labor market, MENA countries have to implement deep structural reforms, likely to disturb present power structures in these economies. Transparent and well informed governance is severely lacking and corruption is rampant. Effective reform cannot happen under these conditions.

Political stability is key to ensure financing investment into innovation and hence create a growing and healthy labor market. However, due to both internal and external factors, MENA governments have failed to provide a stable and secure political environment for business. The reasons for this include frequent wars and hostilities and a lack of democratic institutions.

VIII. Possible Solutions

It must be recognized that the solution for this issue is structural reform. Stopgap measures to control the labor market have failed spectacularly in the near history. Political will must exist to tackle this issue.

Political decision making is poorly informed in MENA. Any policies created by ill-informed policymakers are doomed to fail. Recognizing this, the statistical capacity of MENA governments must be improved and political decision making must incorporate scientific inquiry and expert opinions. MENA governments could benefit from help provided by international agencies to gather quality statistics. To isolate the economy from political instability, rationally governed independent institutions should have oversight.

Market contestability has to be ensured to create a healthy labor market. MENA governments should perform research into obstacles to business and fair competition. Management structures permitting conflicts of interest must be reformed, and the operation of SOEs in areas not conducive to state involvement should be limited.

National curricula should be revised in line with industry demands and pedagogical guidance. Curricula should encourage students to be inquisitive and creative. Teachers and schools should be given more autonomy to recognize differences between students, both individual and regional, to create an inclusive learning environment and to reduce inequalities. Female participation in education should be improved. Industry leaders, both national and international, must be consulted to improve educational outcomes in areas where deficiencies are most significant. Digital tools should be made available to all students.

The gender gap in employment should be reduced. Women should be protected against discrimination in the workplace. Legislation on labor issues should be inclusive of women.

IX. Useful Links

- https://www.eib.org/en/publications/unlocking-sustainable-private-sector-growth-in-mena

  Unlocking Sustainable Private Sector Growth in the Middle East and North Africa: Evidence from the Enterprise Survey is an extensive publication by the European Investment Bank on the barriers to business in the region.

- https://www.worldbank.org/en/region/mena/publication/jobs-undone-reshaping-the-role-of-governments-toward-markets-and-workers-in-the-middle-east-and-north-africa
- "Jobs Undone: Reshaping the Role of Governments toward Markets and Workers in the Middle East and North Africa" is a World Bank report on the challenges in improving the job market, improving human capital and ensuring sustainable and suitable employment in MENA.

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