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GLOBAL WORKFORCE REPORT · MENA 2025

Demographic Momentum Meets Labor Market Limits

Youth unemployment. Education gaps. Public sector saturation. A structural analysis of MENA's labor market challenge.

GLOBAL WORKFORCE REPORT

Demographic Momentum Meets Labor Market Limits

MENA Region Labor Force Analysis | 2025

55–60%	25–30%	>35%	30%+
Population under age 30	Regional youth unemployment rate	Youth unemployment in North Africa	Graduate unemployment in some economies

The Youngest Region in the Global Economy

MENA is one of the youngest regions in the global economy. Approximately 55–60% of the population is under the age of 30, and in several countries this share exceeds 65%. Each year, millions of young people enter the labor force, expanding the working-age population at a pace that outstrips many other regions.

Demography, however, only becomes an economic advantage when labor markets absorb new entrants productively. In MENA, employment creation has not consistently matched demographic expansion, creating a measurable structural imbalance between labor supply and labor demand.

> *Demography is often described as MENA's greatest asset. The data shows that it is simultaneously its greatest structural pressure point.*

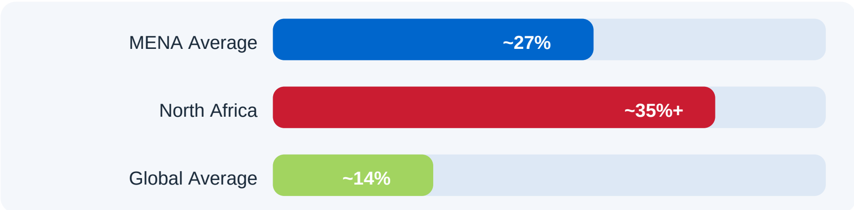
LABOR MARKET ANALYSIS

Youth Unemployment: A Persistent Structural Gap

Youth unemployment in MENA remains the highest of any global region. The regional average fluctuates around 25–30%, compared to a global youth unemployment rate of approximately 14–15%. In parts of North Africa, youth unemployment exceeds 35%, and among university graduates, it can rise even higher.

This gap is not cyclical. Even during periods of GDP growth, youth unemployment has remained structurally elevated. Over the past decade, economic expansion in several MENA economies did not proportionally translate into youth job absorption, indicating that growth elasticity of employment remains weak. The data suggests a structural mismatch rather than a temporary slowdown.

Youth Unemployment Rate Comparison



EDUCATION & SKILLS

Education Expansion, Employment Constraint

Educational attainment has improved significantly across the region. University enrollment rates have increased steadily over the last two decades, and in several countries tertiary enrollment exceeds 40–50% of the relevant age cohort.

Yet labor force surveys show that unemployment among university graduates is often higher than among those with lower educational attainment. In some North African economies, graduate unemployment rates exceed 30%, reflecting a disconnect between formal education systems and private-sector skill demand.

Employers frequently report shortages in technical and vocational competencies, while graduates disproportionately cluster in public administration, social sciences, and non-technical disciplines. The result is a measurable education–employment mismatch: rising credentials without proportional absorption.

STRUCTURAL ANALYSIS

Public Sector Saturation, Private Sector Constraints

Historically, the public sector absorbed a large share of educated youth across MENA. In some countries, public employment accounts for 25–35% of total formal employment, significantly higher than global averages.

However, fiscal consolidation and reform programs have slowed public-sector hiring growth. Meanwhile, the private sector has not expanded at a sufficient rate to offset the decline in state absorption. Employment elasticity in many MENA economies remains below emerging-market benchmarks, meaning that each percentage point of GDP growth generates fewer jobs than in comparable regions.

Public Employment Share

25–35% of formal employment

vs. significantly lower global avg.

Employment Bottleneck

Growing cohort, limited absorption

Low GDP-to-jobs elasticity

The Long-Term Economic Risk

If current trends persist, the working-age population will continue to grow faster than formal employment creation. Youth unemployment at sustained levels above 25% carries measurable macroeconomic consequences, including lower lifetime earnings trajectories, reduced productivity accumulation, and weaker domestic consumption growth.

> *Demography is often described as MENA's greatest asset. The data shows it is simultaneously the region's greatest structural pressure point — and the policies of the next decade will determine which narrative prevails.*

Data Sources & References

- Indeed Hiring Lab – Tech Job Postings Tracker (U.S., 2022–2025)
- LinkedIn Labour Market Report
- Lightcast Labor Market Analytics
- OECD Employment Outlook 2025
- U.S. Bureau of Labor Statistics (BLS)
- ADP Pay Insights & ADP Employment Report