CHAPTER 1.3

Will the Current Oil Boom Solve the Employment Crisis in the Middle East?

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At the 2003 annual meetings of the International Monetary Fund and the World Bank in Dubai, the World Bank released a flagship report on labor markets in the Middle East and North Africa (MENA).[1] The report described an unprecedented job creation challenge facing the region. By 2020, according to the report, an estimated 100 million jobs would have to be created to employ new entrants and reduce unemployment to sustainable levels. To create these jobs, the region would have to maintain average annual economic growth rates of 6 to 8 percent between 2000 and 2020, far higher than the average 3.6 percent growth witnessed over the 1990s. The report went even further, suggesting that if MENA countries were to replicate the job creation record of the 1990s in the present and next decade, reasonable estimates indicate that unemployment rates would rise significantly across the region.

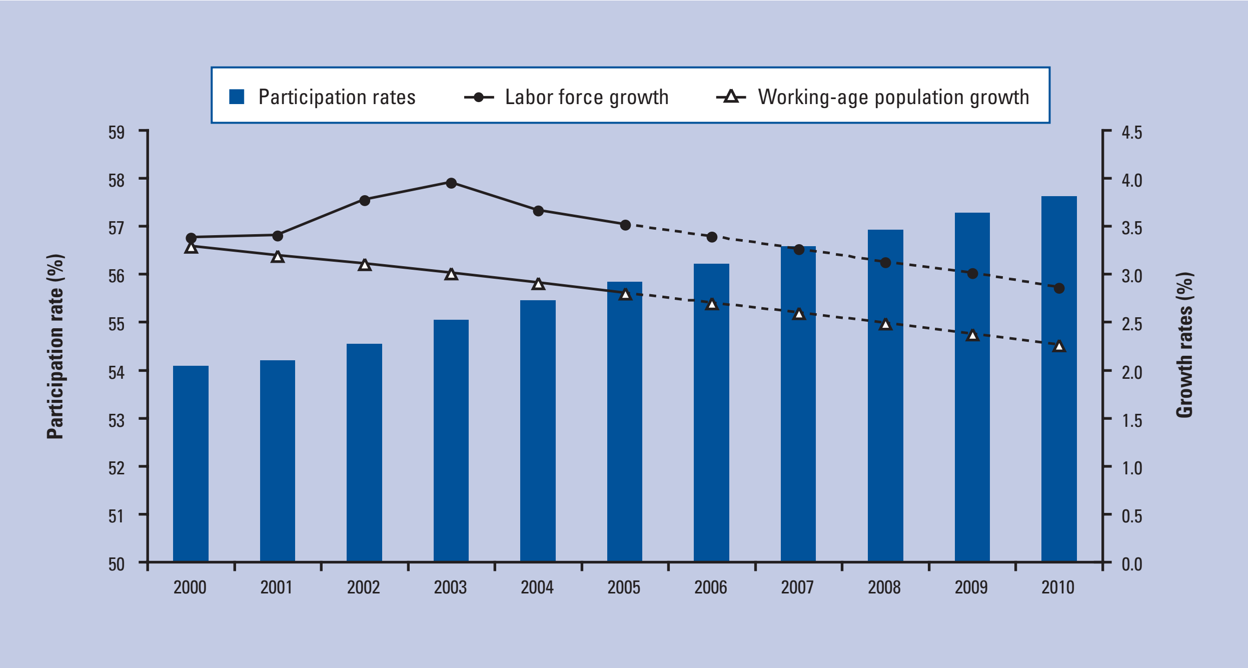
Since the report's publication, however, much has changed in the region's economic outlook. Most importantly, oil prices—which had been forecast in 2002 to stay at or below US$25 a barrel for the foreseeable future—rose to $29 a barrel in 2003 and $53 a barrel in 2005. For many countries, this unexpected and dramatic rise in oil prices has been reflected in rising personal incomes and government revenues. Thus, regional GDP growth improved from 2.9 percent in 2002 to an estimated 6.0 percent in 2005.[2] Growth in 2006 was forecast at 5.6 percent and is projected to remain higher than 5.0 percent for the foreseeable future.[3] In turn, the region has seen higher rates of job creation and declining rates of unemployment for the first time in almost two decades. Even the estimates of regional labor supply have been revised, with overall labor growth rates projected to be lower than the original estimates provided in 2003.[5]

Given these changes, the relevant question becomes whether MENA's labor market pressures have suddenly become manageable. More precisely, has the current oil boom solved the unemployment crisis facing the region? This chapter reviews recent developments in MENA's labor markets, focusing on job creation, unemployment, and government policies aimed at improving labor market outcomes. Rather than providing an exhaustive survey of the issues at the individual country level, the chapter tackles the subject from a regional perspective. As such, it will be organized around a set of stylized facts that make up the important components of a general story.

Labor force growth and participation rates

As of 2005, the labor force in MENA stood at nearly 120 million persons, accounting for some 56 percent of the working-age population (ages 15–64) and 35 percent of the total population. Average annual growth rates for the regional labor force between 2000 and 2005 averaged 3.6 percent a year (Figure 1). The rate of growth in

Figure 1: Labor supply trends in MENA: 2000–10



Source: ILO, 2005.

MENA is higher than in other developing regions, and higher than ever recorded in such areas as Latin America and East Asia. Although labor force growth remains high, the rates of growth are declining. Having experienced substantial fertility declines in the 1980s, much of the region witnessed peak labor force growth rates in the 1990s. Rates of growth will continue to decline to an average of 3.1 percent a year between 2005 and 2010 and 2.1 percent a year between 2010 and 2020. Absolute numbers of new entrants are currently peaking, at just above 4 million new entrants a year—a number that will decline, albeit slowly, to nearly 3.9 million by 2010 and 3.1 million by 2020.

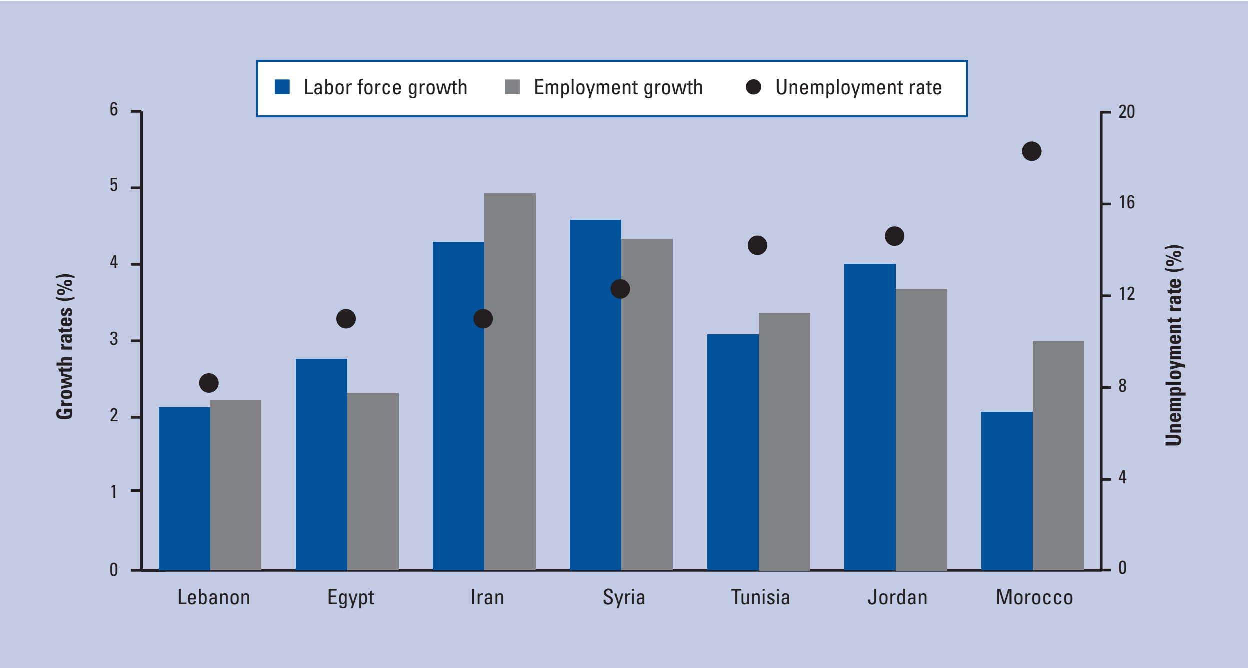
Labor force growth trends in MENA are driven largely by demographics, with the working-age population growing at a rate of nearly 3.0 percent a year between 2000 and 2005. A general rise in labor force participation rates has accompanied the growth of the working-age population in MENA in recent decades. In fact, while working-age population growth has fallen, the rise in labor participation rates has largely countered potential decreases in labor force pressures. Changes in participation by women in particular have driven much of this growth. In 2000, the participation rate among women in MENA was about 27.5 percent. By 2005, it had increased to nearly 30.5 percent. The participation rate among men, on the other hand, has remained fairly consistent, rising from 79.3 percent in 2000 to 79.8 percent in 2005. Participation by young people has followed a similar trend. Young women's participation in the labor force increased from 23.5 percent in 2000 to nearly 24.9 percent in 2005, while that of young men has declined from 54.9 percent to 54.4 percent.

Recent trends in unemployment and job creation

With recent economic growth in the region, there has been an increase in job creation and a resultant decline in the overall rate of unemployment. The estimated unemployment rate in the region in 2000 stood at nearly 15.2 percent.[5, 6] Currently available and comparable figures put the regional rate of unemployment in 2005 at around 12.7 percent. This decline in unemployment appears modest, but it is nonetheless significant as it suggests that the economies of MENA are not only increasingly able to absorb new labor market entrants but are making strides in reducing overall unemployment as well. Implied employment growth in the region, between 2000 and 2005, averaged 4.0 percent a year, or nearly 19.6 million new jobs in all. Such performance compares rather favorably with the record from the 1990s, when employment growth averaged around 2.5 percent per year and was consistently below labor force growth in every country for which data are available.

Despite rising employment growth, however, the unemployment rate in the region remains high. Reducing rates of unemployment while continuing to absorb new workers remains a critical challenge for policymakers across all countries in MENA. Furthermore, evidence suggests that the bulk of job creation in recent years has been temporary in nature and has depended largely on public-sector expenditures. The elasticity of

Figure 2: Labor market outcomes in individual MENA countries, 2000–05



Source: ILO, 2005; country sources.

employment with respect to GDP growth between 2000 and 2005 has averaged nearly 0.9, quite high when compared to historical trends in the region or international norms. This figure alone suggests that much of the job creation in MENA has emphasized short-term, government-supported solutions to addressing a long-term systemic problem. To the extent that the new jobs created through government interventions are generally not productive, it is legitimate to ask whether recent advances in job creation are sustainable in the long run, even given continued high rates of economic growth.

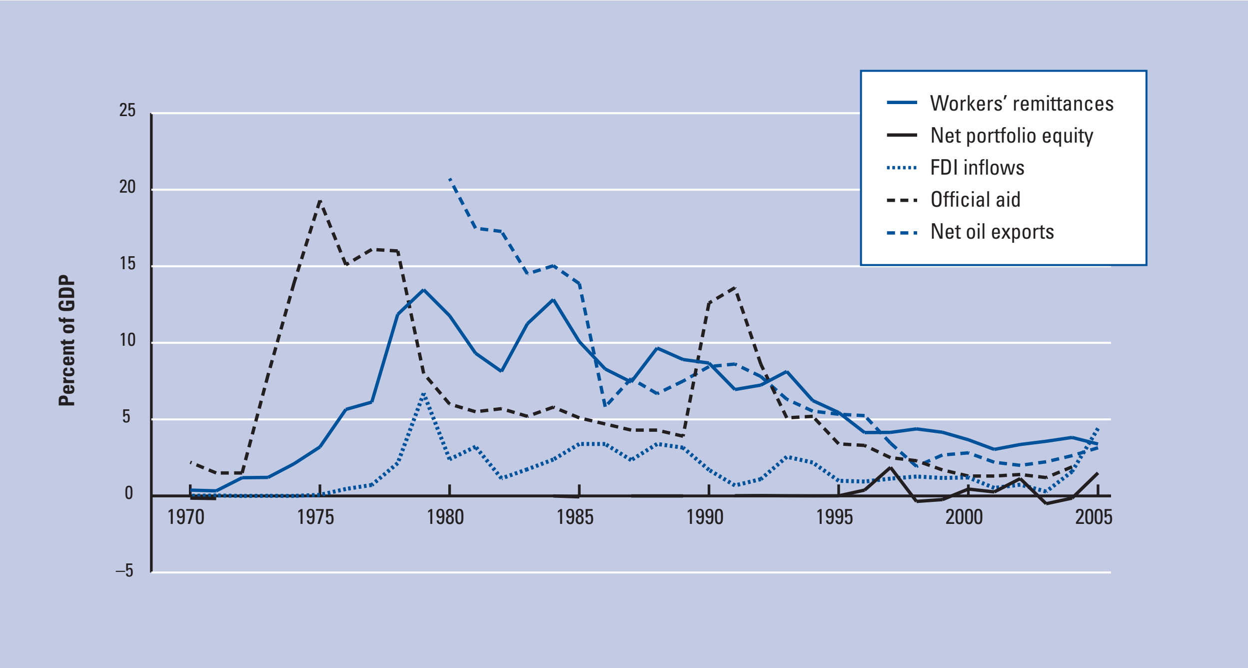
Specific problem areas continue to plague regional labor markets, particularly in regard to public-sector employment and labor market flexibility. Evidence suggests that public-sector employment has expanded in recent years—even though the region has had historically one of the highest shares of public-sector employment in the world. More importantly, the dominant role of governments in labor markets reinforces the significant queuing for public-sector jobs by educated new entrants. The perpetuation of implicit and explicit guarantees in government hiring, along with mismatched expectations resulting from generous public-sector compensation and benefits policies, have all contributed to the continued preference for public-sector jobs.[7] Also, despite some reforms intent on giving more flexibility to firms in hiring workers, regional economies remain among the most restrictive concerning labor market regulations, particularly in regard to dismissing workers. This has inhibited the proactive role private business might have played in job creation by elevating the perceived costs associated with labor-intensive production.

Unemployment outcomes within the region

Regional aggregates mask the variety of experiences in MENA, both in terms of labor force growth and job creation (Figure 2). As might be expected, the oil-exporting economies of the region have been able to channel increased government revenues into job creation, a pattern reminiscent of the oil boom in the 1970s. For example, Iran—a country facing relatively high labor force growth at 4.3 percent a year—brought the unemployment rate down from 13.8 percent in 2000 to 11.0 percent in 2005. Based on the reported official figures, the number of employed persons grew by 4.7 percent per year between 2000 and 2004, compared with around 2.1 percent in the 1990s.

Likewise, Algeria has witnessed substantial changes in labor outcomes. With labor force growth at nearly 3.9 percent a year, the country has seen reported unemployment rates fall from 28.9 percent in 2000 to nearly 15.3 percent in 2005. (It should be noted, however, that recent reported rates might not reflect the true rate of unemployment in the country, as the government statistics agency has adopted a revised methodology in recent years.[8]) Based on government sources, employment in the country grew at an impressive average annual rate of 7.7 percent per year between 2000 and 2004, or three times the rate of growth registered in the 1990s.

Figure 3: Sources of oil-related wealth in Egypt, 1970–2005



Source: World Bank, 2006a.

Employment and unemployment data from the Gulf Cooperation Council (GCC) countries are limited, a factor that renders an accurate assessment of recent trends problematic. Available data suggest that among nationals, unemployment remains a serious and growing problem despite high economic growth rates. In Saudi Arabia, official unemployment in 2002 was estimated at 4.6 percent, while unemployment among nationals was nearly 8.3 percent. Unemployment among nationals has been estimated at 12.4 percent in Bahrain, 11.6 percent in Qatar, and 10 percent in Oman. Recent data from the United Arab Emirates (UAE) suggests that unemployment among nationals in that country is nearly 15 percent.

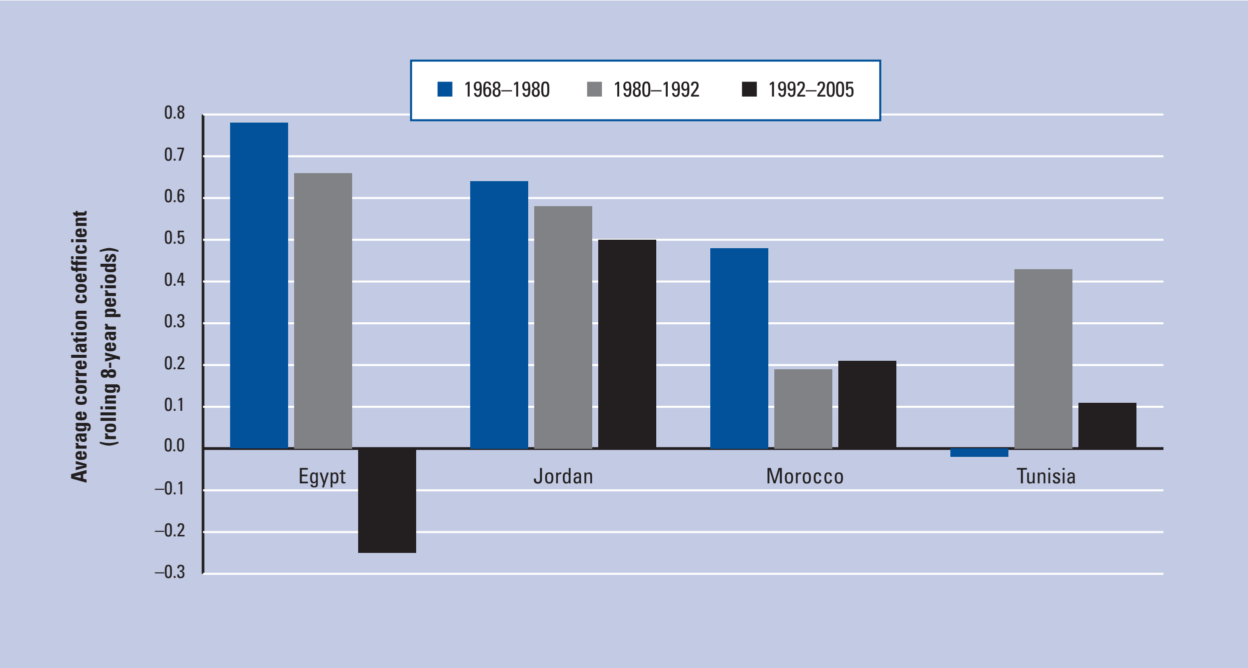
The skewed nature of employment outcomes in these oil-exporting and labor-importing countries is driven largely by wage differentials, the result of the public-private and national-expatriate segmentation of the labor force.[9] Historically, public-sector employment facilitated the distribution of oil wealth and encouraged higher educational attainment by nationals who continue to prefer the slow-growing public sector to the fast-growing—but low-wage and low-skill—private sector. Bolstered efforts to enforce stricter nationalization employment programs in recent years seem to be creating incentives for manipulating the labor force rolls as much as for creating jobs among nationals.

Labor outcomes for regional non-oil producers and net oil importers have been quite different. Rising costs associated with fuel—both in terms of input costs for businesses and budget constraints for governments still holding on to costly fuel subsidies—have imposed increased burdens on these economies. Furthermore, in contrast to the last oil boom in the region, transfers between oil economies and non-oil economies in the region are comparatively weak. In the past, non-oil economies benefited from high labor remittances and direct aid from the oil economies (Figure 3). Although intraregional tourism and portfolio equity flows have grown in recent years, workers' remittances and aid have been limited.[10]

Perhaps the biggest contrast between the regional impact of the previous and the current oil booms concerns the role of labor migration in the non-oil economies. Although migration provided an important outlet for workers in these countries during the 1970s, the last two decades registered a deceleration in the net inflows of Arab workers to the oil economies that has not been reversed in recent years. The negative effects of lower oil revenues after 1985 and the first Gulf War were reinforced by the replacement of workers from the region with migrants from Asia as well as efforts in the GCC countries to nationalize the labor force.[11] Thanks to the investments in education by both the labor-sending and labor-receiving countries, educated nationals in the oil countries have largely become substitutes for educated Arab migrants.

These trends explain the weaker overall ties between oil-price movements and growth outcomes in the region's non-oil countries (Figure 4). As a result, many of the non-oil countries have seen a slight worsening of labor outcomes in recent years. Unemployment in

Figure 4: Correlation between real oil prices and economic growth among non-oil economies in MENA



Source: World Bank, 2006a.

Egypt rose from 9.0 percent in 2000 to nearly 11.0 percent in 2005. Economic growth, at 4.9 percent a year, has not created enough jobs to counter Egypt's labor force growth of nearly 2.7 percent a year. Employment creation averaged only 2.3 percent a year between 2000 and 2005, about the same rate registered in the 1990s. Similarly, Jordan has seen unemployment rates rise from 13.2 percent in 2000 to 14.6 percent in 2005. Employment growth in Jordan has averaged nearly 3.7 percent a year, while its relatively young labor force continues to grow at nearly 4.0 percent annually.

Syria, which maintains a sizeable oil-production capacity but is quickly becoming a net oil importer, saw unemployment rates rise from 11.2 percent in 2000 to 12.3 percent in 2005. Actually, the implied employment growth in Syria has been quite high, at 4.3 percent a year, but Syria's late entry into the demographic transition means that the labor force growth rate in the country has averaged nearly 4.6 percent a year. Likewise, Yemen is currently experiencing labor force growth rates of nearly 4.2 percent a year. Although comparable unemployment rates for Yemen are not available, labor force data suggest that labor force pressures in Yemen will be high in the long term, while oil-driven growth will decline as reserves are depleted.

The non-oil economies of Tunisia and Morocco have seen positive employment outcomes in recent years. Unemployment rates fell from 15.4 percent to 14.2 percent in Tunisia and from 22.0 percent to 18.3 percent in Morocco.[12] Such declines occurred in Morocco despite weak economic growth resulting from the expiration of the Multi-Fiber Agreement under the framework of the World Trade Organization (WTO). It should be noted that labor force growth in both countries is relatively low, as Tunisia and Morocco were among the first countries in the region to bring down fertility rates and both experienced peak labor force growth rates in the early 1980s. Between 2000 and 2005, annual rates of labor force growth averaged 3.0 percent in Tunisia (driven largely by increases in participation rates rather than demographic trends) and 2.1 percent in Morocco. Annual employment growth rates during the same period averaged nearly 3.4 percent in Tunisia and 3.0 percent in Morocco.

Unemployment outcomes for women and youth

One common factor among countries in the MENA region is that women bear a disproportionate share of poor labor market outcomes. Rising participation rates for women, due in part to higher educational attainment by women and to the employment of educated workers by governments, mean that the female labor force is growing more rapidly than the male one. Growth rates for the female labor force between 2000 and 2005 averaged nearly 5.1 percent a year. This is up from the 1990s average of 4.6 percent a year, and although expected rates of female labor force growth are expected to fall to 3.9 percent a year by 2010, this is still 1.5 percentage points higher than male labor force growth.

Still, regional economies continue to face problems finding productive employment for many of these women because of dwindling opportunities in the public sector and limited access to paid employment in the formal private sector, and, more generally, because of gender norms related to occupational segregation in the labor market.[13] As a result, unemployment rates for women in MENA are nearly twice that of men, averaging nearly 21 percent while those for men average only 11 percent. These rates imply that nearly 6.6 million women are seeking but not able to find gainful employment. They make up nearly half of the unemployed while accounting for less than 27 percent of the total labor force.

Prospects for young, new entrants in the region are also weak, and even in higher-growth countries young workers face difficulties in securing jobs. Unemployment rates among young people (ages 15–24) are more than double those of the total labor force. In recent years, the regional youth unemployment rate has remained above 30 percent. Rates range from 23.2 percent in Iran to 47.4 percent in Algeria. Recent estimates put youth unemployment in the United Arab Emirates, among nationals, at nearly 60 percent. Regionwide, first-time job seekers continue to make up more than 50 percent of the unemployed, further confirming that unemployment in MENA is essentially a labor-market insertion phenomenon for youth.

Young workers face difficulties in securing jobs around the world, given a general lack of experience and, often, high wage expectations. However, the situation in MENA is particularly acute because of the scale of the problem. Currently, those ages 15–24 make up nearly 26 percent of the labor force and 35 percent of the working-age population. They amount to more than 26 million potential workers, with nearly 8 million of them unable to find formal employment. There are long-term problems associated with this: evidence suggests that negative experiences in securing a job at a young age may trigger long-term disillusionment with employment prospects, a factor that may lead to higher rates of discouraged workers in the future.

Future prospects for unemployment in MENA

Although labor supply pressures in MENA are easing, both in terms of rates of growth and the flows of new entrants, labor force growth will remain high by historical and international standards. Given the expected growth of the regional labor force, the region's economies will have to create around 54 million jobs within the next 15 years, or 3.6 million jobs a year, to meet the demands of new entrants alone. Within the next 20 years, some 70 million jobs will have to be created to meet these needs. In addition, resolving the current unemployment situation requires the creation of an additional 15 million jobs. These job creation requirements do not take into account the growing problem of underemployment in the region.

Available data for 2000 and 2005 suggest that the region created 19.6 million jobs in that time period, averaging some 3.9 million new jobs a year. This suggests that MENA countries have made progress in addressing the employment challenge facing the region. In fact, if the regional economy as a whole is able to maintain current rates of growth over the next decade as well as maintaining its current employment elasticity, unemployment rates as a whole could drop to nearly 7 percent by 2010. A more sustainable elasticity rate—the average for MENA over the past 15 years has been about 0.7 instead of the current 0.9—suggests that unemployment would decline to 10 percent by 2010 and to around 5 percent by 2015.

However, continuing to create jobs at current rates for the long term depends on many factors, including continued high rates of economic growth and maintained high oil prices. It also depends on the region's ability to translate labor market interventions into long-term employment as well as the sustainability of labor absorption in economies with high labor market rigidities and a heavy reliance on public-sector employment. One should also note that this focus on the quantitative aspects of job creation does not address the quality of jobs being created, a matter of great importance in the region given the rapid advances in educational attainment and the high wage expectations of first-time job seekers.

Furthermore, the current rate of job creation may not apply across all MENA countries. Projected economic growth and recent labor market outcomes suggest that oil-producing governments may be able to manage the job creation challenge with public expenditures and targeted job creation programs. Although these jobs might not be productive ones, they would reduce the pressures associated with labor supply growth and unemployment. The evidence, however, shows that the non-oil economies of the region will continue to face long-term difficulties in securing needed job creation, difficulties that require them to take more substantive steps toward reforming their labor markets and enhancing the dynamism of their economies.

Policies for promoting employment creation

Beyond the effects of the current oil boom, research on labor markets in MENA in the last decade has produced a wealth of recommendations on how policymakers can expand job creation and reduce unemployment in a more sustainable manner. Among the most important are rationalizing the role of the public sector and reducing rigidities in labor market regulations, both of which aim to encourage the private sector to become a more effective engine for job creation. Other tools at hand are active labor market policies, interventions that aim to alleviate particular imbalances in the labor market. And in the labor-importing countries of the GCC, recommendations include the nationalization policies that have been utilized to affect the structure of labor markets.

Public-sector employment in the region remains high. According to recent World Bank estimates, the public sector accounts for a third of all regional employment, compared with 18 percent worldwide (with the exception of China).[14] Public employment ranges from a low of 10 percent in Morocco to more than 70 percent for the GCC countries (for nationals). As a result, the fiscal burden of the public-sector wage bill in MENA is one of the highest in the world. More importantly, the perpetuation of employment guarantees in government hiring and the mismatched wage expectations noted above perpetuate market segmentation and crowd out the private sector from the labor market.

The private sector in MENA is also discouraged from hiring workers because of the restrictiveness of labor market regulations. Labor market regulations are meant to protect workers from unfair treatment at the hands of employers. However, overly restrictive regulations protect established workers at the expense of new entrants and women. Reducing the costs and restrictions to firms that result from restrictions on types of legal contracts, costly mandated severance packages, and expensive—often nontransparent—legal proceedings related to layoffs would increase incentives for private firms to hire more and invest in labor-intensive sectors such as manufacturing and services.

In 2003, the World Bank reported that MENA countries maintain some of the most restrictive labor market regulations in the world, with a labor market restrictiveness index value in the region averaging 48.8 out of 100.[15] According to the most recent figures, the region has improved, ranking an average 35.8 out of 100 in 2006. But reforms in this area have largely focused on improving the ease of hiring workers by expanding the power of businesses to hire temporary workers, while strictures on firing workers largely remain in place. For example, Egypt's score for the ease of hiring a worker fell from 33 to 0; however, its score for the ease of firing a worker actually rose from 61 to 100. Asymmetrical reforms of labor regulations do little to change firm behavior in hiring, as firms still face high, long-term labor costs unless they are given the flexibility to dismiss workers during cyclical downturns or when the firm needs to reorganize its production inputs to remain competitive.

In MENA, as in other regions that lack functioning national unemployment insurance systems, active labor market policies (ALMPs) constitute a major instrument for tackling labor market dislocations. ALMPs are programs that encourage job creation through the use of job search assistance, training and retraining programs for youth and dismissed workers, and direct job creation schemes through public works programs. A growing number of countries in MENA are turning to ALMPs. As of 2003, spending on such programs in MENA accounted for some 1.3 percent of GDP, up from 1.1 percent in 2000 and 0.8 percent in 1995.[16] Data on the effectiveness of such spending, in terms of job creation or long-term sustainability of job creation, are not available.

Internationally, ALMPs have proven to be effective means by which policymakers can help workers navigate economic shocks and cyclical downturns. However, as long-term job creation schemes, they are expensive and largely ineffective. Employment services such as job search and training have proven to be marginally effective. Wage subsidies and public works programs may actually have long-term negative effects on wages and employability for participants. Furthermore, the programs require careful targeting to ensure that those most in need of such programs actually receive the benefits that these programs do provide. This is impossible without close impact analysis, both *ex ante* and *ex post*. Most countries in MENA do not have adequate mechanisms to assess the impact of ALMPs.

The effective use of sector-specific reforms and programmatic interventions, such as labor market regulation reforms and ALMPs, are important mechanisms. However, their usefulness depends on knowledge of the groups within the labor force that are most in need, careful targeting of these groups by policymakers designing interventions, and comprehensive assessment of their effectiveness and efficiency. Policymakers should also keep in mind that the returns from such programs are arguably short term and weak in comparison with systemic economic reforms that are driven by improvements in the dynamism and competitiveness of the business environment.

Nationalization policies in the Gulf Cooperation Council

Governments in the GCC countries are increasingly employing labor nationalization policies by using quotas and increased restrictions on work permits for expatriates, as well as subsidies for the hiring of nationals. These efforts have been especially intense in Bahrain, Oman, and Saudi Arabia, where strong pressures on labor markets have led to rising unemployment among nationals. Kuwait, Qatar, and the United Arab Emirates have recently stepped up efforts to nationalize the labor force, and active labor market policies for nationals are likely to gain momentum and become codified into law in these countries.

These policy initiatives appear to have produced tangible results.[17] In Bahrain, Kuwait, Oman, and Saudi Arabia the share of nationals rose in the past decade from 65 percent to about 80 percent in the public sector and from 25 percent to 32 percent in the private sector. The number of expatriate workers in the public sector fell in both relative and absolute terms because of strict replacement policies. Job nationalization in the private sector, where it occurred, appears to have been in response to government pressure—ranging from moral persuasion to more direct policies such as fees on migrant labor—to accelerate nationalization of the labor force.

It is difficult, however, to separate the effects of labor force nationalization policies from overall economic and policy conditions. Moreover, there are reasons to believe that certain policies might be counterproductive. Administrative measures—such as mandatory quotas for nationals and restrictions on non-nationals in certain sectors—may increase employment among nationals in the short term, but such restrictions raise costs for private firms through increased wages and administrative costs. Moreover, they encourage rent seeking and job diversion. Nationals reporting themselves as self-employed, for example, may merely be sponsoring expatriate workers who run establishments on their behalf.

Efficiency and effectiveness concerns constrain the scope of adopted active labor market strategies to promote nationalization of the labor force and reduce unemployment. As with most ALMPs, the current policies—and those under consideration—are not a panacea to the structural problems in labor markets. To the extent that the preferences for expatriate labor are driven by skill mismatches, as is widely reported, targeting the wage differentials or providing subsidies for hiring nationals may not be sufficient to overcome the demand for expatriates. Under these circumstances, imposing quotas may cause more damage to the private sector, while take-up rates for wage and employment subsidies would be modest.

The conventional wisdom revisited

One of the most important messages emerging from the 2003 World Bank report on labor markets in MENA concerned the need for addressing the orientation of development policies in MENA instead of attempting piecemeal, partial solutions to addressing structural problems. In particular, although the report argued that the reform of labor markets and use of direct interventions such as ALMPs to improve employment outcomes are necessary components of policy reforms, they are not sufficient for addressing the scope of the employment challenge facing the region. In other words, the current battery of policies employed by governments in the region is unlikely to provide a long-term solution to the regional employment crisis.

Instead, the solution to MENA's long-term employment challenge lies in accelerating the broad-based transformation of its economies to strengthen the core drivers of job creation and economic growth. As the conventional wisdom of a few years ago argued, this requires greater entrepreneurship and private-sector development; faster integration into global trade and investment flows; less dependence on oil and greater economic diversification; and rapid progress in educational reform, gender equality, and better governance.[18] Whether countries in the region will embrace such comprehensive reforms in the face of high oil prices remains to be answered.

Conclusions

The current oil boom in MENA appears to have altered prospects for resolving much of the region's unemployment crisis. Overall unemployment rates have declined, with regional growth stimulating job creation at a rate that sees employment growth outstripping the growth of the labor force. Coupled with prospects of high future oil prices and economic growth, current labor market trends suggest that unemployment will continue to decline and the regional economy as a whole will be able to absorb new entrants. These positive outcomes, however, are contingent on continued high oil prices and continued effectiveness of government-led interventions for generating new jobs.

The first of these assumptions is beyond our ability to forecast, although we have witnessed several boom-and-bust cycles in oil prices over the past three decades. The second assumption—that government-led interventions will continue to be effective in creating jobs—as we argued here, is doubtful and perhaps even undesirable, as it reinforces the dominance of states in MENA's economies and is unlikely to bring about the desired outcomes of sustainable creation of long-term productive employment. More worrisome, as we have noted, is the fact that the present exceptional conditions in oil markets have not been shared by all countries in the region, and non-oil producers in particular still face serious and growing unemployment problems. Thus, the region as a whole has little choice but to move forward with comprehensive reforms that will improve the competitiveness of their economies and strengthen the role of the private sector.

Notes

1 See World Bank (2004a).

2 See World Bank (2005).

3 Referenced economic growth data, including recent trends and prospects, are taken from the World Bank (2006a).

4 Referenced labor force and population data are from ILO (2005).

5 See World Bank (2004a)

6 Unemployment rates reported herein are based on official country sources.

7 See Assaad (2002).

8 A recent study by ECOTechnics (2005) in Algeria suggests that unemployment in 2004 in Algeria was closer to 25 percent.

9 See Girgis et al. (2003).

10 See World Bank (2006a).

11 See Yousef (2005a).

12 Reported unemployment figures for Morocco reflect urban unemployment. Total unemployment in Morocco in 2005 has been estimated at 11.0 percent.

13 See World Bank (2004b).

14 See World Bank (2005).

15 See World Bank (2006b).

16 World Bank staff estimates.

17 See Girgis et al. (2003).

18 See Yousef (2005b).

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