



# ALGERIA

EDUCATION, TRAINING AND EMPLOYMENT  
DEVELOPMENTS 2017



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## KEY EDUCATION, TRAINING AND EMPLOYMENT DEVELOPMENTS IN ALGERIA

Algeria is currently focusing on building a strategy to reshape the country's growth model. The five-year government plan (2014–18) underlines the importance of fighting unemployment, privatising and diversifying industry and promoting social dialogue. It also states the need for increased business sector involvement in education. Despite the reform efforts put in place, overall progress is rather limited. The country remains highly dependent on the hydrocarbon sector and the strong drop in oil prices has had an impact on the state budget. This resulted in budgetary cuts to public administration and social spending, including pensions, at the possible expense of social stability. The reforms of the public sector and attempts at privatisation have so far been unsuccessful, according to the IMF assessment. Nevertheless, if the reforms are sustained in time and introduced progressively, they have positive prospects.

The constitution was revised in February 2016<sup>1</sup> to explicitly promote a more diversified market-based economy and fight corruption. Freedom of trade and investment is recognised and the government has undertaken to 'strive to improve the business climate' by banning monopolies and unfair competition amongst other measures. On the political front, the constitution re-introduces the two-term limit on the presidency (lifted in 2008). Dual nationals no longer have access to high-level political functions<sup>2</sup>, and Tamazight<sup>3</sup> has been made an official national language.

In May 2017, the President of the Republic replaced the Prime Minister and reshuffled the government. In September 2017, the Prime Minister was replaced again. The idea was to put forward a new response to the challenges the country is facing, in particular linked to economic development and diversification, privatisation and unemployment. Efforts to improve conditions for private sector development in view of job creation are visible. The authorities prioritise adjusting the education and training system accordingly and improving the quality of education. The outcomes are not visible yet, also due to the limited dissemination of information.

The cooperation between Algeria and the European Union (EU) has experienced a renewed dynamism in recent years. Several programmes have been launched to support the economic diversification and tackling labour market and social challenges. The Algerian authorities are strongly committed to modernising and improving the quality and effectiveness of the employment services. The active labour market programmes have achieved positive results. The cooperation between the EU and Algeria is also reinforced by the Partnership Priorities, signed in March 2017. They go in line with the economic development plans and give attention to youth employability and modernisation of the education system, with a strong focus on VET and skills development in general.

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<sup>1</sup> Law No 16-01 of 26 Jomada El Oula 1437 of 6 March 2016, [www.joradp.dz/FTP/jofrancais/2016/F2016014.pdf](http://www.joradp.dz/FTP/jofrancais/2016/F2016014.pdf)

<sup>2</sup> Exclusive Algerian nationality is an eligibility requirement for high State responsibilities and political roles.

<sup>3</sup> Berber language

## 1. Key demographic and economic characteristics

With 40.4 million inhabitants, Algeria is the most populous country in the Maghreb. The population is unevenly spread over the country, with the vast majority of people living in the north along the Mediterranean coast. 24.4% of the population is young.<sup>4</sup> The youth dependency rate reaches 46.1%, while the 60+ dependency rate at 14% is low, but has been increasing steadily for years. Almost 4% of the Algerian population was living abroad in 2013. France remains the main destination, followed by Spain and Italy in the EU, and Israel and Canada.<sup>5</sup> The population of immigrant workers in Algeria was estimated at just 0.27% in the Algerian census of 2008. However, the situation is currently changing. The number of work permits issued has shown a steep increase over the last years and most of them were assigned to Chinese immigrants (41% of all immigrants), engaged in major public works initiated by the government (53% of permits are issued for work in this sector), according to a 2013 study.<sup>6</sup>

The economy is dominated by the state and heavily reliant on hydrocarbons. It is also characterised by low competitiveness and productivity. In the World Economic Forum's Global Competitiveness 2017, Algeria ranks 87 (back to the situation of 2011) out of 138 economies. Notwithstanding the drop in oil prices and unfavourable weather, Algeria was able to maintain economic growth at 3.7% in 2016. The 2015 high level of fiscal deficit improved in 2016, thanks to a recovery in hydrocarbon production, which also offset the slowdown in non-hydrocarbon growth (mainly the agricultural sector).<sup>7</sup> The government put in place some austerity measures to counteract the fall in oil prices, including cuts in expenditure (mostly investment), and increased tax revenues (in particular by increasing taxes on petrol, electricity and car registration)<sup>8</sup>. In addition, some subsidies cuts were introduced and monetary authorities allowed for the depreciation of the Algerian dinar (DZD). The authorities are also introducing cuts on social spending, in particular through new pension legislation, which increases the pensionable age and introduces some more restrictive conditions for retirement.<sup>9</sup>

Within this economic context, in 2016, the share of GDP by sector continued the pattern of previous years, with the expanding service sector reaching 50.9% of GDP, industry sectors shrinking to 36.2%, and agriculture fluctuating around 12.9%. However, the Algerian economy is very dependent on the public sector, which represents almost 50% of its market. There are approximately 400 state-owned enterprises, operating in all the sectors of the economy, in particular in the oil and financial sectors. An unfavourable business climate, marked by difficult access to finance, complex regulatory environment and time-consuming procedures to set up businesses, hold back the private sector. However, recent efforts in this area, e.g. facilitating the creation of enterprises and granting building permits, are heading in the right direction and Algeria has moved up seven places in the World Bank's Doing Business Ranking - from 163 in 2016 to 156 in 2017 (out of 189 countries).

Regional instability continues to be a major concern for both the Algerian authorities and for investors and security measures along the border with Libya have recently been stepped up. Trade integration is proceeding very slowly and negotiations to join the WTO have not made much progress. To boost the economy, the government is seeking to further develop its hydrocarbon resources and has also explicitly embraced private sector development by opening research centres and launching major transport and housing projects. According to the IMF and World Bank estimates, the Government economic plan of diversification, if linked to the creation of favourable conditions for the private sector and necessary adjustments to the education and training system, would boost economic growth in the medium-term substantially, balancing the short-term costs of transition.

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<sup>4</sup> UNDP

<sup>5</sup> UN Migration Profiles, Algeria : <https://esa.un.org/migmgmprofiles/indicators/files/Algeria.pdf>

<sup>6</sup> European university Institute, Robert Schuman Centre for Advanced Studies, MPC – Migration Policy Centre, Migration Policy Profile Algeria, 2013

<sup>7</sup> IMF Algeria Country Report No. 17/142, June 2017

<sup>8</sup> World Bank, Algeria Economic Outlook, 2016

<sup>9</sup> Law 83-12 of 30 November 2016, effective as of 1 January 2017

## 2. Education and training

### 2.1 Trends and challenges

There is no integrated system of educational data collection or analysis, and information is not disseminated. The summary of annual statistics (annuaire des statistiques) is available on paper only and the information provided is not integrated into a single system. The statistical office (ONS) provides online data related to vocational education and training (VET), but the latest available year is 2010. The analysis of trends and progress in the VET sector is therefore difficult and the text below is mostly based on the data available from international sources, but the information is often outdated.

In 2017, the state budget allocated to education, VET and higher education was of DZD 1.105 billion, corresponding to around 16% of the total budgetary allocation. VET corresponds to around 4%. However, the total state budget has been decreasing to the lower revenues from the oil sector.<sup>10</sup> The latest UNESCO data refer to 2008 and indicate the total expenditure on education at 11.4% of the total budgetary expenditure and 4.3% of GDP.

The share of VET students is low at 8.3% in secondary and 9.7% in upper secondary in 2011. Gross enrolment rates in secondary and upper secondary education were 99.9% and 62.7% respectively in 2011.

VET suffers from a poor image within society and is considered as a second choice for the dropouts from the education system. The government plan aims at raising the quality of VET, including the reinforcement of links with the business sector to better understand and tailor the training offer to the needs of the labour market. Some important steps have been made in this respect, including the signature of several agreements between the Ministry of VET and the business sector focused on closer cooperation. A new body, the Partnership Council (Conseil de Partenariat), has been set up as a multi-stakeholder platform, with the main objective of social dialogue for raising the quality of competences of young people. Although the Partnership Council has existed for a few years, its activities remained limited due to the lack of resources and capacity of its members.

Extensive efforts in previous decades have led to considerable developments in the education and training system. Literacy and education levels are improving. Higher education levels have increased for both men and women 2012 to 2015 (from 10.1% to 12.0% for men and from 9.5% to 13.0% for women). Nevertheless, the majority of the adult population still has a low level of education (68.2%) and 19.3% a medium level.<sup>11</sup> In addition, while a number of reforms have been undertaken to improve the quality of the education system<sup>12</sup>, those are not yet translated into quality outcomes. For the first time Algeria participated in the PISA tests in 2015. The data show a substantial underachievement: in science (70%), mathematics (81%) and reading (79%). A substantial share of students leave school after their compulsory lower secondary education and in the last year of lower secondary (18.9% in 2012)<sup>13</sup>. Some of these students never return to school, some are reintegrated in general education and some find placements in VET (initial or continuing).

Raising the quality of VET and improving its links with the labour market is a priority for the government. Currently apprenticeship-type training courses are offered and according to the figures released by the ministry responsible for VET, a total of 247,320 apprentices were trained in 2009 on the basis of 4,285 apprenticeship contracts which represents around 50% of the total population of students in VET. At present, among the actions, a new law on apprenticeship is being discussed and a

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<sup>10</sup> IMF Country Report No. 17/142: Algeria, selected issues.

<sup>11</sup> Eurostat 2015 data

<sup>12</sup> See Government plan for VET <http://www.premier-ministre.gov.dz/ressources/front/files/pdf/politiques/formation-professionnelle.pdf>

<sup>13</sup> UNICEF, Rapport National sur les Enfants non scolarisés, All in school project, 2014

new EU programme is to be soon launched. One of the objectives is to revive and modernise the CAALs, which are the centres for apprenticeship at local level (*centres d'animation de l'apprentissage au niveau local*).

## 2.2 Education and training policy and institutional setting

Pre-school education begins at the age of four and compulsory schooling lasts for nine years, beginning at the age of six and ending at 15. When pupils complete their compulsory education, the decision to continue in education and/or begin vocational training is made by default and the system currently foresees no pathways between VET and general education or from upper VET to higher education. The Ministry responsible for VET is the 'Ministère de la Formation et de l'Enseignement professionnels'. The Ministry of National Education is responsible for general education and the Ministry of Higher Education and Research is responsible for higher education. Inter-ministerial cooperation appears limited, as is the coordination with the private business sector. Vocational training takes two forms, either college training or apprenticeship. Although legislation provides for the option of private education, most VET is provided by the state free of charge. The training system offers four special training paths: evening courses, distance learning, training for housewives and training for women in rural areas.

In 2008, a VET reform law was passed. The objective was to improve the image, quality, efficiency and effectiveness of VET in Algeria. The plan of the government for the VET sector sets some clear objectives. The detailed plan for VET addresses the whole system and includes 23 measures, ranging from the evaluation, continuing training, quality assurance, work-based learning, VET for disadvantaged groups, social partnership, distance learning, etc.<sup>14</sup> Progress made towards these mid-term objectives is difficult to assess as there are no official reports. When the plan was officially presented on 1 June 2014, the Prime Minister announced the establishment of mechanisms to monitor progress on a regular basis, but, by June 2017, no official progress reports had been published on the implementation of the plan. The monitoring of progress should be enforced and regular adjustments to the reform should be put in place in close and regular consultation with the relevant VET actors including the business sector.

Continuing training remains limited. Funds are collected by the Ministry of Finance through a 1% tax that is then disbursed through the National Fund for the Development of Apprenticeships and Continuing Training (FNAC), but these are largely unused, mainly due to the administrative burden and complicated reimbursement procedures. In 2014, in agreement with the ministry responsible for VET, FNAC developed a five-year plan to relaunch its activities and structure in order to make it more efficient and improve its services to enterprises.

## 3. Labour market and employment

### 3.1 Trends and challenges

Despite some improvements, labour market participation remains low (41.8% in 2016, 1.8 percentage point improvement from 2011). Important dichotomies persist in relation to gender and age distribution. While male participation reached 66.6% in 2016, only 16.6% of women are active. Employment figures follow this pattern with 61.2% and 13.3% employment rates respectively. In general, the participation of women peaks at age 25 to 29 and then gradually reduces with age. The decrease is driven mainly by family obligations and a more vulnerable labour market position.

With a fairly stable overall unemployment rate (10.5% in 2016), 66.4% of unemployed are long-term unemployed. Unemployment varies across the country, with significantly higher rates in the southern provinces and urban areas. Women and youth (15-24) are particularly affected by unemployment

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<sup>14</sup> Le Portail du Premier Ministre, Politiques publiques: <http://www.premier-ministre.gov.dz/ressources/front/files/pdf/politiques/formation-professionnelle.pdf>

(20% and 26.7% unemployment rates in 2016), with young women's (16-24) unemployment rate increasing to 49.9% (38.1 in 2011). Moreover, unemployment is higher among better educated people (16.7% for those with higher education attainment), reflecting on the one hand a lack of suitable offers, and reservations about taking any kind of employment on the other. The proportion of youth (15-24) not in employment, education or training (NEETs) is also very high (27.6%) and increasing (26% in 2011), and girls are more affected (36.3%).

Employment by sector indicates that the trade and service sector absorbed the majority of employees in 2016 (61%), followed by industry (31%) and agriculture (8%). Employment in the public sector is significant, at 43.1% (3.1 pps growth from 2011). The high concentration of employment in the public sector reflects the economic model and results from more favourable conditions, including better social protection. Permanent contracts for wage workers are concentrated in the public sector, while most wage workers in the private sector are employed on a temporary basis. At the same time, the private sector faces challenges to create jobs, linked with rigid labour market regulations, high tax wedge on labour and limited financing opportunities. In addition, employers report high mismatch between skills offered by job seekers and those needed.<sup>15</sup>

The self-employment has been decreasing since 2011, reaching 30.2% in 2015. This decrease might be driven by the change in the female employment pattern. The percentage of female employees has moved from 60.9% to 78.9% between 2010 and 2015, while female self-employment has decreased by 18 percentage points in the same period, from 39.1% to 21.1%. This may reflect lower female participation in agriculture or self-employment in handicraft industries.

Despite the efforts of the Algerian authorities to integrate the informal market, it accounted for about 38% of total employment in 2016.<sup>16</sup>

### 3.2 Employment policy and institutional setting

Although jobseekers have only recently had access to unemployment insurance schemes<sup>17</sup>, Algeria has been implementing active policy measures to stimulate employment and job creation since 1989. The most recent government plans (2010–2014 and 2014–2018) stress increasing employability, particularly of young people, as one of their main goals.

The National Employment Policy had been implemented within 2010-2014 and further reinforced in September 2015 by the Governmental plan for Employment. The main axes include:

- the fight against unemployment
- social security system
- employment relations and social dialogue
- fight against bureaucracy and the simplification of procedures
- information and communication
- investment programme
- human resources and training.

Efforts will be primarily oriented towards strengthening investment in agriculture, industry, tourism and handicrafts, as sectors with the highest job creation potential. Special focus is given to fostering

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<sup>15</sup> Constraints to Private Sector Development, IMF Algeria Country Report 17/142, June 2017

<sup>16</sup> Ibidem

<sup>17</sup> ILO, World Employment and Social Outlook: Trends 2016, International Labour Office, Geneva, 2016

enterprise environment and strengthening SMEs. In addition, among the measures already in place since 2015, there are actions to make the DAIP (*dispositif d'aide a l'insertion professionnelle*) more flexible. Further action to modernise services of the Public Employment Agency (*Agence Nationale de l'Emploi – ANEM*) are also planned.

The key actor in the employment policy is the Ministry of Employment, Labour and Social Security. In addition, the Ministry of National Solidarity focuses on actions related to poverty reduction. Other ministries are also involved, although to a lesser extent, including the Ministry of Agriculture, the Ministry of Small and Medium-sized Enterprises and Handicrafts and the Ministry of Industry. The National Agency for the Development of SMEs (ANDPME) and the National Agency of Investment Development (ANDI) also have a role to play. Within National Employment Policy, Algeria has developed specific employment measures over the years. These are implemented by five agencies under the control of the two key ministries.

The Ministry of Employment, Labour and Social Security is responsible for the actions of:

- ANEM (National Employment Agency) / DAIP ('dispositif d'aide à l'insertion professionnelle'): temporary work contracts and internships for youth;
- ANSEJ (National Agency for Supporting Youth Employment): creation and expansion of microenterprises by young people aged 19–35;
- CNAC (National Unemployment Insurance Fund): unemployment benefits and support for the creation of micro-enterprises for unemployed individuals aged 30–50.

The Ministry of National Solidarity is responsible for:

- ADS (Social Development Agency): public works programmes for the poor;
- ANGEM (National Agency for Management of Microcredit): micro-credits to the poor.

ANEM's core mission is to provide job intermediation services. The agency continues to modernise and improve its functions. Alongside with the ANEM, private agencies are accredited by the Government to operate in the field of job placements, while the intermediation remains the key function of the ANEM. There is a compulsory reporting by the employers on all job vacancies, subject to penalisation.

In addition to its core mission, ANEM has also been involved in managing youth employment programmes within the National Employment Policy (*part of the DAIP Dispositif d'Aide a l'Insertion Professionnelle*). The DAIP includes three types of contract and addresses the first time job seekers: i) contract for placement of higher education graduates (*Contrat d'Insertion des Diplômés - CID*); contract of professional placement (*Contrat d'Insertion Professionnelle –CIP*) for young people with secondary school education; iii) training-placement contract (*Contrat de formation-insertion CIF*) for young people with no qualifications. Incentives are also envisaged for young people using one of these contracts to provide specific training courses. The ANEM also manages the CTA (*Contrat de travail aidé CTA*), which is a subsidised employment contract integrated in the DAIP<sup>18</sup> and it implies a monthly contribution from the State to cover the salary of the employee. The idea is to encourage the recruitment of job seekers with no employment experience.

Services provided by the agencies offering active labour market programmes can be divided into two groups, according to the type of employment programme they manage.

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<sup>18</sup> Regulated by the law 90.11



1. Services to ease social tensions by providing immediate temporary work contracts or internship experiences – ANEM (job intermediation, youth employment programmes involving internships or work contracts for educated young people) and ADS (public works programmes for poor and unskilled people in disadvantaged regions).
2. Services to support entrepreneurship and micro-enterprises by providing business advice, training, credits, tax exemptions and business monitoring – ANSEJ (targeting young people aged 19 to 35, particularly those with higher education), CNAC (targeting unemployed adults aged 35 to 50) and ANGEM (micro-credits to poor people to promote self-employment, work at home, small businesses and crafts).

Specific resources and measures to increase youth access to employment (including tax exemptions, hiring subsidies, government-backed credit guarantees for start-ups and micro-credit for poor households) have been in place since 2010. However, these measures are putting pressure on the state budget and provide only temporary solutions. Moreover, each agency runs a range of programmes and has access to considerable resources, but only limited information on the impact of these services is available. There is also a lack of clarity in the various responsibilities of the agencies. Therefore, a mechanism for monitoring and assessing activities would be needed to increase the effectiveness of labour market programmes, in particular, entrepreneurship and micro-credit programmes.

The mechanisms to anticipate and match skills needs are limited and are coordinated among the many actors involved in skills development. Companies suffer from skills shortages while mechanisms to express their needs are not sufficiently developed. The ANEM mandate includes labour market analysis relating to needs, anticipation, etc., but this function is limited mainly due to low capacity.

The EU Support Project to the Employment Sector in Algeria (PASEA) (ended in March 2016) supported ANEM to reinforce staff capacities in providing intermediation services and to modernise its service offer. Upon request of the EU Delegation, the ETF carried out an analysis of the capacity building actions of the PASEA programme, which gave positive results in terms of increased capacities of staff to manage and deliver services to job seekers and enterprises. The evaluation also shows that ANEM is taking positive steps towards modernisation through the establishment of new local offices (ALEM), the professionalisation of staff and the development and implementation of new tools. Efforts to bring services online have been particularly important and the WASSIT platform supports the internal management and exchange of data on job seekers and vacancies, facilitating the matching process. The ANEM employment counsellors are more efficient and the time dedicated to career orientation services has increased. Internal and external communication should also be facilitated by the new intranet service (A3mali) and a new web site.<sup>19</sup>

The dynamics activated by PASEA and the ANEM commitment to enhance employment services need be pursued. The allocation of adequate resources should be assured. The EU Adequacy of Training and Employment Qualifications (AFEQ) Programme, launched in the second half of 2017, aims to continue the efforts to reinforce cooperation and partnership between the education sector and the labour market. Several actors will be involved, notably the ministry responsible for VET in enhancing apprenticeship schemes, the Ministry of National Education in addressing the problems of dropouts and the Ministry of Higher Education and Research in enhancing services for enterprise creation and research opportunities in partnership with enterprises.

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<sup>19</sup> <http://www.anem.dz/fr/>

# ANNEXES

## Statistical annex Algeria

This annex reports annual data from 2011 and 2016 or the last available year.

Indicator		2011	2016
1	Total Population (000,000)	39.7 <sup>(1)</sup>	40.4 <sup>(1)</sup>
2	Relative size of youth population (age group 15-24) (%)	29.7 <sup>(1)</sup>	24.4 <sup>(1)</sup>
3	Youth Dependency ratio (%)	40.9	44.4
4	Old-age Dependency ratio (%)	8.4	9.4
5	Global Competitive Index	Rank	87
		Score	3.9
6	GDP growth rate (%)	2.9	3.7
7	GDP per capita (PPP) (current international \$)	13026.2	15074.9
8	GDP by sector (%)	Agriculture added value	8.6
		Industry added value	52.7
		Services added value	38.7
9	Poverty headcount ratio at \$2 a day (PPP) (%)	M.D.	M.D.
10	Gini index (%)	M.D.	M.D.
11	Educational attainment of adult population (aged 25-64 or 15+) (%)	Low <sup>(2)</sup>	62.6 (2012)
		Medium	17.9 (2012)
		High	9.8 (2012)
12	Gross enrolment rates in secondary education (%)	99.9	M.D.
13	Share of VET students in secondary education (%)	8.3	M.D.
14	Gross enrolment rates in upper secondary education (%)	62.7	M.D.
15	Share of VET students in upper secondary education (%)	9.7	M.D.
16	Low achievement in reading, mathematics and science – PISA (%)	Reading	N.A. (2015)
		Mathematics	N.A. (2015)
		Science	N.A. (2015)
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	Total	M.D.
		Male	M.D.
		Female	M.D.
18	Early leavers from education and training (age group 18-24) by sex (%)	Total	M.D.
		Male	M.D.
		Female	M.D.
19	Activity rates by sex (aged 15+) (%)	Total	40.0
		Male	65.3
		Female	14.2
20	Employment rates by sex (aged 15+) (%)	Total	36.0
		Male	59.8

Indicator		2011	2016
	Female	11.8	13.3
	Total	10.0	10.5
21	Unemployment rates by sex (aged 16-59) (%)	8.4	8.1
	Female	17.2	20.0
	Low <sup>(3)</sup>	6.3	6.8
22	Unemployment rates by educational attainment (aged 16-59) (%)	8.6	9.5
	Medium	15.2	16.7
	High	22.4	26.7
23	Youth unemployment rates by sex (aged 16-24) (%)	19.1	22.3
	Female	38.1	49.9
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)	72.1	66.4
25	Long-term unemployment rate (aged 15+) (%)	7.1	6.8
26	Incidence of self-employment (%)	33.0	30.2
27	Share of the employed in a public sector (%)	40	43.1
	Agriculture	10.8	8.0
28	Employment by sector (%)	30.8	31.0
	Services	58.4	61.0
29	Employment in the informal sector	M.D.	M.D.
	Total	26.0	27.6
30	Proportion of people aged 15–24 not in employment, education or training (NEETs), by sex (%) <sup>(4)</sup>	15.0	19.3
	Female	34.7	36.3
31	Public expenditure on education (as % of GDP)	4.3 (2008)	M.D.
32	Public expenditure on education (as % of total public expenditure)	11.4 (2008)	M.D.
33	Skill gaps (%)	36.8 (2007)	M.D.
34	The share of SMEs in GDP (%)	M.D.	M.D.
35	The share of SMEs in employment (%)	13.9 (2009)	M.D.

**Last update: 5/9/2017**

**Sources:**

Indicators 1, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, – National Statistical Office of Algeria

Indicators 2 - UNDP\_WPP15, Medium Variant estimates for 2016.

Indicators 3, 4, 6, 7, 8 – World Bank, World Development Indicators

Indicator 5 – World Economic Forum

Indicators 11 – EUROSTAT

Indicators 12, 13, 14, 15, 31, 32 - UIS UNESCO

Indicator 16 - OECD

Indicator 35 – International Financial Corporation

**Legend:**

N.A. = Not Applicable

M.D. = Missing Data

**Notes:**

<sup>(1)</sup> estimates

<sup>(2)</sup> Includes no schooling

<sup>(3)</sup> ISCED 0-1 (does not include no schooling)

<sup>(4)</sup> Definition: youth neither in employment nor in school

## Annex: Indicator definitions

Description	Definition
1 Total population (000)	The total population is estimated as the number of persons having their usual residence in a country on 1 January of the respective year. When information on the usually resident population is not available, legal or registered residents can be considered.
2 Relative size of youth population (age group 15-24) (%)	The ratio of the youth population (aged 15–24) to the working-age population (usually aged 15–64 or 15–74).
3 Youth Dependency ratio (%)	The ratio of younger dependents (people younger than 15) to the working-age population (those in the 15–64 age group).
4 Old-age Dependency ratio (%)	The ratio of older dependents (people older than 64) to the working-age population (those in the 15–64 age group).
5 Global Competitiveness Index	The Global Competitiveness Index assesses the competitiveness landscape providing inside into the drivers of countries' productivity and prosperity. It expressed as scores on a 1 to 7 scale, with 7 being the most desirable outcome.
6 GDP growth rate (%)	The annual percentage growth rate of GDP at market prices based on constant local currency.
7 GDP per capita (PPP) (current international \$)	The market value of all final goods and services produced within a country in a given period of time (GDP), divided by the total population, and converted to international dollars using purchasing power parity (PPP) rates.
8 GDP by sector (%)	The share of value added from Agriculture, Industry and Services.
9 Poverty headcount ratio at \$2 a day (PPP) (%)	The percentage of the population living on less than \$2.00 a day at 2005 international prices.
10 Gini index (%)	Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.
11 Educational attainment of adult population (25-64 or aged 15+) (%)	Educational attainment refers to the highest educational level achieved by individuals expressed as a percentage of all persons in that age group.
12 Gross enrolment rates in secondary education (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
13 Share of VET students in secondary (%)	The proportion of VET students in secondary education out of the total number of pupils and students in secondary education (general + VET)
14 Gross enrolment rates in upper secondary education (%)	Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
15 Share of VET students in upper secondary education (%)	The proportion of VET students in upper secondary education out of the total number of pupils and students in upper secondary education (general education + VET)
16 Low achievement in reading, maths and science – PISA (%)	The share of 15-years-olds falling to reach level 2 in reading, mathematics and science.
17 Participation in training/lifelong learning (age group 25-64) by sex (%)	The share of persons aged 25–64 who stated that they received education or training in the four weeks preceding the (LFS) survey.
18 Early leavers from education and training (age group 18-24) by sex (%)	The percentage of the population aged 18–24 with at most lower secondary education who were not in further education or training during the four weeks preceding the (LFS) survey. Lower secondary education refers to ISCED 1997 level 0–3C short for data up to 2013 and to ISCED 2011 level 0–2 for data from 2014 onwards.
19 Activity rates by sex (aged 15+) (%)	Activity rates represent the labour force as a percentage of the

Description	Definition
	population of working age.
20 Employment rates by sex (aged 15+) (%)	Employment rate represents persons in employment as a percentage of the population of working age.
21 Unemployment rates by sex (aged 15+) (%)	Unemployment rate represents unemployed persons as a percentage of the labour force.
22 Unemployment rates by educational attainment (aged 15+) (%)	Educational levels refer to the highest educational level successfully completed. Three levels are consider: Low (ISCED level 0-2), Medium (ISCED level 3-4) and High (ISCED 1997 level 5–6, and ISCED 2011 level 5–8)
23 Youth unemployment rates by sex (aged 15-24) (%)	Youth unemployment rate represents young unemployed persons aged (15-24) as a percentage of the labour force (15-24).
24 Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of unemployed persons aged 15+.
25 Long-term unemployment rate (age 15+) (%)	Number of unemployed persons aged 15+ who are long-term unemployed (12 months or more) as a percentage of the labour force aged 15+.
26 Incidence of self-employment (%)	The share of self-employed as a proportion of total employment. Self-employment includes employers, own-account workers, members of producers' cooperatives and contributing family workers.
27 Share of the employed in a public sector (%)	The share of employed in a public sector as a proportion of total employment.
28 Employment by sector (%)	The share of employed in Agriculture, Industry and Services.
29 Employment in the informal sector	Share of persons employed in the informal sector in total non-agricultural employment.
30 Proportion of people aged 15–24 not in employment, education or training (NEETs) (%)	The percentage of the population of a given age group and sex who is not employed and not involved in further education or training.
31 Public expenditure on education (as % of GDP)	Public expenditure on education expressed as a percentage of GDP. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations. Both types of transactions together are reported as total public expenditure on education.
32 Public expenditure on education (as % of total public expenditure)	Public expenditure on education expressed as a of total public expenditure. Generally, the public sector funds education either by directly bearing the current and capital expenses of educational institutions, or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations. Both types of transactions together are reported as total public expenditure on education.
33 Skill gaps (%)	The percentage of firms identifying an inadequately educated workforce as a major constraint.
34 The share of SMEs in GDP (%)	The share of GDP contributed by small and medium sized businesses.
35 The share of SMEs in employment (%)	The share of persons employed in small and medium sized businesses.





FOR FURTHER INFORMATION ABOUT  
OUR ACTIVITIES PLEASE CONTACT:

COMMUNICATION DEPARTMENT  
EUROPEAN TRAINING FOUNDATION  
VIALE SETTIMIO SEVERO 65  
I - 10133 TORINO

E: [INFO@ETF.EUROPA.EU](mailto:INFO@ETF.EUROPA.EU)

T: +39 011 6302222

F: +39 011 6302200

[WWW.ETF.EUROPA.EU](http://WWW.ETF.EUROPA.EU)