

THE BIG READ

Arab world built universities but didn't create enough jobs

Ranks of college educated who are unemployed have grown steadily; dreams 'all evaporated'

THE anger of demonstrators in Tunisia and Egypt runs, too, through 25-year-old Saleh Berek al-Jabri. Mr. Jabri, the son of a Yemeni bus driver, says he answered his government's call for young people to study petroleum engineer-

By David Wessel in Washington and Chip Cummins in San'a, Yemen

ing, enrolling in a course at Yemen's Hadhramaut University for Science and Technology. Officials visited his school to offer encouragement. An oil minister came through to promise jobs. Mr. Jabri excelled finishing fifth in his class.

But after graduating last year, he has yet to find work. Classmates with family connections got what few jobs existed. Mr. Jabri moved to Yemen's capital, San'a, where he shares a single room with two other unemployed recent graduates.

"I had dreams," Mr. Jabri says. "They've all evaporated."

Protests erupting across the Middle East are fueled by frustrations ranging from the lack of political freedom to police brutality. But in countries wracked by protest and those that have remained peaceful, a common thread runs: Governments have expanded universities and educated a swelling cohort of youth, without laying

the groundwork to employ them.

"Surprisingly," International Monetary Fund economists Yasser Abdih and Anjali Garg wrote recently, "unemployment in the [Middle East and North Africa] region tends to increase with schooling." In the U.S., the opposite is true.

In Egypt, where the region's protests are at their most pitched, the ranks of the college-educated have grown steadily in the past few decades. In 1990, according to World Bank, 14% of college-age Egyptians were enrolled; in 2008, 28.5% were. Egyptian schools expanded, and a crop of European universities opened campuses there. The Egyptian government doubled the funding for higher education in its 2007 five-year plan and sought international advice on revamping the system.

But a 300-page examination of higher education in Egypt by the World Bank and Organization for Economic Cooperation and Development, published last year, noted "a chronic oversupply of university graduates, especially in the humanities and social sciences," mixed with complaints from business employers that they couldn't find workers with the skills they needed.

In Egypt, it said, high-school graduates account for 42% of the work force—but 80% of the unemployed. One in every seven college graduates in Egypt, Jordan and Tunisia is unemployed; many more are over-qualified for the jobs they have.

The twin forces of education and technology have intertwined to create a new dynamic. Education has raised expectations and broadened world views. Technology—TV, the Internet, omnipresent mobile phones—has armed the young not only



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with a clear sense of how the rest of the world, particularly China, is changing, but also given them the wherewithal to create a movement that is now reshaping their countries.

None of this is a surprise to students here. A 2008 World Bank report on education reform in the region delicately noted that “the region has yet to create the necessary conditions to maximize the economic contribution of education to society.” The consequences of that are only now becoming obvious to all.

Trying to provide schooling to the largest number of people, many Arab countries spent heavily on higher education.

“The objective was to boost economic growth, boost employment and realize equity in society,” says the World Bank’s Mourad Ezzine, a former Tunisian education expert who worked on the report. “It didn’t work out well. For two reasons. First, the education system delivered quantity, not quality.... And, second, on the economic side, the creation of employment to meet the profile of those graduates didn’t happen. Why? Because the reforms in these countries did not go far enough, fast enough.”

Differences between the Middle East and other developing economies the world are telling:

■ Fertility rates stayed higher longer in the Middle East than in East Asia or Latin America. That means many more workers to employ. Over the past decade, labor forces in Egypt, Jordan, Lebanon, Morocco, Syria and Tunisia have grown by 2.7%, faster than anywhere outside of Africa.

■ Economies haven’t grown nearly fast enough to absorb these new workers. Egypt, a country of about 80 million, would need 9.4 million jobs to employ the existing unemployed and new entrants to the labor force, the IMF estimates. That would take economic growth of nearly 10% a year, much faster than the 6% average of recent years.

■ Unemployment among the young, of all education levels, is particularly pronounced. In Egypt, according to the most

recent IMF data, overall unemployment was 8.9%—but stood at 25.4% among those under age 25, the IMF says. In Tunisia, overall unemployment was 14.2%; youth unemployment was 30.3%.

For decades, the safety valve for the region’s jobless—including for Jordanian, Egyptian, Yemeni, Palestinian and other college grads—was to emigrate, either to the prosperous oil-producers of the Middle East or to Europe or the U.S. But some rich Middle East rich countries region grew fearful in the 1990s and 2000s that they were importing potential unrest, so they replaced Middle Eastern immigrants with workers from Asia.

For educated workers without jobs, the other safety value was to Europe or the U.S. Lebanon’s biggest export, it is sometimes said, is white-collar workers. Indeed, one reason to get a college degree for many is that it was seen as ticket to a job in another country.

Mohamed Refaat, a 24-year-old Egyptian who followed his brother to the U.S. in 2008, is living in Queens, N.Y., and working toward a master’s degree in finance at Brooklyn College. He is applying for jobs at Merrill Lynch & Co., Goldman Sachs Group Inc. and the United Nations. “You don’t have to be educated there,” Mr. Refaat complains about his hometown, 30 minutes outside of Cairo. “It’s not worth your skill. It’s all about the connections.”

Mr. Refaat worked as a financial analyst at the Egyptian stock market, but says he hit a ceiling there after only one year on the job. “Every morning I would wake up and research credit ratings,” he says. “And it was all about the U.S. I dreamed of coming to America.”

But for many of Mr. Refaat’s counterparts, the global recession of the late 2000s closed an escape valve for Egypt.

By almost every measure, the disaffection among the young in Egypt was even greater than in neighboring countries. In survey of 2,000 people in the Middle East between 18 and 24 by public-relations firm ASDA’A Burston Marsteller, released last year, two-thirds said their countries were



moving in the right direction. In Egypt, only 26% did.

While China and other booming economies were cultivating private sectors, Egypt clung stubbornly to a state-dominated model. Outside of agriculture, 70% of Egyptian workers work for the government. Few college grads sought, or even were offered, courses aimed at landing private-sector jobs. The number of graduates overwhelmed the government's capacity to hire, leaving many of them with few options. The "dominant role of the public sector as an employer"—particularly in Egypt, but throughout the region—has inflated the graduates' wage expectations, put a premium on diplomas over useful skills and diverted talented workers from what might have been more dynamic private-sector enterprises, the IMF says.

Amid the recent unrest, governments across the region have announced measures to create economic opportunities. Last week, Yemen promised to hire more college graduates for government work, among other measures.

In Yemen, Ahmed Issa majored in French at Dhamar University, near his home region of Wasab, in the central western part of the country. He was the first in his family to go to college. After graduating in 2005, he applied for a civil service job. "Until now, no job," he says. Mr. Issa lives with distant, better-off relatives, does occasional electronics-repair work and gets a little money from an older brother, who after a 12-year job hunt, finally found work as an electrical engineer earlier this year. Mr. Issa says he isn't uncomfortable, but is angry that he can't find work and start a family. He says protests in Tunisia and Egypt inspired him, but he didn't attend protests.

In Amman, Jordan, Ibrahim Taya is the youngest of 12 born to Palestinian refugees. Mr. Taya, 33 years old, didn't go to college, but took technical training courses, first by correspondence in Jordan and then by going to Canada and China to learn how to maintain pieces of equipment.

Today, he is unemployed and seething. For about a dozen years, he bounced around, working as a technician for mobile-phone networks in Sudan, Morocco, Egypt, Saudi Arabia and Iraq. He returned to Jordan in 2008, started a business that collapsed, he says, when a partner absconded

with company funds. He started another last year.

The second company grew, eventually employing 21, he said. But it got whipsawed by the global recession and, by his account, demands for kickbacks from companies to which he was trying to sell. After blowing through all his savings, he laid off the workers and shut the company. Today, Mr. Taya is on the streets of Amman with other protesters. He says he dreams of a "miracle—like they have in Egypt."

—Joel Millman in Amman, Jordan, and Mary Pilon in New York contributed to this article.

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