ENABLING INCLUSION IN MENA

Creating economic opportunities for all people requires policies to promote access and support disadvantaged groups.

The poor face disadvantages in accessing public services and jobs.

Corruption and weak governance are limiting access to opportunity.

Many lack access to finance.

The youth unemployment rate is the highest in the world.

Citizens in rural areas are twice as likely to be poor.

Women in the region face the world’s largest gender gap.

MENA carries a high burden of conflict and refugees.

7 POLICIES TO ENABLE GREATER INCLUSION

- Improve governance and control of corruption
- Increase access to finance
- Strengthen social safety nets
- Increase opportunities for youth
- Eliminate gender disparities
- Support rural communities
- Help refugees

* MENA refers to the Middle East, North Africa, Afghanistan, and Pakistan
The poor face disadvantages in accessing public services and jobs

More than 25% of poor children are chronically malnourished and are likely to have dropped out of school by age 16.

About 40% of the poor in MENA are covered by social safety nets.

Corruption and weak governance are limiting access to opportunity

Between 60-90% of people think that “wasta” (connections) rather than merit is critical for getting a job.
Nearly 70% of adults in the region do not have a bank account.

Only 8% of adults in the region obtain loans through a formal financial institution.

6.2% SSA
9.4% EDA
9.6% CIS
11.5% LAC
17.1% EDE

Fewer than 20% of adults in the region access formal financial services.

Four groups are particularly excluded from access to economic opportunity:

- youth
- women
- rural communities
- people affected by conflict
The youth unemployment rate is between 30%-45% in eight regional countries which are home to 40 million youth.

Even though youth are educated and tech-savvy, 30% of youth are neither in education nor work.

Women in the region face the world’s largest gender gap.

The region has the greatest legal and institutional barriers for women.

Only about 1/4 of women seek jobs, the lowest rate among the world’s regions.

In 8 countries, youth unemployment is between 30% and 45%.

24.6% MENA average.

2016 Youth Unemployment Rate.
While MENA accounts for only 10% of the world’s population, it hosts 44% of the world’s people displaced by conflict.

**FACT No. 6**

Citizens in rural areas are twice as likely to be poor

**Rural poverty** is concentrated in distinct geographical areas, where **access to healthcare and education** is more limited and where **human development** indicators are below national averages.

**Poverty Rates in Rural and Urban Areas**

Percent, most recent available using national poverty lines, ordered by rural-urban gap

- Rural poverty is concentrated in distinct geographical areas, where access to healthcare and education is more limited and where human development indicators are below national averages.
- Urban poverty is spread more evenly across the region, with slightly higher rates in some countries.

**FACT No. 7**

MENA carries a heavy burden of conflict and refugees

Armed conflict has forced more than 10 million children out of school in MENA.

6 in 10 people live in extreme poverty in Syria.
POLICIES TO ENABLE GREATER INCLUSION

1. Improve governance and control of corruption
   - Ensure the effectiveness and independence of the judiciary
   - Bolster anti-corruption and audit agencies
   - Streamline public administrative processes

2. Increase access to finance
   - Promote competition amongst banks and develop targeted financial products
   - Strengthen Islamic finance
   - Develop microfinance
   - Improve financial literacy
   - Harness Fintech (mobile banking, e-banking, e-wallets)

3. Strengthen social safety nets
   - Raise spending on social safety nets
   - Improve efficiency and targeting
   - Develop conditional cash transfers where possible
   - Inform potential recipients about programs

4. Increase opportunities for youth
   - Align education with private sector needs
   - Explore measures to encourage firms to hire youth
   - Provide access to vocational training, apprenticeships, internships, job counseling, and intermediation and placement services

5. Eliminate gender disparities
   - Strengthen women’s legal rights
   - Provide access to childcare, parental leave, and safe public transportation
   - Consider targeted measures such as hiring quotas, employment subsidies, or tax incentives

6. Support rural communities
   - Foster rural development through better physical and digital connectivity
   - Improve rural access to and quality of education, health, power, water, sanitation, roads, and social safety net programs

7. Help refugees
   - Better integrate refugees to the education system and labor markets
   - Provide basic services to refugees
   - More international financial support to host communities

An enormous untapped potential: the region could have gained $1 trillion in cumulative output over a decade. Help refugees

Based on data compiled by Gallup, International Labour Organization, International Monetary Fund, United Nations High Commissioner for Refugees, and World Bank