

YOUTH UNEMPLOYMENT PROBLEM IN ISLAMIC COUNTRIES

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Abstract: Youth unemployment is an important problem all over the world in general and in developing countries in particular. This is also true for Islamic countries. This study examines youth unemployment problem in Islamic countries (54 countries). Based on the foregoing analysis regarding the unemployment and youth unemployment profile of the Islamic countries, the study recommends policy areas, such as investing more on technical training and education, for these countries. Furthermore, the relationship between education and unemployment and applied policies against youth unemployment are examined in the study.

Key Words: Unemployment, Youth Unemployment, Islamic Countries.

Introduction

Contrary to the approach of the 19th century economists, who presumed an automatic full employment in the economy, unemployment is viewed as an almost inevitable socio-economic problem in the modern world. Although at different degrees, almost all of the countries face problems of unemployment in general and youth unemployment in particular.

The world's population reached 6.769.677.282 billion in 2009, nearly a third of which comprises young people under the age of 15 (U.S. Census Bureau, 2009A). A younger population structure, which is a result of high population growth rates, implies higher dependency rates and higher economic costs placed on the society in educating the children and the youth. In return, the society expects to benefit from such investment when the youth join the workforce. Thus, a failure in having available sufficient jobs for the youth not only deprives the society of the expected benefits, but it also directly limits the employment and expected income of its most dynamic elements. This, in turn, creates a number of social and economic pressures on the society, especially in the developing countries. Thus, in addition to the under-utilization of the human resources, the consequences of youth unemployment such as social exclusion, which can lead to drug abuse, crime and social unrest become serious problems for the society as a whole.

According to the United Nations' estimations, over 510 million women and 540 million young men live in the world today. These comprise 18% of the world's population. The majority of young people live in developing countries and the absolute number of the people has increased although it is forecast to fall to 16% by 2025 (ILO, 2009A).

More than 70 million people are unemployed throughout the world according to ILO estimations. The most seriously affected regions are Southern Europe, Eastern Europe and the Caribbean. On the other hand, Islamic countries (54 countries are included in the study) have been experiencing high youth unemployment rates².

Research results show that the situation of youth unemployment is worse in developing countries. The limited research on a few Islamic countries reveals a similar picture. Consequently, the promotion of productive employment for youth has priority on the labor agenda of these countries. In this respect, effective policies and programs are needed to improve the living standards of the youth and their full integration in the society.

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² Since this paper aims to make a structural analysis of youth unemployment in the Islamic countries, conjunctural cases need to be excluded for his purpose. Specifically, the current global economic crisis and the related figures, which worsened the unemployment rates, are not included in the study.

In most countries, among the youth, teenagers experience higher unemployment rates than those in their early twenties. In some countries such as India and Indonesia, the difference is small and only moderate in most developed countries. In France and Germany, teenagers' rates of unemployment have been reduced by implementation of mass labor market programs and apprenticeships. In many countries, young women typically face higher unemployment rates than young men. However, unemployment is only one dimension of the employment problem faced by young people. Underemployment is also high among many young people who work fewer hours or some young people have only part-time work (ILO, 2009B).

There is profound relationship between poverty and unemployment. Poverty and income inequality are drastic problems in the world. At the present time, poverty is defined in terms of income poverty and is measured in different ways. The poverty line is defined at international levels by considering US\$1 and US\$2 per head per day as alternative minimum levels of income. Labor market conditions such as employment, unemployment, wages and composition of employment affect poverty level. On the other hand, young people are vulnerable to poverty and especially in developing countries, this vulnerability has been experienced day by day (Guloglu-Guder, 2007: 175-177).

1. Labor Supply and Unemployment in Islamic Countries

The main factors underlying unemployment lie both on supply and demand sides of labor. Naturally, supply of labor, which can be expressed as economically active population, is closely related to population. Although population has a direct impact on the labor supply and thus on unemployment, the supply of labor will not be thoroughly analyzed in the paper.

1.1. Population

The world population increased from 3 billion in 1959 to 6 billion by 1999, a doubling that occurred over 40 years. Latest projections imply that population growth will continue into the 21st century, although more slowly. The world population is projected to grow from 6 billion in 1999 to 9 billion by 2040; an increase of 50 percent is estimated in 41 years.

The population theories explain both of these population trends observed in the developed and developing countries. Population theories analyze structural changes in population in three stages: (1) Pre-modern stage, (2) Modern Stage, (3) Post-modern stage. According to these theories, at the first stage, there is a balance between birth and death rates at the predevelopment stage. At the earlier stages of development (**pre-modern stage**), death rates decline mainly due to improved medicine, health opportunities and services and nutrition, whereas birth rates do not decline at all or decrease at a rate less than the change in death rates. This explains the above mentioned current population trends in the developing countries. At the second stage (**modern stage**), while the death rates continue to go down, birth rates also fall mainly due to socio-economic factors and cultural change, such that they can even surpass the rate of decrease in death rates, hence, resulting in a negative overall population growth rate. This stage matches with the case of the developed countries. The theory suggests that a **post-modern stage** will come, where the birth rates will start to increase again. However, declining birth rates have not been shown an opposite trend so far, and thus, this stage has not been observed yet.

Table 1. The Increase of World Population

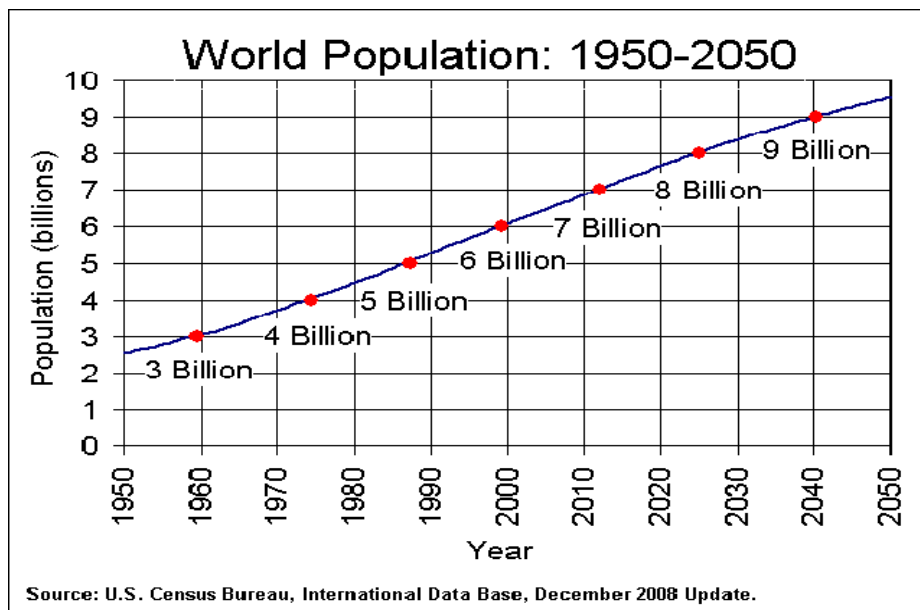


Table 2. Population Trends in Selected Regions and Islamic Countries (Million)

	1980	2000	AAGR ^e (%)	2010
WORLD	4447 ^a	6091	1.6	6891
MORE DEVELOPED REGIONS	1083	1187	0.5	1206
LESS DEVELOPED REGIONS	3365	4904	1.9	5684
ISLAMIC COUNTRIES^d	709	1091 ^f	2.3	--

SOURCE: ILO, Yearbook of Labour Statistics 1997, Table 1A, pp. XX-XXII.

^aTotal Population

^dSource: IDB, Key Socio-Economic Statistics on IDB Member Countries, Statistical Monograph No. 21, Jeddah, 2001, p. 7, Table 1.1.

^e Annual Average Growth Rate - Calculated

^f1999

The difference between the birth and death rates explains the supply side of the problem of unemployment in developing countries. The annual average growth rates reveal important features of the unemployment problem in the Islamic countries *vis-à-vis* the world and other regions. Specifically, the population growth rate in the Islamic countries has been greater than the world average as well as the developing countries, the group in which they are also represented. Between 1980 and 2000, the Islamic countries' population increased at an annual average rate of 2.3% (Table 2). The rates for the more developed regions, less developed regions and the world average are 0.5%, 1.9% and 1.6%, respectively.

The population increase is very slow in the more developed countries, while it is faster in the developing countries. However, Islamic countries' average population growth rate is even higher than the other regional categories. This fact indicates two points: Firstly, as a common problem, unemployment is a more serious problem for the Islamic countries in general. Secondly, the high population growth rate results in a younger population and this implies that relatively more young people are joining the labor force. Thus, although it is a problem experienced worldwide, youth unemployment becomes a more crucial issue for the Islamic countries.

1.2. Unemployment

As mentioned above, unemployment is one of the drastic problems all over the world. There is almost no country that is away from this risk. At the same time, unemployment creates social, economic and politic problems. According to some thinkers, the world came into the era of unemployment. Like most of developing countries, Islamic countries have serious unemployment problem.

Participation in the labor market (by all aged 15 and over) has increased in many parts of the world since 1980, including the developing and some developed economies. Unemployment has also increased during this term in the world in general and in the developing countries, including the Islamic countries, in particular (ILO, 2000A: 45).

Table 3. Unemployment in Selected Islamic Countries (2008)

COUNTRY	UNEMPLOYMENT RATE (%)	COUNTRY	UNEMPLOYMENT RATE (%)
ALBANIA	13	MALAYSIA	3.1
ALGERIA (2008)	14.1	MOROCCO (1999)	15
AZARBAIJAN (2008)	8.5	PAKISTAN (2008)	7.5
BANGLADESH (2008)	2.5	SYRIA* (2008)	10
EGYPT (2008)	10.1	TAJIKISTAN (2008)	2.4
INDONESIA (2008)	9.7	TURKEY (2008)	9.7
KAZAKHSTAN (2008)	7.3	UAE (2008)	2.4

SOURCE: <http://indexmundi.com> , Accessed February 2, 2009.

According to the figures in Table 3, the unemployment rates range from 1% to 15% among the Islamic countries. The lowest unemployment rates are in Azerbaijan (2.4%), UAE (2.4%), Bangladesh (2.5%), Tajikistan (2.4%), Kazakhstan (7.3%) and Malaysia (3.1%). Indonesia (9.7%), Pakistan (7.5%), Turkey (9.7%), Egypt (10.1%) and Albania (13%) have medium-high unemployment rates. Morocco (15%) and Algeria (14.1%) have very high unemployment rates.

Over time, the unemployment rates in most of these countries show an increasing trend making the problem more severe. During the 90'ies, unemployment rates increased in Algeria, Morocco, Azerbaijan, Kazakhstan, Tajikistan UAE, Bangladesh, Pakistan and Indonesia. This rate did not change in Egypt and Turkey and decreased in Malaysia (ILO, 1999B:58).

The current global economic crisis, which was first appeared in the USA as a financial sector crisis, now has begun to affect the European countries and the developing countries as well.

Effects of the said crisis take place in various forms and degrees in different countries depending on their economic structure and their economic connections with the developed world. Labor market is among the most distressed fields during this economic crisis. For instance, number of unemployed people in the USA has increased to 3.6 million people since December 2007. Again in the EU unemployment rate has reached to 7.8 percent in October 2008 and it is expected that unemployment rate will reach a peak of 9.9 percent in 2010 in OECD countries (www.oecd.org). It is also seen that the unemployment figures in some of the Islamic countries had been worsened during the recent global economic crisis, especially with the beginning of 2009. In Turkey, for instance, unemployment rate had seen a peak of several decades in the first quarter of 2009 by 15.8 percent (www.tuik.gov.tr), and in Egypt, unemployment rate increased from 8.8 percent to 9.4 percent at the same period (www.capmas.gov.eg). In Malaysia unemployment rate became 4 percent in the first quarter of 2009 which is higher than that of the previous year (www.statistics.gov.my).

In this regard, countries have begun to take several measures to tackle the negative impacts of the global economic crisis on social partners, especially on the youth. For instance, Turkey has introduced a measure to balance the negative impacts of the crisis on the youth and in this regard social security contributions of employers on additional employment created for the youth (18-29 ages) will be paid by Treasury at reducing rates for 5 years, 100% for the first year, 80% for the second and so on. Another measure taken by the Turkish government against increasing unemployment with a view to ensure favorable conditions for the youth in the long run is that apprenticeship activities for 100,000 young men and women will be supported by the government and vocational training will be provided for 500,000 young men and women for the year of 2009.

However, it should be noted that many developing countries, which may have low rates of unemployment, use the employed workers together with under-developed technologies. The employment is mostly concentrated in the agricultural sector. The marginal sector absorbs unemployment at less-productive and low-income jobs. Thus, productivity in these countries is very low in comparison to the developed economies. Consequently, hidden unemployment and underemployment rates, which cannot be measured easily, are very high in most of these economies. For example, according to a World Bank Survey (The World Bank, 1995:2); in the Middle East and North African region, when underemployment is included, unemployment has risen enormously and seems to be more widespread than in any other region of the world. Although the productivity and income of underemployed may be low, these people still earn some income. Therefore, especially the social consequences of underemployment are not the same as open unemployment.

Looking at the gender statistics, it is observed that unemployment rates of female are higher than male in majority of the Islamic countries. This difference is bigger in countries such as Egypt, Indonesia and Kazakhstan. Egypt and Indonesia are densely populated low-income countries. Kazakhstan has a high labor force participation rate for women. Thus, it should also be noted that the lower labor force participation rates for women, in general, might have decreasing effect on the female unemployment rates in some of the Islamic countries. On the other hand, the time trend varies among countries (ILO, www.ilo.org).

1.3. Youth Unemployment in Islamic Countries

Youth unemployment is defined as those unemployed between the ages 15 and 24. It is generally expressed as a ratio. The available data, which are summarized in Table 4, indicate

the scope of the youth unemployment problem in the Islamic countries. The four different measures have been developed in order to better understand different aspects of the problem. There are more than 1 billion young people between the ages of 15 and 24, and 85 per cent of them live in developing countries. Many of these young people are in the process of making, or have already made, the transition from school to work. According to the ILO, 160 million people in the world are unemployed, and many more subsist on the margins of the economy or have jobs that do not provide them with adequate means to ensure their survival. Nearly 40 per cent of those without work are young people, and levels of unemployment tend to be two to three times higher for this group than for the adult population. For those young people who are employed, many find themselves in low-paying temporary jobs with few protections (ILO, 2001).

Table 4. Youth Unemployment in Selected Islamic Countries

Countries	Year	Youth Unemployment Rate (%)
Albania	2005	35.5
Algeria	2005	43.4
Bangladesh	2005	6.6
Indonesia	2005	28.7
Pakistan	1990	5.1
Syria	2005	26.3
Turkey	2005	19.3
Kazakhstan	2005	14.3
Tunisia	2005	30.7

Source: Economic and Social Data Ranking, <http://dataranking.com>, Accessed January 2009.

As the above table reveals, the youth unemployment is generally high in the Islamic countries. The youth unemployment rates before the global economic crisis were already high in Algeria, Albania and Tunisia, at this rate is high in Turkey (19.3%) and lower in Pakistan (15.1. %). The youth unemployment rates was low in Bangladesh (6.6%).

The youth unemployment rate is higher than the general unemployment rate, because young people have difficulties in gaining access to the labor market and in finding jobs once unemployed. Although young people tend to be unemployed for shorter periods than older adults, the difference is not large enough to explain youth unemployment away as simply a transition problem of frictional unemployment. There are a number of reasons why one might expect the youth unemployment rate to be higher than that of adults (ILO, 1999A: 161).

On the supply side, the initial experiences of young people in the labor market are likely to involve a certain amount of shopping around for an appropriate job (ILO, 1999A:232). In addition, the occupational structure of the education system and the skills provided may not match the vacant and emerging jobs. Lack of experience may also constitute a disadvantage for youth in getting the chance for their first employment. Furthermore, in general, the turnover rates of younger workers are higher than the average, i.e., they have also difficulty in, voluntarily or involuntarily, remaining employed once a job is found for them (Zaim, 1999: 48).

On the demand side, the cost for enterprises of releasing young people is generally lower than in the case of older workers. Young employees will tend to require a smaller investment by establishments in training because most jobs that they hold are easy to perform, and need less training. Consequently, making young employees redundant involves a smaller loss to the

employers. Also, employment protection legislation usually requires a minimum period of employment before it could be applied, and compensation for redundancy and other liabilities such as the seniority payments and the cost-length of annual leave usually increase with tenure. Obviously, young people are likely to have shorter job tenures than older workers and will, therefore, tend to be easier and less expensive to dismiss (ILO, 1999A: 232).

Another important feature of the youth unemployment in the Islamic countries relates to its time trend. In general, the youth unemployment rates in these countries show an increasing trend over time, i.e., the problem appears to be getting worse. During the last decade, the situation is deteriorating in Indonesia, Egypt, and -although the youth unemployment problem rate is still not higher than the unemployment rate- in Kyrgyzstan. The situation has not significantly changed in Algeria, Burkina Faso and Pakistan but it has slightly improved in Bahrain, Morocco, Niger and Turkey until recently. The improvement has been generally due to decreases in birth rates and the share of youth in population, and the diffusion of education and training opportunities.

When the figures for the age composition (15-19, 20-24) of unemployment are analyzed, the general picture is that, unemployment rates tend to fall with age, which is true for the majority of countries. In some exceptional countries, such as Germany and Turkey, the highest youth unemployment rates are recorded for "young adults" (20-24).

Kyrgyzstan and Niger are among the few worldwide exceptional cases (together with Germany, Cyprus and Central African Republic), which do not have a youth unemployment problem (independent from the total unemployment). I.e., youth unemployment rates are less than the total unemployment rates in these countries. As a case illustrated frequently, Germany operates a dual apprenticeship system offering a protected entry into employment, and the ratio of youth to adult rate is typically right at 1.0. Ratios are also relatively low (though above 1.0) in Austria and Switzerland, as both countries operate systems similar to that of Germany (ILO, 1999A: 161).

On the other hand, the exceptions from the developing countries can mostly be explained by the data problem (ILO, 1999:235). First of all, the information on unemployment for these countries comes from the registered unemployment at the employment offices. It is to be noted that the registered unemployment is likely to underestimate the scope of youth unemployment. These records mostly reflect only the cases of people who are already in the labor market.

According to a survey on the Middle-East North African region, (The World Bank,1995: 3), in most countries, the unemployed are predominantly first-time job seekers. Those entering the job market for the first time have very low tendency to go through the employment offices. These people are likely to be active as hidden unemployed in agriculture or active in the extensive informal sector. For example, it was estimated that the informal sector constituted 76% of employment in the urban Punjab area in Pakistan in 1984/85 (National Manpower Commission, 1989: 107). However, in many countries, it is especially difficult to measure employment and unemployment in agriculture (The World Bank, 2002:59) and in the informal sector.

2. Education and Unemployment

It is generally accepted that accumulation of human capital is essential for economic growth and social development. Although eradication of illiteracy is a major goal of development, more advanced levels of education are also becoming increasingly important in enabling the individuals and countries to understand and participate in the technological and administrative processes of the modern global economy (UN, 2000: 247).

Unemployment tends to vary with the educational attainment levels and the related skills of individuals. For most of the developed countries, as the level of education increases, unemployment rates fall, often dramatically. On the other hand, in developing countries, it is often claimed that youth unemployment is concentrated among the better educated. The analysis of the tables 3 and 4 on unemployment and youth unemployment, also confirms this fact for the Islamic countries in general.

Contrary to the developed countries and as it is in developing countries in general; higher education attainment does not lead to more employment chance in the Islamic countries. This is mainly due to a mismatch between the educational system and the actual needs of the economy. The education systems are mostly designed to extend education facilities to as many people as possible. On the other hand, the job markets require skilled labor in specific occupations, whose education is more costly. Thus, this mismatch results in relatively higher unemployment of the educated labor.

This mismatch between the education fields brings the education systems of these countries into question. The education systems of developing countries are mostly general in their orientation. That is, countries prefer and concentrate on general education, rather than vocational and technical education.

Structural factors can also help explain this situation. The predominance of labor-intensive and agricultural production leads to a shortfall of jobs for more highly educated workers in developing countries. The highly dominated agriculture, services and the marginal sectors absorb unskilled labor, who are most probably underemployed.

The level of education and the worker's ability to become employed (employability) are not automatically connected. How well the link between the educational system and the work will function varies among countries. Many workers may not be specifically trained for the duties they carry out. Imbalances may also exist between the training possibilities available to workers and the national labor market's capacity to absorb them. The impact of continuous and on-the-job training, which is not officially awarded any diploma, is another factor difficult to measure (ILO, 1999B: 442).

On the other hand, the discouraged workers may contribute to the above-mentioned generalization. For example, in Malaysia, using Hirschman's unemployment index, which includes discouraged workers among figures of unemployed, the unemployment index for young males gives a rate of 29.8% for the least educated against 21.7% for the most educated, while the conventional unemployment rates for the two groups are 9.4% and 14.8%, respectively. In addition, the weakness or complete lack of unemployment insurance and social security systems in developing countries often means that unemployment is not an option for those workers who lack sizeable family resources to support them if they do not work (ILO, 1999A, 268).

Another major factor that can increase the youth unemployment rates especially for the female workers is the positive relationship between education and labor force participation rates. Thus, as the education level increases, participation in the economically active population also increases.

3. Policy Experiences in Youth Unemployment

Youth unemployment is generally viewed as an important policy issue for many economies, regardless of their stage of development. The policies that aim to solve the unemployment problem in general and youth unemployment in particular can be viewed under two groups, depending on their approaches: (1) supply side policies and measures; (2) demand side policies and measures. Supply-side measures can also be grouped as: (a) quantitative; (b) qualitative. Quantitative policies aim to control the amount of labor supply by decreasing the population growth rate. Qualitative policies aim to improve the skill and occupation structures of the labor force through training programs and education policies, and by organizing the labor market.

On the demand-side, policies aim to increase the demand for labor through economic and fiscal policies specifically on investment, economic growth, wages, and promotion of labor-intensive techniques and sectoral dualism. Traditionally, supply-side measures have been more emphasized in the youth unemployment issue. However, there is a recent tendency as having a more balanced strategy, which does not consider the supply-side policies that concentrate on the characteristics of young people as the only solution, but it emphasizes a more demand-oriented strategy. It is difficult to envisage a significant reduction in long-term unemployment without a general increase in the demand for labor. Training schemes and other special measures can improve the employment prospects of individual workers and enable them to avoid prolonged spells on the register, but in the absence of an upturn in demand, their success will only be someone else's failure. This does not imply a rejection of such schemes *per se*. On the contrary, they are essential, especially to prevent the long-term unemployed from becoming virtually unemployable.

Policies that aim to increase demand can adopt sectoral dualism, as was well practiced by some developing countries, such as China. In order to catch up with the modern technologies and create a productive labor, development of high-tech industries can be targeted on one hand. On the other, in order to absorb the increasing population and unemployment, labor-intensive traditional industries can also be promoted. For example, the Green Revolution in Pakistan contributed positively to employment in the 1960's (National Manpower Commission, 1989: 107).

Minimum wage policy can be used as a tool against youth unemployment. The question of the link between minimum wages and youth employment has held and still holds a prominent place in the economic literature and the policy debate, because of the feeling of disarray felt by both economists and politicians when they face high unemployment affecting young people. The conventional economic theory suggests a negative relationship between minimum wages and youth employment. Therefore, some countries apply lower levels of minimum wages for the youth, mostly to those between ages 16-18 or less than 16 (e.g. Turkey). In addition to the decrease in the number of the young people entering the labor market and lower relative youth wages in some cases, such policies resulted in falls in youth

unemployment relative to total unemployment in most of the OECD countries (National Manpower Commission, 1989:9).

With appropriate education and training policies, it is possible to avoid a situation of high unemployment and low growth, as shown by the frequently demonstrated positive theoretical and empirical relationship between education and growth.

Indeed, low investment in human capital hampers growth. Weak growth does not improve employment, leading in turn to a lack of incentive to invest in human capital. Appropriate education and training policies can change the composition of the supply of labor and adapt its structure to a growing demand for skills. However, since investments in training are costly and subject to numerous externalities, the public sector involvement is necessary (Bruno, Catherine and Sandrine Cazes, 1999).

The Asian experience has shown that education has especially high value when the economic and technological environment is changing rapidly, as is happening in countries where information technology and trade liberalization have been introduced. The question is how to design policies and funding strategies for education and training in this environment, to achieve the greatest improvement in productivity and labor force income (Jussawalla and Hasan, 2001: 123).

In order to overcome the youth unemployment problem, the need to develop education and training policies to give young people a solid and broadly-based education, equipping them with essential basic skills and competence on which to build vocationally-specific skills has been emphasized by policy-makers (OECD, 1988: 13).

4. Experiences of Selected Islamic Countries in Training Policies

A review of the training policies and experiences of some Islamic countries can be useful for designing policies to overcome the mismatch between the skills of especially the young labor and the available jobs. However, it should be noted that the national and regional contexts vary widely across the world. Policies that work well in one country may not be feasible in another because of institutional, social, cultural and economic differences. Thus, a blueprint for solving the youth unemployment problem cannot be provided by a single study. Nevertheless, lessons can be learned from the experiences of individual countries and at the regional level.

Some Islamic countries do not yet have fully developed policies for the development of human resources. Over the last 40 years, many countries have set up their own training institutions and facilities, often within the framework of bilateral and multilateral technical co-operation programs. The issues of co-ordination, continuous upgrading and the linkages of these institutions with employment policies in general are important problems, which have a legislative and institutional dimension that enables employers' and workers' organizations to participate in the formulation and implementation of training policies. However, such participation is often somewhat formal and not altogether effective.

In Africa, where the proportion of youth in total population is high, the main emphasis is on initial vocational training. Given the tight economic situation, governments concentrate their efforts on providing directly employable skills, at the expense of more general education. Thus, these institutions and their activities do not fulfill the needs, and the scarcity of skilled

labor in these countries is particularly acute at the technician and high skill levels. For example, Egypt is encountering serious problems in obtaining qualified technicians and skilled workers, mainly as a result of the massive migration of skilled labor to neighboring Arab countries.

The methodologies applied to management training in Africa have also evolved. Most programs implemented in the past had been more theoretical rather than being practical in character and orientation; however, there has been a recent tendency to stress the practical side, utilizing participative techniques and case studies. Also, the small enterprise sector, which had received little attention in the past, has gained importance and the vocational training institutions are now also involved in programs designed to promote entrepreneurship and to assist in the setting up new enterprises. In addition, the training content has been considerably improved.

The developing countries from the Asian region have made great efforts to expand and modernize their vocational training activities. A good example (especially the Entrepreneurship Development Program in Gujarat) is provided by India, where vocational training activities have expanded enormously over the past 40 years. The Islamic countries are also active in this field. The Bangladeshi authorities are particularly interested in keeping a close relation between government and industry, and considerably improved the training network in rural areas.

Malaysia has benefited from the fast growth rate in the last decade and developed its human resources in high-tech industries, which gave the youth opportunities. Although youth unemployment rate is high, vocational education and training policies in Turkey equipped the youth with skills in demand.

The Asian Arab countries have some special training problems. While the scarcity of skilled manpower is a serious impediment to accelerated development, the oil-rich countries have tended to rely more on importing skilled labor than on training their own nationals. The great majority of trained manpower is imported, in particular from other Arab countries, resulting in a drain on the latter's reservoir of trained human resources. These countries, while reaping the benefits of remittances, find themselves faced with a situation where the planning of training activities is becoming increasingly difficult. The training programs in this region are mostly on management and are run and administered by universities or public institutions. Also, many enterprises have introduced their own training activities in cooperation with private Arab and foreign consulting firms.

The experience of countries such as Turkey and Malaysia reveal the fact that, with the development and diffusion of the new flexible modes of work, such as part-time and tele-work³, young people can have more opportunities for work. Young people's patterns of activity appear to be changing, with education and work more often carried out simultaneously. This can facilitate the transition of young people into the world of work. However, further integration of labor market activity and education will necessitate more flexible education systems. There will have to be a greater scope for part-time attendance, and closer links between educational institutions and those of the labor market. The "dual systems" of vocational education in Germany, Austria and Switzerland provide, in many

³ The general term for the new flexible modes of work which have become possible by the diffusion of high technologies.

ways, models for such developments. A continuous restructuring of employment opportunities, especially towards more flexible patterns of working time, including part-time employment, will be a complementary part of this process (OECD, 1988:9).

Conclusions

Unemployment is a global problem from which almost all countries, developed or underdeveloped, suffer. The economic growth often fails to create enough jobs for the growing population in general. The situation is even worse for the youth, with youth unemployment reaching high levels across a wide range of countries, which almost everywhere are significantly higher than those for adults.

Although the situation is improving, there is still a relative dearth of information and in-depth analysis on youth unemployment in many developing countries, in general, and the Islamic countries, in particular. Thus, more effective information collection and analysis is needed in this field.

The socio-economic implications of the youth unemployment problem render the unemployment issue more vital. The degree of awareness of the problem and the nature and extent of the focus on counter policies and measures vary from country to country.

As confirmed by the current global economic crisis, unemployment in general and youth unemployment, in particular, are consequences of poor macroeconomic performance. Employment-friendly economic policies, in the long run, are crucial to socio-economic development, although the emphasis placed upon this aspect has varied significantly over time and between countries. However, in the short run, demand-side policies are more likely to increase the employment opportunities for the unemployed, who do not have an access problem and are already active in the labor market. For this reason, demand oriented policies tend to be relatively less effective on the youth who have problem of access to the labor market.

On the supply side, by definition, the policies concerning population, training and education related to youth unemployment are also effective for the general employment level. It should be also noted that youth unemployment is more sensitive to the supply-side policies and measures.

According to the findings of this study, the average population growth rate in the Islamic countries is higher than the world average, as well as the rate for the developing countries. It is also found that unemployment and youth unemployment rates are high in the Islamic countries, for which data are available. Furthermore, the youth unemployment rates in most of these countries show an increasing trend. Although overall unemployment and youth unemployment rates for female workers are still high, the situation has improved during the last 2 decades until the current global economic crisis.

As it is given in the paper, recent global economic crisis faced by the world as a whole has negative impacts on general unemployment rates and unemployment rates for the youth as well. This economic crisis, which results in cyclical unemployment, is expected to end in a few years. However, those measures taken by the governments against rising unemployment levels such as decreasing social security premiums for the new employed and increasing vocational training and apprenticeship opportunities for the youth will have some structural positive implications for the youth employment in the long run.

Similar to the situation in most of the developing countries, the findings of the study indicate a positive relationship between unemployment rates and educational attainment. As compared to the case in the developed countries as a whole, the unemployment rates for the educated youth in these Islamic countries are higher. This fact indicates problems regarding the education systems in these countries. The study shows that many Islamic countries have been tackling youth employment programs by developing and implementing technical and vocational training programs whose experiences can be shared by other countries.

Based on the foregoing analysis regarding the unemployment and youth unemployment profile of the Islamic countries, the study recommends policy areas, such as investing more on technical and vocational training and education, for these countries.

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