



European Training Foundation

TUNISIA

**EDUCATION, TRAINING AND EMPLOYMENT
DEVELOPMENTS 2018**



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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT

The municipal elections that took place successfully in May 2018 brought the democratic transition to various regions in Tunisia. The relative stability of the coalition government and an improved security situation is helping to shift priorities towards economic development. Relaunching the economy, while maintaining social stability, is the main concern in Tunisia. The country set a number of growth objectives in its National Development Plan 2016–2020. The ambitious economic objective is to reach an annual gross domestic product (GDP) growth rate of 5% by 2020, but the pace of implementation is slow (it was 2.0% in 2017). Post-revolution, Tunisia has made remarkable progress in the normative and legislative area. However, the democratic transition has not necessarily been translated into change on the ground. Many positive initiatives have resulted in new policies, which aim at improving the labour market situation for example. However, there is still a lack of jobs. In 2018, therefore, the Ministry of Vocational Training and Employment began redrafting the country's employment strategy in collaboration with the International Labour Organisation (ILO), based on a labour market diagnostic study.

The appeal of vocational education and training (VET) in Tunisia remains a challenge. Despite the availability of dedicated funding through a training levy and the existence of legislation around work-based learning, the attractiveness of VET provision in Tunisia remains sub-optimal with less than 10% of Tunisian young people opting for VET (only 6% in the case of girls).

An ambitious VET reform strategy for the period 2016 to 2020 is organised around a framework of 14 major projects, which address structural issues such as quality and relevance of provision, decentralisation and the role of the social partners and civil society in improving the employability of VET graduates. However, inadequate financial and human resources mean that implementation is slow. Coordination among donors, especially from the EU Member States, could be improved, for example through a joint programming and joint implementation process. In 2018, the Ministry of Vocational Training and Employment initiated an analysis of donor support, which should help to identify funding gaps and channel the necessary resources to priority areas of VET reform.

The EU remains a key partner and donor for Tunisia with an annual envelope of EUR 300 million. In May 2018, a second round of negotiations on the Deep and Comprehensive Free Trade Agreement (DCFTA) took place between Tunisia and the EU. Also in 2018, the EU and Tunisia collaborated on a number of new projects, including a support programme for the implementation of the National Migration Strategy and support for circular migration (ProGreS Migration, EUR 12.3 million) and a comprehensive and ambitious youth project (Jeun'Action, EUR 65 million). The EU Regional Initiative for sustainable economic development (IRADA) was launched in 2018. Building on the existing national strategic framework, IRADA supports the setup of multi-stakeholder partnerships in eight priority governorates by involving public authorities, social partners and civil society and fostering a bottom-up approach to address skills demand and supply.

1. KEY DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

Young people account for a significant share of the Tunisian population. In 2017, approximately 20.9% of the country's 11.4 million inhabitants were aged between 15 and 24¹. However, unlike its North African and Middle East neighbours, Tunisia will soon shift from being a youth-bulge country to having a transitional age structure, with lower fertility (2.2 live births per woman, according to the United Nations Development Programme (UNDP)) and a longer average life expectancy (77.0 and 72.3 years, respectively for women and men). This demographic structure and forecasted change puts severe pressure on policymakers in the short to medium term with regard to adequate schooling and job creation. In the longer term, health and pension expenditure will become the main challenges.

Tunisia is traditionally a country of emigration, with about 6% of its population living abroad, mainly in Europe (83%). Remittances contribute significantly to gross domestic product (GDP), amounting to 4.7% in 2017 according to the World Bank. Remittances come predominantly from France and Italy². In recent years, Tunisia has increasingly become a country of immigration, particularly for Libyans, and a country of transit for migrants from sub-Saharan Africa heading to Europe. Exact figures on immigrants are not available, but the Tunisian Ministry of Commerce estimates that the total number of refugees hosted by the country is around 1 million – 10% of Tunisia's population. Other sources cite higher numbers, closer to around 1.8 million³.

Following the signing of a Mobility Partnership Agreement with the EU in March 2014, Tunisia developed a National Migration Strategy to comprehensively manage migration issues. The implementation of the strategy is supported by the newly signed, EU-funded ProGreS Migration project (EUR 12.5 million), which follows the earlier LEMMA project. In addition to supporting the implementation of the strategy, the project also intends to enhance job creation and investments by mobilising the diaspora, assisting the re-integration of Tunisian migrants and supporting local management of migration. Recognition of emigrants' and immigrants' qualifications is a major issue for the education and vocational education and training (VET) systems in facilitating access to the labour market.

Tunisia is a lower middle-income country. Several dichotomies affect the country's potential for economic growth and employment generation, including age, gender and regional disparities. Political volatility is an additional challenge. The Tunisian economy is characterised by several structural dysfunctions that generate low-productivity activities and mainly low-quality jobs. Industry and manufacturing are declining (accounting for 24.4% of GDP in 2016 compared to 29.6% in 2012)⁴. Agriculture accounts for 9.2% of GDP (2016) while services play an increasingly important role and are now the biggest contributor to GDP (66.4% in 2016). Although the erosion of the industrial sector has implications for the economic structure, there is no clear vision for economic development and priority economic sectors have not been clearly identified.

¹ National institute of Statistics (INS), labour force survey.

² See <http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>

³ Karasapan, O., 'The impact of Libyan middle-class refugees in Tunisia', *Future Development*, Brookings, 17 March, 2015.

⁴ World Bank, World Development Indicators.

The pace of economic development is very slow, with GDP growth at 2.0% in 2017⁵, far from the annual 5% foreseen by the National Development Plan 2016-2020. According to the Tunisian Central Bank and the International Monetary Fund (IMF), projections are more optimistic for GDP growth rate in 2018 (2.8%) and 2019 (3.0%), pointing to a recovery in the tourism sector as one of the main drivers⁶. After a serious dip in 2015, the tourism sector is showing initial signs of recovery, with 8 million tourists expected in 2018, an increase of 23% on the previous year⁷. Exports could be supported by the depreciation of the Tunisian dinar (from 2 to over 3 dinar to the euro in the last three years) and the new Investment Code adopted in 2016 should help to attract national and international capital.

The vast majority of major enterprises remain state-owned and public administration is still large. A high level of informality and the large number of micro, and small and medium-sized enterprises (SMEs) that do not have the capacity to grow, innovate and create quality jobs⁸ are making economic development more challenging. In the Ease of Doing Business Index⁹, which examines how conducive the business environment is in 190 countries, Tunisia dropped to 88th place in 2018 (77th place in 2017), far below its ranking in 36th place in 2008. The inefficiency of government bureaucracy, political instability and corruption¹⁰ are the three main factors negatively impacting the business environment according to the Global Competitive Index 2017–18, where Tunisia ranked 95th of 137 economies (much lower than its ranking in 40th place in 2011). Encouraging entrepreneurship and supporting start-up businesses are currently a priority for the government. In 2016, Tunisia joined the Enterprise Europe Network in an attempt to boost internationalisation¹¹. However, the recent assessment of the reforms identified in the SME Policy Index indicates that Tunisia should increase its efforts towards developing a better business environment and a more strategic SME policy¹².

The National Development Plan 2016–2020 identifies major infrastructure works and investment in innovation and technology as drivers of growth. Its success depends heavily on the country's capacity to attract investment (EUR 50 billion). The plan intends to create 400 000 new jobs, especially for highly skilled graduates, thus presenting an opportunity for VET and higher education provision. As such, the opening of an assembly plant for pickups for the African market of the French carmaker Peugeot (part of the PSA group) in Ben Arous in July 2018 is raising expectations in terms of economic growth and job creation (400 additional jobs are expected) and future export opportunities¹³.

The Deep and Comprehensive Free Trade Agreement (DCFTA) concluded with the EU¹⁴, Tunisia's major trading partner, entered its second round of negotiations in May 2018 and should also help the

⁵ World Bank, World Development Indicators.

⁶ Agence Ecofin, 13 June 2018.

⁷ See <http://www.jeuneafrique.com/575328/economie/tunisie-le-tourisme-repart-a-la-hausse/https://www.tresor.economie.gouv.fr/Articles/2018/01/22/le-secteur-du-tourisme-en-tunisie-janvier-2018>

⁸ Half of Tunisian SMEs employ fewer than 20 people, as per <http://jica-ri.jica.go.jp/publication/assets/01%20youth%20employment%20tunisia%20boughzala.pdf>

⁹ See <http://www.doingbusiness.org/en/rankings>

¹⁰ Tunisia ranked in 74th place out of 176 countries in the 2017 Transparency International Index, which studies perceived corruption.

¹¹ In June 2018, for example, the four-year regional project Enhancing Business Support Organisations (EBSOMED) was launched in Tunis.

¹² OECD/EU/ETF, *The Mediterranean Middle East and North Africa 2018: Interim Assessment of Key SME Reforms*, SME Policy Index, OECD Publishing, Paris, 2018.

¹³ Agence Ecofin, 25 July 2018.

¹⁴ The first negotiating round to establish a Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Tunisia took place in April 2016 and the second round took place in May 2018. Discussions covered a wide range of issues including agriculture, services and sustainable development. The overall goal of the negotiations

economic recovery. In this context, a new EUR 90 million investment programme to promote competitiveness and exports is being finalised.

In terms of human development, Tunisia ranked 97th out of 187 countries in the UNDP Human Development Index 2016, thus qualifying for the 'high human development' category. However, 3.8% of the Tunisian population are classified as extremely poor¹⁵. Major disparities exist between interior and rural regions and those in the north of the country and along the coast. Tunisia is one of the Arab countries at the forefront of acknowledging women's rights and recent legislative developments include a new law institutionalising gender mainstreaming¹⁶. However, Tunisian women continue to suffer discrimination, both socially and in terms of employment.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Human capital development (HCD) is high on the policy agenda in Tunisia¹⁷. Similar to pre-revolution levels, public expenditure on education remains high, accounting for 6.6% of GDP in 2015 or 22.9% of total public expenditure, which in relative terms is above the EU or OECD average. The Tunisian education system, including VET, is predominantly public and non-fee paying and grants equal access at all levels. Private provision has been developing in recent years, especially at university level, and is marketed as offering better employment opportunities. Private VET centres have a long tradition and mainly provide courses in business-related fields.

Tunisia has made considerable improvements in literacy and schooling rates over the years: the overall illiteracy rate fell to 19% in 2015 (compared to 31.7% in 1994)¹⁸, while youth literacy rates among 15 to 24-year-olds increased to 96.8%. Educational attainment rates of the active population also show a positive trend. The share of low-educated individuals fell from 57.3% in 2012 to 56.4% in 2015. Higher education levels improved from 20.7% to 22.8%, while medium-level education, including VET, decreased from 21.7% to 20.8% during the same period.

The share of vocational students in secondary education is very low and decreased to 9.1% in 2016 (13.9% in 2011), which confirms the lack of attractiveness of VET, especially for girls (6.2%). The perception of second chance education leading to jobs with a low social status and a lack of pathways between VET and higher education are among the main reasons. Poorer security conditions after the revolution are also mentioned in policy debates as a reason to explain declining enrolment, especially in the case of girls.

The quality of education is a growing concern in Tunisia. PISA results in 2015 showed a worrying decline in reading capacity: 71.6% of participants underachieved; this figure is much worse than the

is to create new trade and investment opportunities and bring about the better integration of Tunisia's economy into the EU's single market.

¹⁵ Ministry of Development, Investment and International Cooperation, 2016.

¹⁶ See <http://www.jeuneafrique.com/576997/societe/tunisie-heritage-droits-des-femmes-liberte-de-culte-le-rapport-reformateur-de-la-presidence/>

¹⁷ Human capital development and equality for men and women have traditionally been high on the agenda of both citizens and the Tunisian government.

¹⁸ Ministry of Development, Investment and International Cooperation, 2016.

50.2% recorded in 2009 (the EU average was 19.7% in 2016). Underachievement increased to 65.9% in science (up by 3%), and in mathematics where 74.8% of participants were considered to be low performers, compared to 73.65% in 2009. This compares to EU rates of 22.2% and 20.6%, respectively, in 2016. The poor quality of education at primary and secondary level is a key challenge in Tunisia and is at the heart of problems in the education system and, in a broader sense, in the establishment of a knowledge society. The main challenges include weak selection mechanisms for teachers and their continuing training¹⁹, as well as poor school conditions, especially in disadvantaged regions.

2.2 Education and training policy and institutional setting

Facing deteriorating quality standards and high unemployment rates among young graduates, the government is now looking to overhaul the education and vocational training system with a series of reform measures that could significantly change the face of Tunisia's education system in the coming years.

Governance of the education and training system in Tunisia is spread over three different ministries and is effectively implemented by the Ministry of Education, the Ministry of Higher Education and Scientific Research and the Ministry of Vocational Training and Employment. Each of them has developed a structured approach to tackling the main problems and receives a dedicated state budget to implement actions within the context of the National Development Plan 2016–2020.

The aim of the Strategic Plan for the Education Sector 2016–2020 is to revamp quality standards through improved teacher training, upgraded curricula and infrastructure and an enhanced framework for private sector partnerships. The comprehensive reform package is also expected to respond to the most pressing challenges currently facing the country at both basic and secondary level, in particular high dropout rates, a lack of infrastructure and low quality standards.

At the higher education level, the Strategic Plan for the Reform of Higher Education and Scientific Research 2015–2025 sets out five main objectives: improving the quality of teaching and thus the employability of new graduates; promoting research and innovation; fostering good governance and optimising resource management; reviewing university planning to ensure regional balance; and developing teacher training.

In an attempt to remedy the challenges facing VET²⁰, the Ministry of Vocational Training and Employment launched an ambitious VET reform strategy for the period 2016 to 2020. The strategy is organised around a framework of 14 ambitious projects coordinated under the umbrella of a project management unit. According to this strategy, the main objectives for VET include: increasing the

¹⁹ The ETF conducted a survey of teachers and instructors in 2018.

²⁰ The management of VET provision is highly fragmented in Tunisia. Although the Ministry of Vocational Training and Employment is the main governing authority of the vocational training system, many agencies are involved in VET provision. Training is provided by several training centres managed by these agencies, each of which has a reporting line to a different ministry, including the Ministry of Vocational Training and Employment (136 centres), Ministry of Tourism (8 centres), Ministry of Agriculture (39 centres), Ministry of Health (18 centres) and the army (12 centres). In addition, private training centres operate in Tunisia (the ILO refers to over 2 700 centres, while ONEQ refers to 189 accredited and 935 non-accredited centres for 2016/2017). There are also a number of centres responsible for instructor training and training engineering (CENAFFIF), continuing education and agricultural pedagogy and other disciplines.

ILO/Ministry of Industry and Commerce, *Compétences pour le commerce et la diversification économique (STRED): Cas du secteur de l'agroalimentaire*, 2016.

attractiveness of VET; supporting the professional development of trainers; involving regional stakeholders; improving data collection and analysis and enhancing the monitoring and evaluation function; and developing entrepreneurial mind-sets across the VET system.

Within the framework of the National Development Plan 2016–2020, special attention has been given to an integrated governance approach at the top ministerial level of education, vocational training and higher education to better promote human capital development in a context of mutually reinforcing initiatives and lifelong learning. A new commission for human capital development, composed of representatives of all three ministries responsible for education and training, has been set up. In this regard, the area of initial education and training has by far the highest profile in terms of both strategic thinking and provision. In contrast, a lifelong learning policy has not yet been formulated and there is room to expand the VET role in upskilling and reskilling. Discussions are underway on how to simplify use of existing funding mechanisms to improve access. To date, however, no specific measures have been adopted.

Tunisia has formalised policies on social dialogue; a training levy is in place and work-based learning legislation exists. In 2017, a new law on compulsory education or training up to the age of 18 was passed, addressing the issue of the increasing number of school dropouts. The promotion of soft skills (21st century skills) has become a new priority for the Ministry of Vocational Training and Employment. In this regard, the ETF piloted the integration of entrepreneurship spirit as a key competence, based on the EntreComp framework.

Implementation of the 14 projects covered by the VET reform strategy is proceeding slowly, given the limited human and material resources available. Although the Tunisian authorities have taken real ownership of VET reform and the social partners have provided support, most of the projects have so far been funded by technical and financial partners, who have supported the capacity building of the social partners in the area of education and training. In addition, political volatility (new ministers have been appointed every year since the revolution) has led to sudden reprioritisation or retraction of earlier decisions.

In line with the new constitution adopted in 2014, the gradual decentralisation of VET functions is ongoing. This is an innovative approach to address youth employability by managing the quality and relevance of VET supply at local level. Building on previous experience gained by the ETF and other actors, implementation of the EU-funded IRADA programme (worth EUR 32 million) started in 2018. The aim of the programme is to reinforce regional multi-stakeholders' platforms to steer human capital development according to local labour market needs in eight governorates. It will pilot a bottom-up approach to improve VET provision, whereby the VET centres will shape their own curricula and training modalities in collaboration with businesses. If successful, IRADA will provide a model for VET decentralisation which could be replicated in the remaining governorates. As one of its first actions, IRADA is also revamping the national qualifications framework using technical assistance. More transparent and 'portable' qualifications would help professional and geographic mobility within the country and abroad.

In 2018, the Ministry of Vocational Training and Employment made a significant effort to coordinate the support given by international donors for the implementation of VET reforms by introducing innovative mapping methods to track the efficient use of financial and human resources. This approach should help identify the funding gaps, facilitate a division of labour among technical and financial partners and provide a clear roadmap for support for systemic VET reform. A number of uncoordinated initiatives are currently aimed at boosting the relevance of training and increasing

employability. A EUR 144 million project, co-financed by a loan from the African Development Bank, is focused on upgrading technical, technological and digital skills. GIZ (a German development agency) and other agencies support a number of centres of excellence through sectoral associations. French development agency, AFD, in collaboration with the EU, is supporting VET centres and a number of employment pools around the country within the EUR 27 million PAFIP programme, which supports training and work placements. With support from the Swiss Agency for Development and Cooperation (SDC), the NGO Swiss Contact is implementing a programme to improve the employability of young people and the quality, relevance and attractiveness of continuing vocational training (CVT).

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

Lack of quality employment, weak job creation and high unemployment, especially among young people (graduates and females) remain a concern for the Tunisian authorities, as protesters organise regular demonstrations in Tunis and elsewhere in the country to demand more jobs.

Labour market participation remains very weak with an activity rate of only 47.2% in 2016 and a particularly wide gender gap (26.6% activity rate for women compared to 68.5% for men). According to research conducted by the ILO²¹, the gender gap is driven by age and region. Differences between young women and young men are small in dynamic urban areas, but wider in the less dynamic regions and in rural areas. Young women living in the northern or central interior areas are more vulnerable to unemployment and those living in southern areas are more often classified as being outside the labour market.

Unemployment remains a huge challenge, although it has been decreasing in recent years (15.3% in 2017 versus 17.6% in 2012). This positive development applies to both men (12.4% in 2017 versus 14.6% in 2012) and women (22.6% in 2017 versus 25.5% in 2012), but the latter are affected to a greater extent. Geography also affects unemployment trends and significant differences exist between the regions: the unemployment rate ranges from 9.9% in the centre and east of the country to 26.2% in the southwest²².

Young people are even more affected by unemployment than the adult population. The unemployment rate for 15 to 24-year-olds was 34% in 2015, indicating equal difficulties for men (33.5%) and women (35.5%) in accessing the labour market. The NEET phenomenon is getting worse every year and reached 29.1% in 2015, meaning that one in four young men (25.3%) and one in three young women (32.8%) were not in employment, education or training (NEET). In the same vein, early school leaving remains a major issue among the 18 to 24 age group. It reached 51.6% in 2015, with 57% of young men and 46.2% of young women leaving their education or training early. Various reasons are cited, but so far the country lacks a dedicated analysis of the drivers. However, there is an increasing awareness of the need to address this issue, considering also the risks of social instability and possible radicalisation.

²¹ International Labour Organisation (ILO), *Labour market entry in Tunisia: The gender gap*, ILO, Geneva, 2015.

²² European Training Foundation (ETF), *2016 Torino Process Report*.

Graduate unemployment is a prominent feature of the Tunisian labour market. In 2016, 28.6% of Tunisians with a high educational attainment were unemployed versus only 8.6% of individuals with a low educational attainment. The main factor underlying this phenomenon is the low demand for (quality) skilled labour and employers' preferences for low-wage and low-skilled labour in light of the low technological level of most SMEs. The low quality of jobs created by the national economy, often within the informal sector, creates frustration among young graduates, who frequently prefer to remain unemployed while waiting for formal jobs – 29.6% of graduates were unemployed for more than two years in 2015²³. The situation is changing in the service sector, where the requirement for higher skills may also lead to an improvement in the quality of the jobs²⁴.

Services account for the largest share of employment at 51.7% in 2017 and the highest productivity, followed by industry (33.1%) and agriculture (14.7%) with the lowest productivity. While the tourism sector (after years of decline) currently only represents an estimated 7% of GDP, it does provide a substantial number of jobs (some sources indicate 13% to 14% of direct and indirect jobs)²⁵. Overall, the Tunisian private sector is not very dynamic. This is certainly the case in terms of job creation: 86% of companies established between 2000 and 2015 stated that they had not recruited a single employee. The public sector's capacity to absorb employment has also reached its limit with 650 000 public servants or a reported 22.8% of the labour force (2012). Nevertheless, it is still very attractive to young people as it provides safe and (relatively) well-paid employment²⁶.

Self-employment accounts for almost one-third of overall employment (26.7% in 2015), down from 28.5% in 2012. Informality is also widespread (according to some sources, it accounts for 50% of employment) and hinders progress towards quality and decent jobs. According to the IMF, the informal sector accounted for 30% of GDP in 2012 with precarious jobs, long working hours, low incomes (including unpaid family workers, most of whom are female), a lack of social protection, and ultimately a devaluation of human capital.

Concerns about the skills mismatch of the workforce are increasing. High unemployment rates coexist with unfilled job vacancies. According to the World Bank, the Tunisian labour market is characterised by a significant level of skills mismatch, notably a surplus of skilled labour that is not well adapted to the needs of the labour market and a shortage of unskilled and semi-skilled labour²⁷. According to the National Observatory for Employment and Qualifications (ONEQ), approximately 29 000 jobs were available in 2015, of which 24 000 were vacant for more than one year. According to 31% of enterprises, this was due to the inadequacy of the available skills.

3.2 Employment policy and institutional setting

Employment issues are the responsibility of the Ministry of Vocational Training and Employment. The ministry is in charge of developing strategic political priorities and policy orientations. In December 2012, it adopted the National Employment Strategy 2013–2017. However, the strategy has never been implemented. In 2017, Tunisia relaunched a national discussion in this regard. In 2018, a labour

²³ Ibid.

²⁴ For example, telecommunications, banking, insurance, health and education.

²⁵ See <https://www.tresor.economie.gouv.fr/Articles/2018/01/22/le-secteur-du-tourisme-en-tunisie-janvier-2018>

²⁶ Ministry of Development, Investment and International Cooperation (MDICI)/UNDP, *Etude stratégique sur l'Economie Sociale et Solidaire en Tunisie*, 2017.

²⁷ See

<https://openknowledge.worldbank.org/bitstream/handle/10986/20604/928710PUB0Box3021027109781464802713.pdf?sequence=1&isAllowed=y>

market diagnostic study was carried out in conjunction with the ILO to identify priorities for a new employment strategy. Also in 2018, the ETF ran a study on labour market and skills dynamics and an employment policies survey to better understand labour market trends and skills mismatches.

Social dialogue and the involvement of the social partners is still limited when it comes to designing and implementing employment policy. The tripartite dialogue introduced by the *contrat social* between the state (2013), the main employers' union (UTICA) and the federation of trade unions (UGTT) is the main platform for a social dialogue and some pilot actions are currently being tested. Nevertheless, the inputs of the social partners often only come at the end of the decision-making process and only on a consultative basis.

Tunisia has a tradition of active labour market policies (ALMPs). Following the revolution, a number of new initiatives were introduced in 2012²⁸. They include: a job search assistance cheque; an employment subsidy to encourage private companies to hire people looking for their first job; a support programme for small enterprise creators; a partnership programme with the regions to promote employment and facilitate the insertion of various types of unemployed people into the labour market by supporting local and regional initiatives for job creation. ALMPs target mainly higher education graduates. Only a few programmes and services are aimed at helping low-qualified and disadvantaged individuals. Combined with the lack of unemployment insurance, this imbalance means that very few non-graduates register with the public employment service.

A number of agencies are responsible for implementing ALMPs. The National Agency for Employment and Independent Work (ANETI) is the main public, non-administrative body attached to the Ministry of Vocational Training and Employment. ANETI's mission is rather broad, and includes implementing ALMPs and supporting self-employment and entrepreneurship. The limited resources available to ANETI to fulfil its public employment service role, especially as an intermediary, constitutes one of the main challenges that it faces.

The National Observatory for Employment and Qualifications (ONEQ) is a specialist institution that supports decision-making in the area of employment and skills. Its principal mission is to collect labour market statistics, analyse employment and skills data using relevant indicators and issue regular reports on labour market trends. With the new VET reform, the observatory will be reinforced in its capacity to support skills forecasting. To this end a 'data house' is being set up to support the collection, analysis and sharing of data and the building of a skills forecasting system.

Entrepreneurship has become a priority at policy level with the adoption of a National Entrepreneurship Strategy in 2016 and the appointment of a Secretary of State for Entrepreneurship within the Ministry of Vocational Training and Employment. This decision stems from the urgency to define new strategic approaches to the generation of employment given the dramatic situation affecting young people in particular and the limited capacity of the state to ensure jobs in the future.

With a low growth rate that is unevenly spread between the country's regions, the social economy is also given increasing consideration at policy level as an alternative avenue for job creation. To this

²⁸ Decree No 2012-2369 of 16 October 2012 'fixant les programmes du Fonds national de l'emploi, les conditions et les modalités de leur b n fice' [*establishing the programmes of the national employment fund, the terms and conditions of their benefit*].

end, the Ministry of Development, Investment and International Cooperation and UNDP organised a strategic study of the social economy in Tunisia in 2017²⁹.

²⁹ Ministry of Development, Investment and International Cooperation/UNDP, *Etude stratégique sur l'Economie Sociale et Solidaire en Tunisie*, 2017.

TUNISIA: STATISTICAL ANNEX

Annex includes annual data from 2012, 2016 and 2017 or the last available year

	Indicator	2012	2016	2017	
1	Total Population (000) ⁽¹⁾	10,784	11,305	11,446	
2	Relative size of youth population (age group 15-24, %) ⁽¹⁾	24.8	20.9 (2015)	M.D.	
3	Youth Dependency ratio (%)	33.6	35	35.3	
4	Old Dependency ratio (%)	10.8	11.4	11.8	
5	Global Competitive Index	Rank	40 (2011)	95	95
		Score	4.5 (2011)	3.92	3.93
6	GDP growth rate (%)	4.0	1.1	2.0	
7	GDP per capita (PPP) (current international \$)	10596	11606	11911	
8	GDP by sector (%)	Agriculture added value	9.1	9.2	M.D.
		Industry added value	29.6	24.4	M.D.
		Services added value	61.3	66.4	M.D.
9	Poverty headcount ratio at \$2 a day (PPP) (%)	M.D.	M.D.	M.D.	
10	Gini index (%)	M.D.	M.D.	M.D.	
11	Educational attainment of active population (aged 25-64 or 15+) (%) ⁽²⁾	Low	57.3	56.4 (2015)	M.D.
		Medium	21.7	20.8 (2015)	M.D.
		High	20.7	22.8 (2015)	M.D.
12	Gross enrolment rates in secondary education (%)	92.1 (2011)	92.9	M.D.	
13	Share of VET students in secondary education (%)	13.9 (2011)	9.1	M.D.	
14	Gross enrolment rates in upper secondary education (%)	77.0 (2011)	78.9	M.D.	
15	Share of VET students in upper secondary education (%)	10.6 (2011)	9.6	M.D.	
16	Low achievement in reading, mathematics and science – PISA (%)	Reading	50,2 (2009)	71.6 (2015)	M.D.
		Mathematics	73,6 (2009)	74.8 (2015)	M.D.

	Indicator		2012	2016	2017
		Science	53,7 (2009)	65.9 (2015)	M.D.
17	Participation in training/lifelong learning (age group 25-64) by sex (%)	Total	0.2	1.3 (2015)	M.D.
		Male	0.2	1.2 (2015)	M.D.
		Female	0.2	1.5 (2015)	M.D.
18	Early leavers from education and training (age group 18-24) by sex (%) ⁽³⁾	Total	58.6	51.6 (2015)	M.D.
		Male	62.3	57.0 (2015)	M.D.
		Female	54.8	46.2 (2015)	M.D.
19	Activity rates by sex (aged 15+) (%)	Total	47.8	47.2	M.D.
		Male	70.3	68.5	M.D.
		Female	25.8	26.6	M.D.
20	Employment rates by sex (aged 15+) (%)	Total	39.4	39.8	39.8
		Male	60.0	60.0	59.8
		Female	19.2	20.4	20.5
21	Unemployment rates by sex (aged 15+) (%)	Total	17.6	15.6	15.3
		Male	14.6	12.4	12.4
		Female	25.6	23.5	22.6
22	Unemployment rates by educational attainment (aged 15+) (%)	Low ⁽⁴⁾	12.2	8.6	M.D.
		Medium	21.0	16.5	M.D.
		High	26.1	28.6	M.D.
23	Youth unemployment rates by sex (aged 15-24) (%)	Total	37.6	34.0 ⁽⁵⁾ (2015)	M.D.
		Male	35.7	33.5 ⁽⁵⁾ (2015)	M.D.
		Female	41.8	35.5 ⁽⁵⁾ (2015)	M.D.
24	Proportion of long-term unemployed out of the total unemployed (aged 15+) (%)		63.1	M.D.	M.D.
25	Long-term unemployment rate (aged 15+) (%)		11.1	M.D.	M.D.
26	Incidence of self-employment (%)		28.5	26.7 (2015)	M.D.
27	Share of the employed in a public sector (%)		22.8	M.D.	M.D.

	Indicator	2012	2016	2017	
28	Employment by sector (%)	Agriculture	17.0	14.7	14.7
		Industry	33.0	33.2	33.1
		Services	49.6	51.7	51.7
29	Employment in the informal sector	M.D.	M.D.	M.D.	
30	Proportion of people aged 15–24 not in employment, education or training (NEETs), by sex (%)	Total	34.0	29.1 (2015)	M.D.
		Male	28.0	25.3 (2015)	M.D.
		Female	40.2	32.8 (2015)	M.D.
31	Public expenditure on education (as % of GDP)	6.4	6.6 (2015)	M.D.	
32	Public expenditure on education (as % of total public expenditure)	20.6	22.9	M.D.	
33	Skill gaps (%)	9,5 (2013)	M.D.	M.D.	
34	The share of SMEs in GDP (%)	M.D.	M.D.	M.D.	
35	The share of SMEs in employment (%)	59	M.D.	M.D.	

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Sources:

Indicators 1, 2, 11, 19, 20, 21, 22, 23, 28, 30, 32 – National Statistical Office of Tunisia (INS)

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

Indicator 5 – World Economic Forum

Indicators 11, 16 - OECD

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

Indicators 24, 25, 27 - ILOSTAT

Indicator 26 – EUROSTAT

Indicator 33 – World Bank, Enterprise surveys

Indicator 35 – OECD, European Commission, ETF (2014) SME Policy Index

Legend:

N.A. = Not Applicable

M.D. = Missing Data

Notes:

Labour market data refers to second quarter of the year

(1) estimates

(2) Classification used for Indicator 11 (ISCED 97), Low = ISCED 0-2 (includes no schooling), Medium = ISCED 3-4, High = ISCED 5-6

(3) Provisional data, low reliability

(4) ISCED 0-1, and does not include no schooling

(5) Provisional data

ANNEX: INDICATORS' 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 dependants (people younger than 15) to the working-age population (those in the 15–64 age group).
4	Old Dependency ratio (%)	The ratio of older dependants (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)

	Description	Definition
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 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

	Description	Definition
		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 businesses.
35	The share of SMEs in employment (%)	The share of persons employed in small and medium 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
T: +39 011 6302222
F: +39 011 6302200
WWW.ETF.EUROPA.EU