

YOUTH IN TRANSITION IN THE SOUTHERN AND EASTERN MEDITERRANEAN

**Identifying profiles and characteristics
to tap into young people's potential**

With case studies on Egypt and Jordan

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PREFACE

In order to support the EU Neighbourhood and Enlargement policy dialogue in the area of human capital development, the European Training Foundation (ETF) launched the study 'Youth in transition: identifying profiles and characteristics to tap into young people's potential in the Southern and Eastern Mediterranean (SEMED) region'.

This report assesses the situation of young people¹ in relation to changing labour markets and social conditions from the SEMED regional perspective. Taking into account the challenging situation young people are currently facing, a large part of the analysis looks into the situation of young people not in education, employment or training (NEETs). This vast group consists mainly of young people who are inactive – not looking for any job – or unemployed. However, as very often in this region those who have a job are in a precarious position, the report also looks at the situation of young people who are in employment, to assess their status and conditions, as well as their perception and use of skills.

Young people are a priority area across all SEMED countries, given the high numbers of young people and the widespread unemployment across the region. The quality of the available jobs is also an issue of serious concern, as many young people end up working in the informal economy, which is characterised by precarious conditions, low wages, few training opportunities and no social protection. Many young people, therefore, find jobs for which they are overqualified, often generating dissatisfaction and frustration (this is true for the highly educated but also for young people with lower levels of education). On the other hand, many others drop out of the labour market, voluntarily or involuntarily, for a number of different reasons.

The concept of NEETs specifically refers to those young people who currently do not have a job, are not enrolled in training or are not classified as a student. Therefore, it focuses on the 'youth at risk' who are jobless, and/or inactive, and/or lack access to learning opportunities. In this way, it signals and measures young people's disengagement from the labour market, and perhaps from society in general. It helps to monitor both the labour market (by complementing conventional labour market indicators of employment, unemployment, activity rates) and the social situation of young people, and hence gives youth issues greater visibility in the political agenda. A key advantage of the concept is to bring jobless youth without learning opportunities into the frame rather than further marginalising them by using the traditional label 'inactive'.

Despite the growing importance of this category of young people, in many countries there is limited information and understanding about NEETs and their specific characteristics. This is also the case for SEMED countries. Data is often missing or limited, and little is known about the various vulnerable NEETs subgroups. Devoting more attention to NEETs, and thus gaining a greater understanding of their characteristics and specificities, is key to providing efficient, relevant and targeted policy responses and measures.

An ETF 2015 preliminary analysis showed high numbers of 'youth at risk', that is, those who are jobless, and/or inactive, and/or lack access to learning opportunities in the region (ETF, 2015b). Low educational attainment, gender and age, as well as inactivity due to family care responsibilities, especially among young women, are some of the main reasons for high NEETs rates in SEMED

¹ For the purpose of this report, young people are defined as persons aged between 15 and 29 years old.

countries. A high incidence of (perceived) skills mismatch can be another factor, at least for university graduates. Active labour market policies (ALMPs) have existed in various countries for a number of years. However, they are often of a general nature and fail to tackle the root causes of the different subgroups' exclusion (although rigorous evaluations of such programmes are generally lacking).

Given their high position in the political agenda, especially after 2011, youth-related issues have received a great deal of attention from both national and international institutions. Major new initiatives are also planned in the coming years, including from the European Union. However, the impact of previous interventions is not always clear, as programmes have tended to be rather broad in terms of target groups and the measures implemented, and as regular evaluations of their impact are lacking. The ETF analysis aims at providing a more detailed understanding of the different categories of youth, of their outcomes and needs, as well as the impediments they encounter to entering the market and their transition paths in the region, in order to present evidence for more effective and reliable policies. Through a more in-depth focus on Egypt and Jordan, detailed information will also be provided on the different NEETs subgroups and the reasons for their exclusion.

The report was written by a team of experts from Oxford Research A/S, To Excel (Jordan) and Arab African Advisers (Egypt), together with ETF experts. This team included Radoslaw Antczak (Oxford Research), Sherif Fawzi (Arab African Advisers), Maggie Kamel (Arab African Advisers) and Rani Khoury (To Excel), with supervision and overall management by Bart Romanow (Oxford Research). The overall drafting process was coordinated by ETF expert Francesca Rosso, with valuable inputs from Floriana Folisi and Nicola Scarrone. Helpful contributions were also made by ETF experts Sabina Nari, Thierry Foubert, Elena Carrero Perez and Cristina Mereuta and project officer Elena-Venera Ionita. A number of other ETF experts as well as national stakeholders were consulted and contributed to the report.

The authors would like to acknowledge the very important role of the people and experts who contributed to the data collection process: labour market and education institutions and specialists from the region as well as young people from Jordan and Egypt, who gave valuable insights into their situation. This report would not have been possible without their input.

The study was conducted between October 2019 and July 2020, with most of the research being carried out before the eruption of the Covid-19 global health crisis. The consequences of the pandemic are therefore not reflected in this report, as national statistics were missing at the time of writing. However, a few examples of countries' reactions to Covid-19 have been included, where possible, and some reflections and considerations have also been added at the end of the report. Without doubt, Covid-19 has brought additional challenges, both for young jobseekers and those in employment, in particular in the areas of skills adaptation and lifelong learning. A parallel, distinct and specific research process has been launched by the ETF to assess the socio-economic impact of Covid-19 in the countries of the SEMED region, which will complement the present report.

The report is divided into three parts: a regional overview (setting the scene for the SEMED region); more detailed insights from two case studies, namely Egypt and Jordan; and finally, policy reflections from the region.

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EXECUTIVE SUMMARY

This study looks at the current outlook for young people in the Southern and Eastern Mediterranean (SEMED) and offers reflections in terms of policy directions to improve it. It builds on extensive desk research, interviews with key actors and specialists, and surveys with young people in each of the countries concerned, alongside detailed case studies of Egypt and Jordan.

Situation in the Southern and Eastern Mediterranean region

The region² comprises a large number of countries bordering the European Union to the south and south-east. While they span a variety of social, cultural and economic backgrounds and climates, they share many youth employment challenges.

The SEMED countries generally have quite large youth cohorts and a shortage of economic opportunities. They also have a sizable share of young people who are not in education or employment. Higher education qualifications are often poorly utilised, either through a lack of suitable employment or because young women with university degrees withdraw completely from the labour market once they have started families. Employment opportunities for young people also tend to be less attractive, with most jobs being created in the informal economy, which suffers from poor working conditions, security and protection.

Young people³ make up between 22% and 34% of the active population⁴ in the analysed countries. Except in Israel and Jordan, this share has been on a downward trajectory that is expected to continue further. Growth in the region has been modest, particularly compared to recent trends in the rest of the world, and of a kind that generates very few jobs.

Unemployment rates in all countries are much higher for young people than for the total population, and, conversely, employment rates are much lower than for the total population. Female employment rates are particularly low. Something that sets the region apart from most other parts of the world is a high level of unemployment among tertiary educated youth.

The region boasts large numbers of young people not in education, employment or training (NEETs). This appears to be primarily the result of two factors. The first is the inability of economies to generate enough decent formal work opportunities for young people. The second relates to the persistent role of women as caretakers, which means that they often disengage from the labour market to take up family and home duties. As a result, a considerable proportion of NEETs are educated women who are inactive in terms of the labour market.

There are many reasons for the high levels of youth unemployment in the region.

² The Southern and Eastern Mediterranean region stretches from Morocco to Syria. This report covers Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine and Tunisia.

³ For the purpose of this study, 'youth' and 'young people' are defined as people aged between 15 and 29 (inclusive).

⁴ People between the ages of 15 and 64 (inclusive).

The financial crisis of a decade ago reverberated longer here than elsewhere, and recent turmoil in global oil markets blocked the classic labour migration patterns for young people, while increasing the pressure on home labour markets.

The private sector, which is an important driver of youth employment elsewhere in the world, is underdeveloped in the region. Large industries that were privatised only recently are still trying to find their way in a competitive international environment, while small businesses often operate in the informal economy, and neither type of employer has the resources needed to help young people transition from school to work. Generally, the large public sectors are shrinking, thus offering few new openings for young people.

Schools themselves find it hard to keep up with ever faster changing labour market demands, causing occupational mismatches.

Not all is gloom though. New technologies and innovative forms of employment are rapidly gaining ground in the region, and in these areas young people are generally at an advantage.

Egypt case study

For many young people in Egypt, finding employment is an uphill struggle. In 2016⁵, only 29.6% were employed, while 26.6% were unemployed. For the total population, these figures were 40.9% and 12.9% respectively.

These statistics hide underlying differences that make the situation even worse for some groups. The number of employed young women, for example, is only a third of the number of employed young men. Also, employment increases dramatically with age. Employment among the oldest third of the age group (25–29) is almost double that of the average.

Split by educational attainment, young people with tertiary education have the best employment outlook. Of these, 54.4% are employed. This means that education in Egypt is still a success factor, leading to a better chance of finding a job. Household size also plays an important role: the highest share of those in employment is among people living in households with fewer than four members.

Among non-active youth, most are homemakers or students, but these statistics are changing: since 2010, the share of students and the unemployed has grown, while the number of employed and homemakers has decreased.

Although the situation for young people did not change significantly between 2010 and 2016, some general shifts in the labour market over this period offer a glimpse at what lies ahead for them. The employment rate for men dropped from 56.5% to 43.8% while for women it increased from 12.5% to 15.2%. Women also moved out of households (-15 percentage points) and into higher education (+10 percentage points), while the number of male students did not increase greatly. Such changes may suggest important labour market changes, with more young women in the labour market and significantly more in education.

The main economic sectors employing young people are agriculture, forestry and fishing (29.2%), followed by construction (14.9%), manufacturing (12.3%), and wholesale and retail trade (12.3%).

⁵ After 2016, only data broken down to the age group 15–24 are available. In 2019 the total unemployment rate had fallen to 9.8% while unemployment among 15–24-year-olds stood at 24.7%.

Very few of the young people in work are self-employed. The private sector completely dominates youth employment in Egypt: 90.5% of young people work in this sector, while only 7.5% work in the public sector. Between 2010 and 2016, the average length of job tenure for young people fell considerably.

The high average number of working hours per week (42.8 for young people) points at precarious working conditions and intensive labour. People living in urban areas work longer hours than those in rural areas, while men have longer working days than women. Only 54.3% of young people work full-time, typically not by choice, and 32.8% have irregular or seasonal jobs. These proportions are quite different for the total population, indicating much greater instability for young people.

The youth unemployment rate reached 26.6% in 2016, with a much higher figure for women than for men. Long-term unemployment made up 35.2% of total unemployment among young people.

Interestingly, the unemployment rate goes up with educational attainment above secondary general level, which has the lowest unemployment rate. Although this may be due to more graduates registering as unemployed and graduates being more discriminating in terms of seeking employment that matches their education, it also certainly indicates a mismatch of education and labour market expectations, as well as the inability of the economy to generate enough jobs to satisfy all the highly-skilled new entrants in the market.

The main method of finding a job is through friends and relatives, followed by job ads and unsolicited applications. Public employment offices are underused.

An overwhelming majority of the surveyed young people thought that the national education system did not provide the skills required by potential employers. More than 70% of them identified jobseeking problems such as employers requiring experience, the low numbers and poor quality of appropriate jobs, difficulties in commuting to work locations, and prevalent traditions and social norms.

Starting a private business was considered difficult, with support hard to find.

The vast majority of young people surveyed (83%) appeared willing to relocate to other governorates, while only a minority would look for job opportunities abroad.

Most respondents (almost 88%) perceived their field of education and studies to qualify them for entering the job market, but nearly 70% also stated that their skills exceeded their job's actual requirements.

Roughly one-third of the young people in Egypt are not in education, employment or training (8 million persons). The majority of these (71.4%) are women, and most of them are married, but the gender gap is narrowing.

Most of the NEETs surveyed for this study were university graduates. Those with work experience revealed that the limited scope of job openings had been the main reason for accepting work that did not match their field of study. However, they also indicated that this mismatch had subsequently been the reason for leaving the job. Almost all of them (91%) were enthusiastic about pursuing further education or training with a view to improving their employment prospects. Conversely, almost all of those without work experience appeared willing to accept any type of employment, including occasional work, and were ready to accept downsides such as, for example, long working hours.

Jordan case study

In Jordan too the employment rate differs widely by gender and age. Among young men, 42.5% are employed, but for young women the figure is only 12.3% (labour force survey [LFS]). The share of employed young people grows with age, reaching more than 52% for those aged 25–29. The highest employment rate is observed among young people with tertiary education (45.8%), while the second highest is seen in those who did not finish primary education. Overall, also in Jordan education pays off: the logistic regression carried out for the study demonstrated that VET is the path that pays the greatest dividends in terms of the probability of being employed (followed by tertiary education): people with secondary vocational education have a 349% higher probability of being employed than those with no education.

The great majority of young people with a job are employees (94.7%), and only a fraction are self-employed. In Jordan, the most frequently occurring occupations are in the service sector, specifically shop and market sales workers (35.9%). The private sector employs 73.4% of all young people in work. These proportions do not deviate strongly from the proportions in the total population.

Part-time work is not popular among young people, but women and non-citizens work the longest hours and it is far more difficult for women to find jobs than men.

One-third of all young people are not in education, employment or training, and almost three-quarters of this group are women. This figure has increased sharply in recent years for both women and men. Educational attainment is also a key factor at play here: people who dropped out before the end of primary education are five times more likely to be NEETS than those who finished secondary education.

The average unemployment rate among young people reached 24.5% in 2016, with a slightly higher rate for women than men. Tertiary education does not protect people from unemployment in Jordan. Young women in particular find it hard to get a job after graduation. However, tertiary education seems to have a positive impact on the activity rate of young women, which also indicates a higher level of engagement in public life.

Roughly three-quarters of all young jobseekers try to find a job by applying directly to potential employers, while half of them seek the help of friends and relatives or use job ads. A smaller proportion look for jobs through official channels, such as employment offices.

In 2016, 41.4% of all unemployed young people had been so for more than 12 months, while 15.8% had been looking for a job for more than two years. Overall, long-term unemployment is structural and significant in Jordan.

All respondents to the survey stated that there is not enough government support to help young people find a job or start a business. Only one third believed that the education system in Jordan provides young people with a reasonable level of the skills required by employers. Yet, well over half said that they would definitely choose their field of study again. This, together with the fact that jobs are simply in short supply, is considered the main hurdle for young jobseekers in Jordan.

Almost half of the respondents believed that employers perceive young people as poorly skilled. In terms of pay, almost all the respondents thought that young people are offered a lower salary than other employees.

The vast majority (94%) of the employed young people sampled work in the private sector, across various subsectors. Interestingly, the majority of employed respondents obtained their first job either during their education or within six months of graduation. The working conditions of employed young respondents were reported as good, with a few exceptions. Almost a quarter of the employed respondents stated that they did not have a contract. Half of the employed respondents were looking for other jobs, mainly citing low salaries, a mismatch between their education and the job's requirements and/or a poor career outlook in their current position.

Among the sample of young people interviewed for this study that were not in education, employment or training, the majority of respondents reported that they were unemployed. The rest were economically inactive because they lacked the necessary skills or because they were homemakers. Only 16% of this group found that their education had been very useful in preparing them for work. Women who had left jobs had primarily done so to take on family responsibilities or because of poor working conditions.

These respondents had no clear preference regarding whether they wanted a job in the private or public sector: a third expressed an inclination to work in the public sector, a third in the private sector, while a further third indicated that it did not matter which sector they worked in. In terms of subsectors, a third were looking into the electricity and water supply sector, a quarter into the education sector, and near to a fifth were looking into the financial sector. Not surprisingly, the majority of those wishing to work in the education sector were female. More than half stated that they are looking for a job in line with their education.

Policy reflections

Youth employment is high on the policy agendas of all countries in the Southern and Eastern Mediterranean. Different national and international programmes have attempted to address this issue, with limited success. Coordination among different initiatives is critical but has proved to be difficult to achieve. While this has negatively affected the results of different programmes, several successful policy initiatives have also emerged in the region. These are primarily focused on the areas of young people's skills and the transition from school to work.

The appearance of Covid-19, however, has made a complex situation even more challenging. Although the specific effects of the pandemic on the labour market are as yet unknown, the ETF is running parallel studies to better understand the phenomenon and to make evidence available to policy makers and international organisations. Global research already conducted by different international organisations such as the OECD, the United Nations and the International Labour Organisation (ILO), shows that young people are and will continue to be disproportionately affected by Covid-19, with many millions of jobs lost worldwide. Therefore, extraordinary measures will be needed to face an extraordinary situation. Specific support will be required for new graduates and for young girls and women.

The resetting effect of the pandemic, however, could also present an opportunity to accelerate the transition to new development models, based on a socio-economic and ecological transformation that puts individuals at the heart of policy agendas, and which respects human well-being and the environment.

Emerging new forms of youth employment (new jobs, the platform economy, cultural shifts, etc.), together with the rise of new sectors and new technologies, the accelerated digitalisation of jobs and

innovative forms of digital learning are all opportunities that governments need to grasp to provide better prospects for the younger generations. Accelerating the move towards more digital and green systems comes with both opportunities and uncertainties. Building the resilience of individuals and companies, and developing agile, coordinated and targeted public policies will be key to tackling youth unemployment and to improving the quality of existing jobs.

Furthermore, existing practice in the region can guide new actions and highlight current limitations. The final section of this report suggests a number of demand-side, supply-side and cross-cutting actions, as summarised here.

Demand-side actions

- Small and medium-sized enterprises (SMEs) are the biggest source of youth employment opportunities in the region. Policies must support their development. Doing so in a gender-sensitive way can unleash a lot of untapped potential.
- Strategic integration into global value chains provides an opportunity that could help economies in the region generate enough jobs to absorb the large number of young people who join the labour market every year. Strategic is the key word here. Careful assessments must be made in terms of the prioritisation of certain promising sectors over others and providing subsequent all-out support for these sectors, from education to legislation.
- Related to this, there is a need to reinforce public-private dialogue and engage in partnerships that can align the education system and labour market, ease the school-to-work transition and restore trust in the government. Promoting business-education partnerships while supporting key industrial ecosystems and SME networks, as well as increasing the prevalence of work-based learning within existing programmes, can greatly enhance the relevance of education.
- Skills intelligence systems must generate reliable and sustained flows of information that can support youth employability.
- Offering incentives to the private sector to employ young people may help to facilitate their integration into the labour market. Such interventions may be particularly effective in certain sectors or for promoting the employment of specific groups.

Supply-side actions

- The relevance of education must be improved. This should be undertaken with a view to building competences for the 21st century, and focus on sectors with job creation potential. Existing training should concentrate not only on specific technical subjects but also on life skills, creativity, critical thinking, collaboration and digital technology. The teaching of basic digital skills requires particular attention.
- It is important to adopt measures to reduce school dropout rates and provide second chance education programmes. Raising the compulsory age of education could help lower the number of dropouts and absentees from school.
- Appropriate career guidance needs to be introduced at an early age, at all levels and across all types of education, including vocational education and training (VET).
- VET needs to expand significantly in many countries. Its attractiveness must be increased with modernised curricula, better prepared teachers, up-to-date workshops and equipment, and schools and training providers that have strong links with the business world.
- Work-based learning, which has proved to be very successful in countries where it has been implemented systematically, should be further developed. Dual system programmes can help young people forge links with companies and thus gain real work experience and relevant skills.

- Entrepreneurial learning helps young people to develop their own career path. This in turn can support youth employment. Youth entrepreneurship programmes can include the development of non-cognitive skills, such as innovation, decision making, teamwork and flexibility.
- Many of the region's young people are employed in the informal sector, which mainly offers low-skilled, low productivity and subsistence-oriented jobs. Although informal employment presents a short-term solution for youth unemployment, it often has a negative long-term impact on youth employability. The effects of this have become even more apparent in the current pandemic, as young people employed in the informal sector have been among those hardest hit since they lack social protection or employment benefits.
- Public employment services must be strengthened. Many need capacity building to enable them to reach out to greater numbers of young people and vulnerable groups, and to provide more individualised support.
- Globally, non-standard forms of (often self-)employment are experiencing a dramatic rise. This type of employment offers considerable opportunities for young people but also poses great risks due to a complete lack of security, increased occupational health hazards and other precarious conditions. To harness the potential of the gig economy⁶ and platform work, people need to be equipped with technical expertise and soft skills, such as self-management, self-organisation, and time management and communication skills. Governments also must take measures to improve the working conditions for people employed in platform work.

Cross-cutting actions

- Having sound policies is one thing, implementing them successfully is a different matter altogether. A good start is to stick to realistic plans with achievable targets in line with the country's capacity. A solid log-frame approach to the planning and implementation of programmes might be a solution for countries in terms of influencing the situation of young people.
- Regular monitoring and (external) evaluation of policies and programmes is lacking. As a result, it is difficult to assess their effectiveness and impact. Sound monitoring and evaluation practices lead to more effective programmes and improve their potential for replication and upscaling.
- Gender-sensitive programmes need to be developed to reduce the barriers to female participation in the labour market, and increase their economic activity. Specific projects and interventions should be targeting at young people in rural areas and disadvantaged regions.
- Youth employability is a multisectoral policy issue. It is affected by a plethora of development projects that are often poorly connected. There is a need to better coordinate the relevant work of government institutions and other stakeholders and to strengthen social dialogue, incorporating authorities, social partners, businesses, chambers, regions, youth organisations, VET providers and think tanks.
- Covid-19 has caused a huge disruption in terms of young people's access to education and employment opportunities, as well as income. Specific research is required to measure the magnitude and quality of the immediate and long-term impact on youth, particularly NEETs, to inform policy making in this area. Governments need to ensure that their economic stimulus policies and measures are aligned with ambitious climate change and wider environmental protection goals. Skills should play a key role in this, with the support and actions of all stakeholders focused on helping people transition from school to work, or from job to job.

⁶ Gig economy: part of the economy based on independent contractors and online platform workers.

1. REGIONAL OVERVIEW

KEY HIGHLIGHTS

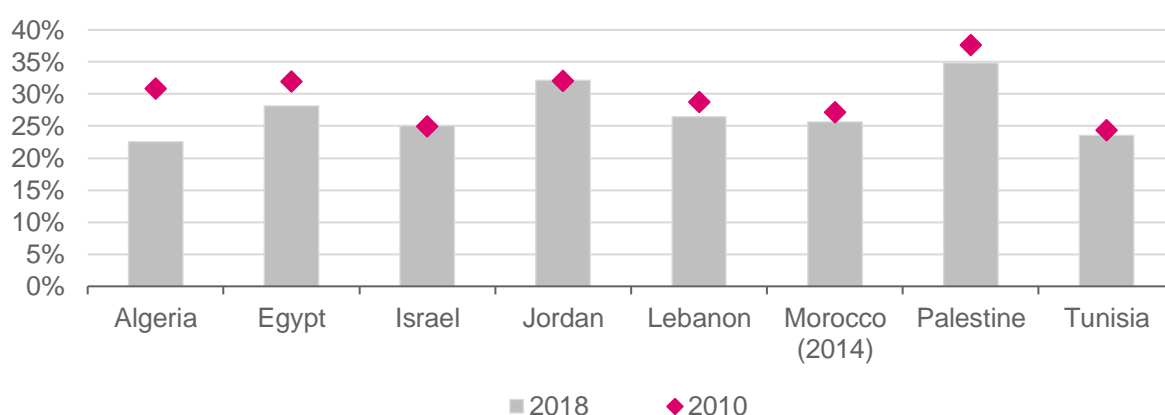
- There is a significant share of young people (15–29) in the total population of SEMED countries, but this is expected to decline slowly in the next 10 years.
- Improved education levels in the population have not translated into better labour market outcomes in most countries.
- The situation of young people is generally precarious, with low employment (15–22%), high unemployment (20–40%) and high rates of NEETs (22–38%).
- Almost all countries (with the exception of Israel) have high unemployment rates among young people with a high educational level, showing an inverse correlation between educational attainment and employment.
- Modest (jobless) economic growth, skills mismatches and labour market rigidity are among the main drivers of high unemployment among young people.
- Significant gender bias exists, with much lower employment rates and higher unemployment and NEETs rates observed for women (who are still three times less likely than men to be active in the labour force and almost twice as likely to be unemployed).
- The inability of economies to generate enough decent formal work opportunities and the dominance of traditional roles for women as caretakers are key determinants of a high share of NEETs rates.
- Young people have difficulties in accessing education and employment depending on geographical area (i.e. the status of development in a country's sub-regions).
- The region has a high share of informal employment, with poor-quality jobs and no social protection or benefits, especially among young people with a low level of education.
- Israel is an outlier, with high economic development, a high employment rate and low unemployment figures for young people, yet differences exist between various groups.
- The main ongoing changes in the situation of young people include globalisation, the influence of new technologies and the rise of new forms of employment, as well as conflicts and migration, especially in the case of Lebanon and Jordan.
- Difficulties persist in school-to-work transition, demonstrated in lengthy transition periods.
- Policies are generally inadequate to address the magnitude of the specific challenges faced by young people.

1.1 Overview of the youth situation in the Southern and Eastern Mediterranean

The region is characterised by having a significant share of young people in the population, meaning that countries here have a large inflow of youth seeking to enter the labour market. In terms of absolute numbers, in 2020 over 54 million people were aged between 15 and 29, a figure that is forecast to reach 62 million in 2030. The highest volume of young people is observed in Egypt (25.2 million in 2020), which constitutes almost half of the young people in the region (UN, 2019a). The share of young people in the total active population, aged 15–64, varies from 22.6% in Algeria to 33.8% in Palestine⁷ (see [Figure 1.1](#)). However, when comparing the years 2018 and 2010, it can be seen that these shares have fallen in most countries of the region, except Israel and Jordan. Additionally, it is forecast that the share of young people will continue declining in the majority of the countries, again with the exception of Israel and Jordan (Ibid.).

Unfortunately, the youth situation in the region is precarious and characterised by a shortage of economic opportunities, which is driving many young people to emigrate in search of making a living outside their home countries. Socio-political unrest in the region, including the waves of protest before and after the Arab Spring, have affected almost all countries in the region, directly and indirectly and at different levels. This unrest and instability, coupled with uncertainty about the future, have further contributed to large-scale waves of emigration, with people seeking opportunities abroad. Young people who are still residing in these countries (in particular in Lebanon and Palestine) are described as being largely disenfranchised and disempowered⁸. The lack of job creation in the region is in great part the result of modest economic growth over the last decade – less than 3% in the majority of the countries. Additionally, most new jobs are created in the informal economy, with poor working conditions, security and protection.

FIGURE 1.1 SHARE OF YOUNG PEOPLE IN THE TOTAL ACTIVE POPULATION IN SEMED COUNTRIES, 2010 AND 2018



Source: ETF, Key indicators on education, skills and employment (KIESE) database, compiled by authors.

Countries in the region have made significant progress in expanding access to education over the last decades, especially among women, and literacy levels, overall educational attainment and tertiary

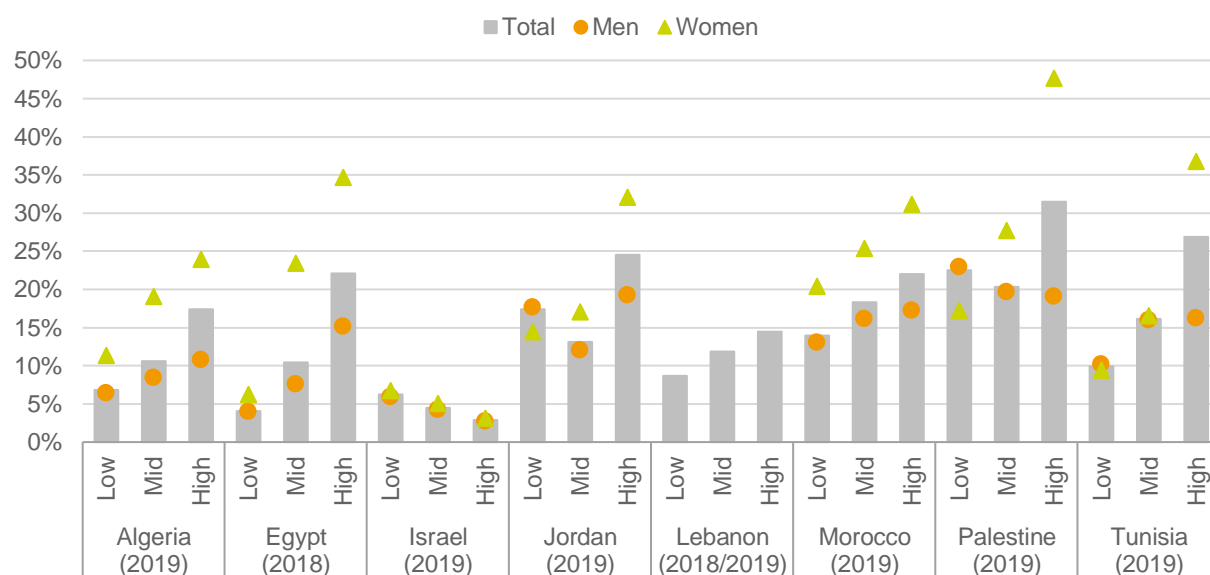
⁷ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual position of the Member States on this issue – hereinafter ‘Palestine’.

⁸ For Lebanon, see UNDP (2015); for Palestine, see UNFPA (2017).

education rates have improved over recent years. However, while young people's years of schooling have increased considerably and are projected to rise further, the average duration of education is still considerably lower than in other regions, and there are continuing challenges in terms of access to and the quality of education (UNDP, 2016). Moreover, educational attainment is highly divergent between countries. Only 7.9% of the population aged 15+ in Morocco (2015) and 12.5% in Algeria (2015) have a high level of education (ISCED levels 5–8), while in Jordan, this indicator exceeds 33%, and in Israel the figure is close to 49% (ETF, 2019c).

Despite the progress that has been made, the improved education level of the population has not translated into better labour market outcomes in most countries (with the exception of Israel). This perceived 'mismatch' between the supply of and demand for labour has been a central driver behind unemployment in many of the region's countries. It creates a paradox whereby higher rates of academic education do not lead to higher employability outcomes. This holds especially true for women in these countries, who have a higher level of educational attainment than men, but fail to translate this into better labour market outcomes; the unemployment rate of women with tertiary education in 2019 exceeded 30% in all SEMED countries, with the exception of Algeria (24%) and Israel (3%), reaching an appalling 48% in Palestine (ETF, 2019c). The general tendency for more young people to engage in secondary and tertiary education is also a main determinant of the declining rates of labour force participation among young people in the region. While the majority of the unemployed have lower levels of education, labour markets in the region are consistently characterised by high unemployment rates among educated young people (ILO, 2017). This is confirmed by national data (from LFSs) in each country which indicates that the unemployment rate for people with a high level of education is greater than for those with low educational attainment, with the exception of Israel and Lebanon (see Figure 1.2).

FIGURE 1.2 UNEMPLOYMENT RATE BY EDUCATIONAL ATTAINMENT IN SEMED COUNTRIES, 2019 OR LAST AVAILABLE YEAR

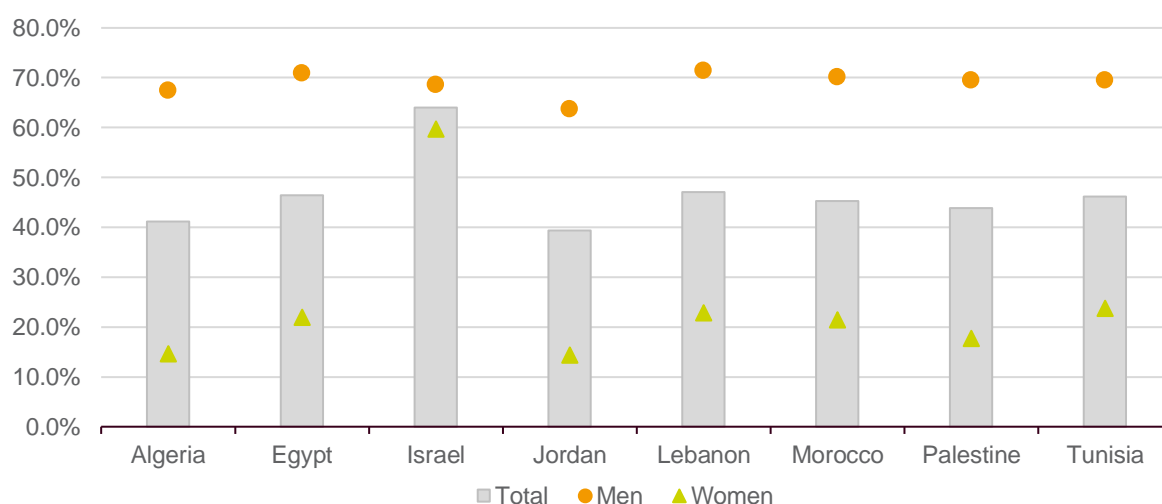


All countries refer to the year 2019 with the exception of Egypt (2018) and Morocco (2016).
Source: ETF, KIESE 2020.

Another common theme with respect to young people in many of the region's countries is the presence of inequalities between different territories. This ranges from differences in the levels of development among the sub-regions of a country (such as Jordan, but also Algeria or Tunisia, where interior regions are far less developed than coastal areas) to large geographical separation, as is the case of Palestine (with regard to the West Bank and Gaza), which often yields various levels of civic and economic engagement among young people. Such inequalities are due to a number of issues; partly they are the result of challenging socio-economic contexts, but they also stem from the fragmented delivery of youth policies and programmes.

Striking splits are also observed along gender lines. Certain gender-related norms and values are also common among the countries of the region. Social norms affect women's decisions and opportunities to engage in education and work. Women are often not encouraged to choose the types of degrees that are required by the private sector; in addition, there is a reluctance in the private sector to hire women. Moreover, a high proportion of women are engaged in unpaid family work and in specific occupations such as education, healthcare and other caring activities, which limits their future job prospects and earning ability (ETF, 2015a). Thus, sometimes, 'education for women has become nothing more than a social prerequisite'⁹, meaning that women are seeking education as a mark of social status. Furthermore, countries in the region suffer from low labour market participation rates, with very low female rates (below 30% in all countries, with the exception of Israel, see [Figure 1.3](#)) bringing down the overall figure. Social norms are commonly referred to as being one of the main reasons behind the low rates of economic participation for women, but other factors also play a role, including the level of public transport in these countries, weak or non-existent early childhood care, and the lack of, or limited, flexibility in working conditions, etc. This ultimately leads to a gap in social protection coverage due to the gender disparity in employment and job quality, with women typically having lower rates of formal wages and salaried employment, as well as more restricted working hours and fewer years in insured employment (Badran, 2017). According to the *Global gender gap report 2020*, women face the most disadvantages in the workplace in the Middle East and North African region (MENA) (WEF, 2019).

FIGURE 1.3 LABOUR FORCE PARTICIPATION RATE (AGED 15+) BY GENDER, 2019



Source: ILOSTAT, Trends Econometric Models 2019, extracted from ETF database.

⁹ Quote from an interview with an expert in Lebanon.

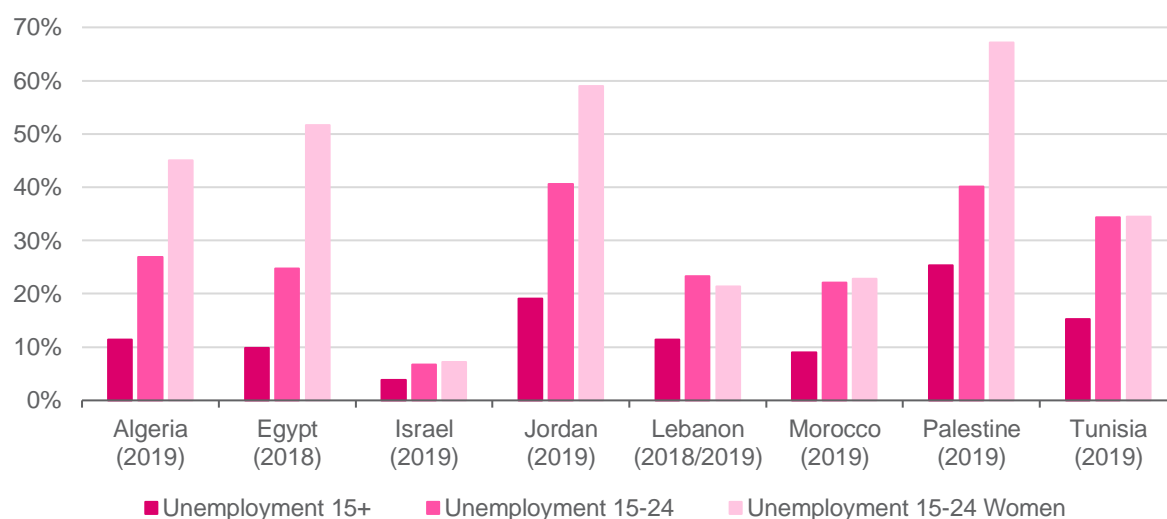
1.2 The youth labour market situation

1.2.1 The situation of unemployed youth

The labour market situation in SEMED countries (with the exception of Israel) is characterised by persistently high youth unemployment rates. The youth unemployment rates across the region are among the highest in the world, providing a major challenge for policy makers in these economies.

Youth unemployment rates have traditionally been higher than those of other age groups, and there are clearly some strong determinants. For instance, youth unemployment is more responsive to the business cycle than adult unemployment. This is because young people are more concentrated in certain economic sectors, while a disproportionate number have part-time jobs and temporary contracts. As such, they are also more affected by periods of economic slow-down and are often among the first to lose their jobs.

FIGURE 1.4 YOUTH (15–24 YEARS) UNEMPLOYMENT RATES, 2019 OR LAST AVAILABLE YEAR



Source: ETF, KIESE 2020.

Youth unemployment is particularly high in Palestine, where it reached a staggering 40.1% in 2019, with an upward trend since 2010. This very high rate of unemployment among young people is associated with Palestine's unique situation, whereby the youth unemployment rate in besieged Gaza contributed to the overall high unemployment figures.

In Jordan, the youth unemployment rate amounted to 40.6% in 2019 and has been also increasing over the past five years. High levels of youth unemployment have also been noted in Tunisia (34.4% in 2019), Algeria (26.9% in 2019), and Egypt (24.7% in 2018) (see Figure 1.4). In Lebanon, the unreliability of the data hinders any meaningful indicator; yet according to Labour Force and Household Living Conditions Survey data, the latest available figure for youth unemployment in Lebanon in 2019 reached 23.3% (CAS and ILO, 2018/19).

Unemployment among young women in the region is significantly higher than it is among young men. In Palestine, in 2019 the unemployment rate among young women reached a staggering 67.1%,

whereas for men it was 34.7%. In Jordan, female youth unemployment amounted to 58.6% compared to 34.8% for young males. Significant differences can also be noted for Egypt and Algeria. On the other hand, in Morocco, Tunisia and Lebanon the rates for women and men are similar (ETF, 2020b).

While the above holds true for the majority of the countries in the region, Israel is characterised by very different conditions. The youth unemployment rate in Israel has been on a downward trend since the mid-2020s, standing at only 7.2% in 2018, with relatively similar rates of female and male youth unemployment (World Bank data). However, large discrepancies exist among different population groups.

As already shown in **Figure 1.2**, all countries in the region (except Israel) exhibit an inverse correlation between educational attainment and employment. In other words, increased levels of education tend to lead to higher unemployment rates. This implies that education is not correlated with better labour market outcomes for young people, and that students are not receiving an appropriate return on their investment in education.

There are a number of different forces driving the high youth unemployment rates across the region. The main ones are outlined and discussed below, noting that these factors are not always applicable to Israel.

Demography and modest economic growth

One of the main factors driving high youth unemployment in the region is its high and expanding youth population, which translates into a large number of labour market entrants. At the same time, the region's economies are not growing at a sufficient rate to generate the required number of decent jobs. This leads to a situation in which labour supply far outweighs demand, resulting in high rates of unemployment, especially among young people, who are new entrants to the labour market.

According to a report by the Brookings Institution, the inability of the national economies to create enough decent employment opportunities (despite moderate growth being registered for several years) is arguably 'the most important factor behind the high rates of youth unemployment and joblessness in the region' (Kabbani, 2019). In fact, this issue of not being able to achieve the economic growth needed to create enough jobs was highlighted in almost all the discussions carried out with the experts consulted to elaborate on this report. As one specialist put it, 'economic growth is and will remain the main engine of job creation, and without sufficient growth, there can never be enough jobs for the region's young population'.

Skill mismatches

Although education attainment levels have risen rapidly in the countries under review¹⁰, the issue of skills mismatch is often cited as one of the main factors behind the high rate of unemployment in the region, especially among young people. This mismatch is perceived to exist on multiple levels. First, there is the mismatch between the specialisations being offered at secondary and tertiary level and those needed in the labour market¹¹ (horizontal mismatch). For example, one expert interviewed for this study asserted that there is an oversupply of female teachers in the countries of the region: 'It's

¹⁰ The increase in educational attainment in the region, from an average of 2.3 years in 1970 to 7.5 years in 2010, is by far the greatest percentage increase among all developing countries. By 2010, educational attainment levels in the region were almost the same as for the East Asia and Pacific region. See Iqbal and Kiendrebeogo (2014).

¹¹ The skills mismatch is cited in many reports as a primary factor behind youth unemployment. See, for example, UN (2017).

true that women are becoming more educated than men, but most are graduates in education, creating too much supply for limited demand¹². Other saturated specialisations include some humanities subjects such as literature, history and religious studies, which are producing many jobseekers who are unable to find work that suits their qualifications. As a result, many highly educated graduates have to accept positions below their level of formal qualifications or remain unemployed. Also, a vertical mismatch is reflected in the significant increase in university enrolment not sufficiently matched by demand in occupations requiring higher levels of education.

Another level of skills mismatch exists within certain specialisations. In other words, the outputs of a particular course are not meeting the requirements of employers within that specialisation. A weak or often lacking connection between the private sector and academia, as well as the inability of the education systems in these countries to adapt to certain specialisations' requirements have often been cited as the main drivers behind this skills mismatch¹³. Another important factor is the low level of soft skills displayed by recent graduates, such as punctuality and communication.

Labour market rigidities and weak enforcement

A considerable number of the countries in the region suffer from inflexible labour markets and rigid regulatory frameworks, making it more difficult for employers to employ or lay off workers. While certain regulations are necessary for the smooth functioning of the labour market, over-regulation may place a strain on the private sector, which is seen as the main engine of employment. In addition, enforcement systems are unable to cope with the complexity of regulations among the different countries of the region, and so the labour law tends not to be fully applied, or may be too narrowly enforced in certain matters while neglecting others. This has direct consequences for young people's employment prospects, as it means that decent working conditions are not guaranteed in the labour market. There are also implications for employers, who might be reluctant to take on staff given these labour market rigidities.

Large public sectors and the preference for public sector jobs

SEMED countries generally have inflated public sectors that employ a majority of the workforce. This is reflected in high wage bills for most of the region's countries, which limit the fiscal policy space available to governments. In addition, the socio-economic models pursued by many of these countries in the past have resulted in a situation where the government offers public sector jobs as a means of providing social support. Such policies have often discouraged private employment and hindered skills development, as well as constraining flexibility and adaptability in the labour force. In some countries, this has led public sector wages to be higher on average than those in the private sector, ultimately resulting in elevated reservation wages among young people.

At the same time, austerity measures currently being implemented by most countries have shrunk the number of new jobs generated by the public sector each year. This, in turn, is creating an additional pressure on the youth labour market as more potential candidates are searching for an ever smaller number of jobs. This is especially true for women, given their high tendency to work in the public sector.

¹² Interview with an expert in Palestine.

¹³ An expert interviewed in Morocco mentioned that according to a study by the High Commission for Planning, 37% of the companies surveyed said that the current education and vocational training system does not enable them to find suitable candidates on the job market. Industry (with 52% of companies complaining about the lack of qualified labour) is the sector that suffers the most from this mismatch.

Furthermore, the large share of public sector employment and the preference for public sector jobs have adversely affected employment prospects for young people. A 2016 ILO study revealed such preferences for future jobs among young students in the region, particularly in Egypt (72.0%), Tunisia (65.7%) and Jordan (57.9%), and to a lesser extent in Lebanon (39.4%) and Palestine (36.1%) (Dimova et al., 2016). Public sector jobs have traditionally been more attractive for young people in the region since they offer specific advantages in terms of, for example, working hours, benefits, job security, and, in many cases, higher wages, that may not be available in the private sector (World Bank, 2013). This situation calls for enhancing the role of social partners, and companies in general, to raise the quality of jobs in the private sector, as well as for governments to reduce red tape, ease restrictions on businesses and address informality.

The specific case of Israel

As already mentioned, the abovementioned factors do not apply to Israel, which has a modern and developed economy (GDP per capita: USD 41 614 – significantly higher than the average for the region) (World Bank database). Consequently, conditions here allow for a more developed and efficient labour market. In Israel, economic participation is on the rise, unemployment is falling to record low levels and wages are increasing. In addition, the number of jobs being generated by the economy is growing year on year against a backdrop of strong economic growth over the past decade. Unlike the rest of the countries from the region, Israel has actually experienced labour shortages across a number of sectors and occupations. Moreover, in terms of entrepreneurship, Israel has been consistently ranked among the top countries in the world in global reports on competitiveness and ease of doing business¹⁴.

The country's youth employment and educational attainment rates are high, while the education system is generally responsive to labour market demands, particularly in the area of engineering and information technology. Another specific factor impacting on young people in Israel is the obligatory military service each citizen must undergo between the ages of 21 and 23. The army thus serves as a transition stage from education to the labour market, offering high-level training and decreasing the number of NEETs¹⁵.

According to the literature¹⁶, one of the main issues affecting the youth labour market in Israel is a high degree of segmentation among different subgroups of the workforce, coupled with income inequalities. Moreover, this segmentation can lead to a secondary labour market that provides unstable, low-wage work with little mobility into the primary sector, thereby affecting the overall quality of jobs in Israel.

1.2.2 The situation of employed youth

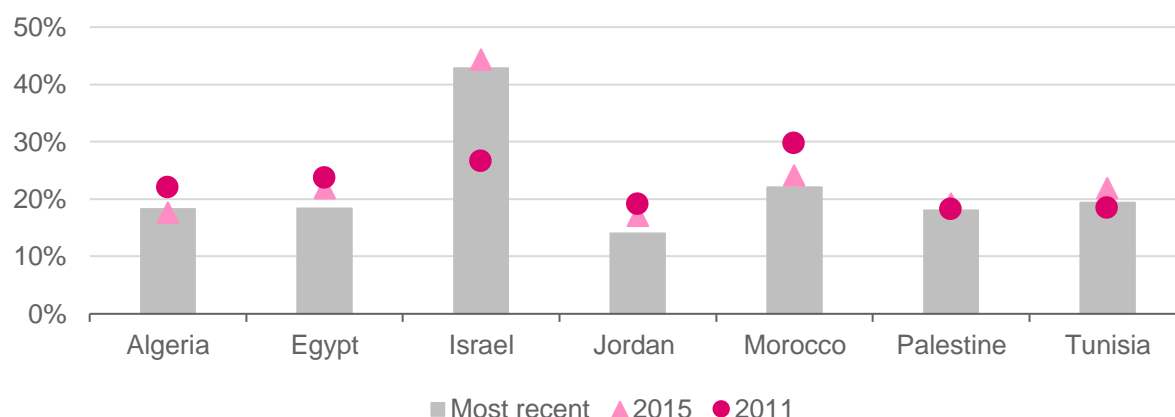
Only a minority of young people in the region's countries (with the exception of Israel) are in employment: with rates ranging from 22.1% in Morocco (2016) to only 14.0% in Jordan (2019) (see [Figure 1.5](#)). For the majority of young people in the region, their employment status is 'wage and salaried workers', making up, for example, 85.2% of employed youth in Jordan (2018) and 71.4% in Palestine (2019). Only in Morocco are less than 50% of young people employees, with the rest being own-account or contributing family workers (ETF, 2019c).

¹⁴ See the World Economic Forum's 'Competitiveness' and the World Bank's 'Doing business' reports.

¹⁵ Confirmed by experts from Israel interviewed as part of this project.

¹⁶ See, for example, Neuman (2014).

FIGURE 1.5 YOUTH (15–24 YEARS) EMPLOYMENT RATES, MOST RECENT, 2015 AND 2011



Source: ETF, KIESE 2020.

From a sectoral perspective, the share of employment in the services sector has increased over the years in all countries, mostly at the expense of a drop in agricultural employment (but in some cases also to the detriment of the manufacturing sector). This also holds true for young people: indeed, the majority of young people employed in Jordan, Lebanon and Palestine are working in the service sector, with a very low percentage engaged in agriculture. According to the ILO School-to-Work Transition Surveys¹⁷ implemented in these countries, 82% of employed youth in Jordan work in the service sector, with 84% for Lebanon and 56% for Palestine. Within the service sector, young people are concentrated in the wholesale and retail trades. In terms of occupations, the majority of young people in Jordan and Lebanon work as ‘professionals’ and ‘services and sales workers’, while the majority of young people in Palestine are ‘sales and services workers’ and ‘craft and related trades workers’.

Many young people who enter the labour market take vulnerable jobs, characterised by precarious conditions and little in the way of social security and protection. The incidence of vulnerable employment is especially high in Morocco (48% in 2016), while in Palestine and Egypt it exceeds 20% (ETF, 2019c).

This issue of job quality needs to be discussed on two different levels. On the one hand, jobs in the informal sector are generally considered to be of low quality; on the other hand, even formal sector jobs may fail to meet decent standards if there is a weak social security and social protection system in the country. Both situations can ultimately discourage young workers, who may end up dropping out of the labour market.

¹⁷ To assist member states in building a knowledge base on youth employment, the ILO designed the School-to-Work Transition Survey, which was implemented in Egypt, Jordan, Lebanon, Palestine and Tunisia. Results of the surveys in these five countries are presented in Dimova et al. (2016).

DIFFERENT DEGREES OF SOCIAL SECURITY AND PROTECTION OF WORKERS ACROSS THE REGION

Not all countries of the region are at the same level in the context of social security and protection of formal workers. However, a number of initiatives have been put in place to improve working conditions. For instance, in Israel a strong social protection framework has been established, which also covers vulnerable groups. One example is a recent collective agreement designed to compel private sector employers with more than 100 employees to employ workers with disabilities. In Jordan, the social security framework has been developing over the past decade, with the most significant reforms being the incorporation of unemployment and maternity insurance into the overall social security system. The country has also introduced social security schemes for the self-employed, and overall coverage is rising. In Lebanon, the social security system is weaker, with no system catering for the self-employed, and coverage rates are low. Furthermore, retirement pensions in Lebanon are provided as a lump sum payable at the end of service, and the pension system does not provide regular support for retired employees.

Due to the limited number of employment opportunities being generated in the region, most young people find it easier to obtain jobs in the informal sector. In fact, youth employment rates in the informal sector are generally high in the SEMED countries. According to the results of the ILO's 2015 School-to-Work Transition Surveys, informal employment in the countries of the region is a large and forms a significant part of the economic landscape. The results for that year show around 48% of employed young people in Jordan working in informal employment, compared to 60% in Lebanon, 92.2% in Egypt, 86.1% in Tunisia and a staggering 95% in Palestine¹⁸. This huge amount of informal activity was reflected in discussions with experts in Palestine, who confirmed that the majority of young people compete for informal low-quality jobs after completing education, until they find a decent position. The ILO School-to-Work Survey results also showed how, in the different countries of the region, there is an inverse relationship between educational attainment and informal employment, with the less well educated more likely to end up in informal employment. This is true for all the countries in the region with the exception of Palestine, where young people with a high level of education are as likely to enter into informal employment as those with lower qualifications.

Accessing the labour market is particularly difficult for women: on average this group has a higher unemployment to employment ratio (0.4) than men (0.12)¹⁹. In most countries of the region female youth employment tends to be concentrated in the public sector, especially in the fields of education and health. The situation is worse for women in the youngest age groups, indicating the difficulty of finding work, which pushes many out of the labour market.

Many young people also end up in jobs which are not aligned with their skills and qualifications levels. In terms of occupational mismatch, the available data on Egypt, from 2016, for instance, shows a higher occupational mismatch among those aged 15–64 with tertiary education (18.7%) compared to

¹⁸ Based on School-to-Work Transition Survey results. See Sadeq (2016).

¹⁹ This means that there is a higher number of unemployed people relative to those in employment in the case of women (ETF, 2019d).

those with upper secondary education (10.4%). There is a further gender disparity, whereby the percentage is significantly higher for men than women for those with tertiary education (22.9% versus 9.8% respectively), while the opposite effect is observed for those with secondary education (9.8% versus 17.2% respectively). This could be because the economy cannot create enough jobs to absorb more highly educated new labour market entrants, which impels those with tertiary education to take posts jobs that do not match their qualifications in order to meet their financial obligations.

ILO labour market transitions studies (ILO, 2016) identified the following barriers that young people face in looking for employment: high required qualifications; lack of work experience; being perceived as too young; gender considerations; discriminatory prejudices; low wages in the available jobs; poor working conditions; and lack of career guidance (Dimova et al., 2016). The main obstacle reported by unemployed youth across SEMED countries is the lack of available jobs.

This situation can be linked to the complex context of general market conditions. In most of the region's countries (except Algeria, Morocco and Lebanon) young people would prefer to be employed in the public sector rather than opting for self-employment or finding work in the private sector, providing similar wages and conditions are offered. With the public sector acting as the biggest employer in many countries of the region, meeting the wage bill has become a burden on the public finances; in Egypt, for example, the government introduced a programme to reduce the number of public sector employees. As a result, fewer young people have the chance to apply for public sector jobs. This further forces them to find a job in the private sector (e.g. family enterprises), although these positions are often informal. The low share of self-employment can be attributed not only to people's preferences, but also to inadequate promotion of entrepreneurship on the part of governments, and high entry barriers (such as complicated administrative procedures and tax systems) (Stevenson, 2010).

Another important factor is the structure of the economy. In most countries in the region the private sector is underdeveloped. Enterprises, accustomed to operating under protectionist regimes, face difficulties in developing as well as overcoming the challenges of competing in a free market (Stevenson, 2010). Therefore, private businesses have a very limited capacity to support young people's transition into the labour market. The large share of the informal economy in the regions also has an influence on young people's prospects, as companies offering informal employment have no intention of providing young people with apprenticeships or other types of support.

Hence, the situation of young people employed in the SEMED countries can be difficult, with many occupying low-quality jobs with few prospects. Furthermore, given that many of the region's economies are not able to create enough skilled jobs to meet demand, graduates are likely to accept jobs that don't match their skills, and end up competing with lower skilled jobseekers.

1.2.3 The situation of young people not in education, employment or training

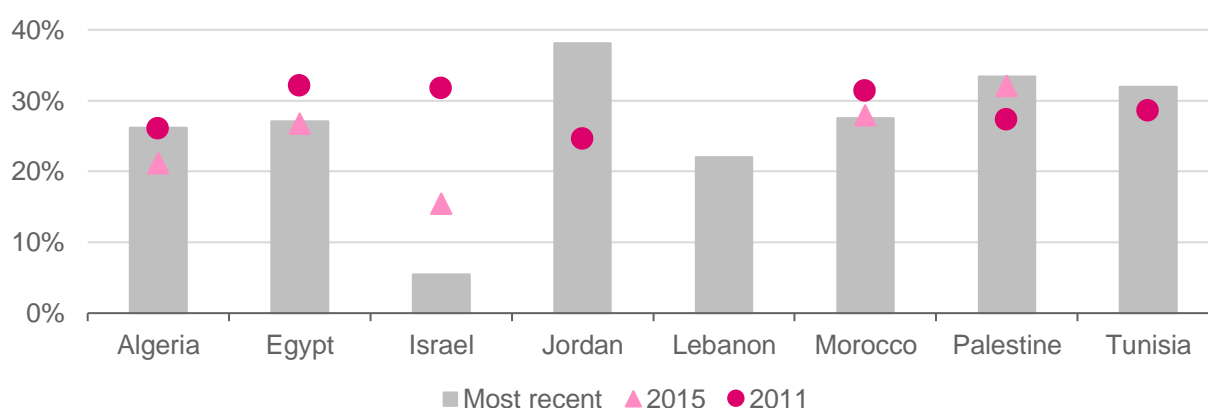
Talking about unemployment does not provide a full picture of the circumstances of young people in the region. In fact, many people are inactive, disengaged or excluded from the labour market. In this sense, the NEETs indicator (which captures all of those heterogeneous categories) provides a better idea of the real situation of young people in these countries.

In all countries, with the exception of Israel, a large part of the youth population are NEETs. In the last decade, the shares of NEETs have been quite stable across the region, with the exception of Israel, where the figure decreased significantly between 2011 and 2018, and Jordan, which experienced a

significant increase in the proportion of NEETs between 2011 and 2017. According to many of the experts interviewed for this research²⁰, this expansion of informal work across the countries of the region has fuelled the rise of young people who are not in education, employment or training. This is mainly due to their being discouraged due to the lack of decent working conditions in formal settings.

Two factors seem to be key determinants of the high share of NEETs in the region. The first is the inability of economies to generate enough decent formal work opportunities for a growing number of young people, while the second refers to the dominant traditional role of women as caretakers, meaning that they often disengage from the labour market to take up family and home duties. As a result, a significant portion of NEETs in the region are composed of inactive, mostly educated females.

FIGURE 1.6 NEETs (15–24 YEARS) IN SEMED COUNTRIES, MOST RECENT, 2015 AND 2011



Source: ETF, KIESE 2020.

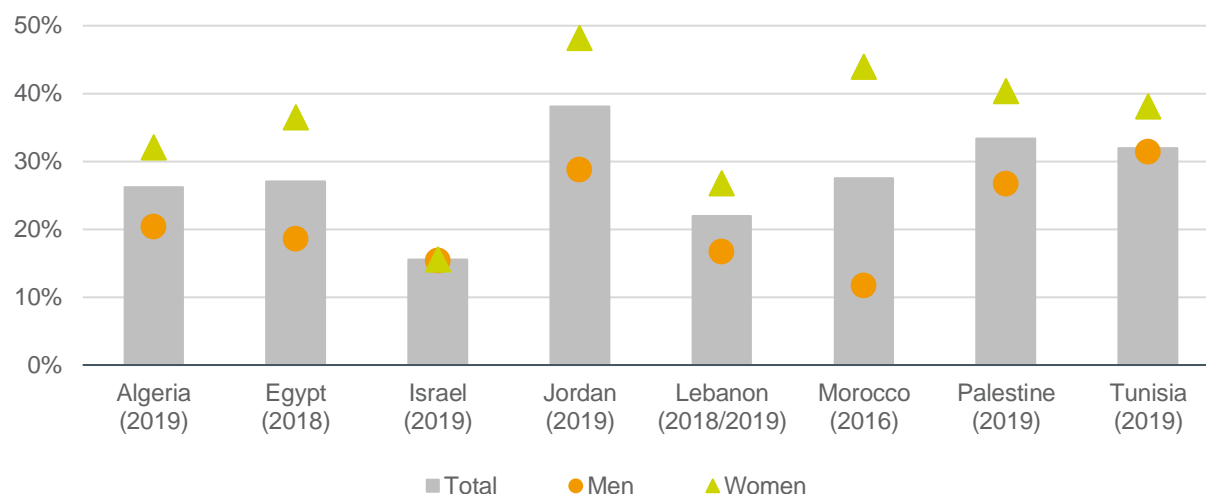
The rate of NEETs in the region is generally high, but there are significant differences between countries. The highest share of NEETs was found in Jordan (38.0%), and the lowest value, of 22.0%, in Lebanon (again, Israel appears as an outlier with a NEETs share of 6%) (Figure 1.6). High youth unemployment rates are a main contributing factor to the high share of NEETs observed in the region's countries.

Furthermore, as indicated earlier, there is a strong gender dimension to the phenomenon of NEETs in the region (see Figure 1.7). While such a difference is minor in Israel, it is very significant in the rest of the region. In Jordan, for example, the NEETs rate among males is 28.8% but rises to 48.2% for females, showing a large gender gap. The situation is similar in Palestine, where the NEETs rate for women is 40.4% compared to 26.7% for men. Even in Lebanon, where the overall rate of NEETs is much lower than Jordan or Palestine, significant differences between males and females remain (16.7% and 26.8% for men and women respectively). Similarly, in North Africa, the NEETs rate among women is two or three times higher than among men (for men: Algeria 20.4%, Egypt 18.6%, Morocco 11.7%, and Tunisia 31.0%; and for women: Algeria 32.1%, Egypt 36.5%, Morocco 44.0%, and Tunisia 38.0%)²¹.

²⁰ See the interview guidelines presented in Annex 2.

²¹ Data sources for male and female NEETs are obtained from the ILO database: www.ilo.org/ilostat

FIGURE 1.7 NEETS (15–24 YEARS) BY GENDER, 2019 OR LAST AVAILABLE YEAR



Source: ETF, KIESE 2020.

Another major gender difference commonly found across the region is shown in the two distinct types of NEETs, namely unemployed non-students and inactive non-students. The majority of female NEETs are categorised as inactive non-students, whereas most of the males are labelled as unemployed non-students²². This points towards the duality behind the high share of NEETs in the region: the lack of sufficient formal jobs for males to pursue; and the lack of access to transport, less favourable working environments and family duties for women.

It is important to underline educational attainment as a factor in becoming NEET. While research in this area is sparse, a 2015 ETF report (ETF, 2015b) suggests that high educational attainment does not ensure a low probability of becoming NEET. According to data from 2011–2012, in Egypt and Palestine in 2012 the largest shares of NEETs were observed among those with a high level of educational attainment (ISCED 5–6) – much more than among those with low and very low levels of education.

Studies on the relationship between the NEET rate and early school leaving confirm a statistically significant and positive correlation between these two measures. This trend applies to all analysed countries: Egypt, Jordan, Tunisia and Palestine (ETF, 2015b, pp. 25–6).

Therefore, it can be seen that there is a great deal of youth labour underutilisation across the countries of the region, a phenomenon that is especially true for women. The youth underutilisation rate in this context is defined as the sum of the non-utilised labour potential (unemployed and inactive non-students) and the underutilised potential of young workers in precarious situations (such as working long hours and/or without a contract, social security and benefits, etc.). The youth labour underutilisation rate reached 46% in Palestine, 44% in Tunisia, 34% in Jordan and 26% in Lebanon, with a consistently higher rate among females compared to males across all the countries (Dimova et al., 2016).

²² This also correlates with the much lower activity rate of women compared to men.

In Israel, the situation is different; here the share of NEETs is very low and similar across all levels of education. Inactive non-students form the majority of NEETs, for both males and females, while the number of unemployed NEETs is very low²³. According to the most recent data, the share of NEETs in Israel stood at 14.7% in 2018, well below the percentages in other countries, and has been falling over time. However, Israel's labour market is characterised by important segmentations of the population, with some groups (Arab-Israelis and ultra-orthodox Jews) having higher shares of NEETs.

1.2.4 Characteristics of the transition to work for young people

As widely reported by the literature, school-to-work transition remains problematic in most countries of the region. Difficult transitions are among the main causes behind the large number of NEETs.

The majority of youth surveyed by the ILO School-to-Work Transition Survey in 2015 had not yet begun their transition into the labour force²⁴ at the time of the survey, meaning that out of the sampled youth (aged 15–29), most had not transited to the workforce. High inactivity and unemployment rates are the main factors behind the low share of youth in the region who have 'transited' into the labour market.

According to the survey results (2015), Lebanon has the highest percentage of transited youth (28.0%), followed by Jordan (26.1%). Again, gender differences are apparent here, with young men in the region more likely than young women to transit into stable employment. In each of the countries analysed, the share of young men who completed the transition to stable employment was more than double that of young women. In Egypt, Jordan and Palestine, in particular, the male share of transited youth was more than five times greater than the equivalent figure for women. In addition, young women in these countries were much more likely to have not yet started the transition process compared to young men.

The transition process was found to differ across countries in terms of education level (or educational attainment). For example, higher educational attainment in both Jordan and Lebanon provided a generally better chance of completing the transition both into the labour market and into stable employment. In these two countries, the majority of tertiary-educated young people surveyed had managed to complete this transition. In other countries such as Palestine, Egypt and Tunisia, the majority of tertiary-level graduates remained in transition, not yet having attained a stable job.

It is also important to look into the different categories of youth in transition, as these can be broken down into those who are unemployed, those engaged in non-satisfactory temporary work or non-satisfactory self-employment, and those who are inactive non-students with a desire to join the labour market in the future. Interestingly, Lebanon had a very large share of active students (those combining studies with work), at 48.4% of all youth in transition. Therefore, it appears that the relatively high share of active students in Lebanon contributes to a relatively low rate of NEETs among young people. The highest rates of inactive youth with plans to look for work in the future were found in Jordan and Egypt, at 22.4% and 26.2% respectively (Dimova et al., 2016, p. 54). With the exception of

²³ OECD data: <https://data.oecd.org/youthinac/youth-not-in-employment-education-or-training-neet.htm> (retrieved 19 December 2019).

²⁴ Labour market transition is defined as the passage of a young person (aged 15–29) from the end of schooling to the first stable or satisfactory job. A young person who has 'transited' is one who is currently employed in a stable job or satisfactory temporary job. A young person still 'in transition' is one who is currently an active student, unemployed, unemployed in a temporary and non-satisfactory job, in non-satisfactory self-employment or inactive and not in education or training.

Lebanon, the majority of young people in transition in the region were unemployed, starting at 48.4% for Jordan and reaching 52.4% in Tunisia.

Youth in the SEMED countries use all of the three types of universally recognised methods to look for their first job, namely: institutional, non-institutional and informal methods. Institutional methods include participation in the 'distribution system' (graduate job placement) and registering with the public employment service offices, as well using the services of employment agencies. Non-institutional methods cover using internet resources, checking the press for job advertisements, attending job fairs and contacting employers directly. Informal methods involve finding a job through networking. Indeed, a large number of job openings are never advertised and are filled through personal contacts with friends, relatives, colleagues and acquaintances. For instance, in Egypt, a study revealed that the main channel through which young people find their first job is through family, friends, or some other network (Assaad et al., 2017).

The ILO's School-to-Transition Survey results also provide valuable information on young people's pathways to their first stable or satisfactory employment. Data shows that most of those who completed the transition attained their first stable or satisfactory job either as their first labour market experience or following a period of unemployment. However, it is important to look at the length of school-to-work transitions in the region. On average, the survey results show that it takes a long time for young people in the SEMED countries to find stable or satisfactory jobs. This 'waitthood' period, characterised by a delayed transition to work, represents a waste of youthful energy.

According to the survey results, it takes a young person an average of 13 months from graduation to attain their first job, with the longest average transition period found for young people in Jordan, at nearly 16 months, and the shortest being 11 months in Lebanon. Moreover, young women take longer on average than young men to complete the transition. The greatest difference between genders in this respect was found in Palestine, where it took young women 20 months, on average, to complete the transition, compared to 12 months for young men. The same pattern can be detected in Egypt where it took women 15.7 months to transit into their first job while it took men only 10.5 months. Results also showed that in these countries young people with a high level of educational attainment (i.e. tertiary qualifications) took less time on average to secure their first stable or satisfactory job than those with a lower level of education. Conversely, the longest average durations of labour market transitions from school graduation to first stable and/or satisfactory job for low-skilled labour were seen in Jordan (18.8 months) and Egypt (16.9 months).

1.3 Key drivers impacting youth employment in the region

There are a number of drivers as well as ongoing changes that are affecting the situation of young people in the region. Most of these changes are a local reflection of global trends. However, country specificities also have an impact. The global changes could be classified as economic, societal, and science, technology and innovation trends, as well as environmental and political/ethical factors. The most important trends are outlined and described below. Good practice from various countries in terms of turning drivers into opportunities are also mentioned in the boxes.

1.3.1 Cyclical economic crises and changing regional trends

While economic crises lead to an overall reduction in the number of new jobs generated by an economy, evidence suggests that young people are, on average, more prone to unemployment at

times of negative economic shocks, and many end up experiencing persistent unemployment, leading to their becoming discouraged and disengaged.

The 2008/09 economic crisis has affected the number of formal jobs being generated in the region on a number of levels. First, the crisis led the private sector to scale back on new hiring or even cut staff numbers to reduce costs. Second, the crisis created a liquidity crunch that greatly limited the volume of investments flowing into the region. And third, various governments found themselves with a very limited fiscal space following the crisis, which had led to the implementation of a raft of austerity measures, and thus, public sector hiring had to be cut back, further limiting the number of jobs available.

The region's countries and labour markets are not only affected by global economic crises, but also by more local and regional crises and changing trends. For example, the economic slump recently experienced by the Gulf Arab countries, partly due to falling oil prices, coupled with workforce nationalisation policies, has limited the number of jobs available for young people from Jordan, Palestine and Lebanon. This in turn, has increased the pressure on the domestic labour market in these countries.

1.3.2 Adjustment of the education system to new technologies and the demand for digital skills

While skills mismatch and quality continue to affect the education systems of the region, several initiatives have been launched with a view to modernising the educational offer in these countries and making it responsive to emerging needs. These needs include the ability to incorporate new technological developments and to use technological instruments to facilitate learning, as well as specific needs generated by unforeseen crisis, such as the Covid-19 emergency. Attempts are currently being made to improve teachers' skills, update pedagogy and practices, establish regular monitoring of students' progress and increase the use of technology in the education process, and such efforts should be streamlined. Specific actions have also been implemented to increase equality of access to education, especially in rural areas or within poorer environments (Mohamed et al., 2016).

MOROCCO'S MORE INCLUSIVE DIGITAL LEARNING

In its rapid response to the Covid-19 outbreak, the Ministry of National Education, Vocational Training and Scientific Research has increased the accessibility of curricula and learning resources for students across the country by distributing tablets with free internet access, as well as utilising the Microsoft Teams platform to facilitate instructor-student interactions. In order to reach rural regions with limited internet access, the Ministry has broadcast pre-recorded classroom instruction over state TV channels. Moreover, with the support of the United States Agency for International Development (USAID), digital lessons have also been translated into sign language, to ensure the inclusion of over 2 000 young deaf people. Alongside ongoing Moroccan Sign Language preparation programmes, the initiative has helped Morocco take a big step towards achieving its education inclusivity reforms.

Source: www.usaid.gov/morocco/program-update/jun-2020-midst-coronavirus-usaid-morocco-supports-distance-learning-deaf-students

NAJJA7NI: MOBILE JOBS CONNECTIONS PLATFORM IN TUNISIA

Mobile technologies have grown rapidly in recent years, moving beyond the traditional use of making phone calls and surfing the internet to impact on various economic and social aspects of life. In Tunisia, where 30% of young people below the age of 30 are unemployed, mobile technologies are used to improve learning and employability. The Najja7ni mobile platform is a major m-learning initiative that has helped marginalised young people to enhance their language skills, employability and financial inclusion. The initiative was launched in 2010 as an education service for primary and secondary school children, and later developed an m-English and an employment service. Najja7ni Education offers children from remote areas and disadvantaged children in urban areas the chance to learn mathematics, sciences, Arabic, French and English. There are approximately 2.5 million learners using Najja7ni and it is intended to make the service available to all 22 countries served by the Ooredoo Group. Najja7ni m-English enables young people to access English courses that include daily conversation scenarios and interactive quizzes. Najja7ni Employment offers an employability support service that connects young people without internet access to various resources, financial inclusion and job opportunities via a basic handset. Through partnerships with the Ministry of Employment and Microsoft, Najja7ni Employment also offers job matching, a mobile marketplace and links with local training opportunities. Users learn about vocational areas of work through quizzes, SMS alerts and psychometric tests, and they can reach out to potential employers by posting a mini CV on Najja7ni Employment. There are currently about one million young people benefiting from the entrepreneurship support, career guidance, labour market and training opportunities, and financial literacy offered by Najja7ni.

Source: Oxford Research/AAA/To Excel, 2020.

1.3.3 Technology and sectoral shifts

There is no denying that the rising role of technology in people's lives is dynamically influencing the labour market, in terms of both creating and destroying jobs. In other words, the rise of technology is changing the landscape of the labour market, and some skills are giving way to others. It is anticipated that the impact of technological progress in the SEMED region will vary across sectors, with some new fields emerging.

There are a number of technologies that are expected to shape the future of work, including artificial intelligence, robotics, the internet of things and 3D printing. The last two are already gaining some ground in the region and are exerting a degree of influence on the labour market. One example related to the internet of things is the rise of ride-hailing apps such as Uber.

Overall, young people are at an advantage when it comes to technological changes. In other words, young workers are better placed than their older colleagues to adapt to rapid technological change, given that they have likely grown up in a technology-rich environment, and are, on average, better educated.

Sectoral shifts in youth employment are also taking place, but these are highly dependent on the specific context of each country, including its macroeconomic and sectoral policies, skills and human

capital development strategies and access to markets. Globally, demand is seen to be increasing for science, technology and engineering, and decreasing for some medium-level skills.

TUNISIA'S PROMISING GAMING INDUSTRY

Tunisia boasts a steadily growing gaming community of at least 600 000 players, which has formed the basis for a start-up gaming industry in the country and the development of local games. Tunisia now has five companies which are dedicated to gaming development. Some of the gaming start-ups, such as Digital Mania, are worth more than USD 1 million and offer employment opportunities to young people. The Tunisian Association of Gamers, founded in 2012, submitted a strategy to the government detailing how gaming could boost youth employment. They proposed a market structure and asked to have gaming recognised as a sport so that Tunisia could compete on an international level. In response, the Ministry of Telecommunication and Numeric Economy promised to finance the professionalisation of gaming in Tunisia. By developing a culture of video game playing, like South Korea, Tunisia could develop a thriving gaming industry, which could help to create thousands of jobs. However, this requires state-of-the-art training and a more conducive business environment – enabling online payment and fostering freelancer status. The industry is also attracting young women, though to a lesser extent. Tunisian gamers could help revitalise the economy and perform a leading role in the country's digitalisation.

Source: Oxford Research/AAA/To Excel, 2020.

ISRAEL: THE START-UP NATION OF THE WORLD

A major and marked shift towards technology can be observed taking place in Israel. The country, which has been dubbed the 'start-up nation', now has the most high-tech start-ups per capita in the world. This has been made possible through a dedicated policy to advance the economy and propel it into the technology and innovation sector. Government support in attaining a high level of research and development expenditure was a main driver behind Israel's tech and innovation boom. However, some drawbacks of these programmes have been noted. One area of concern is that the returns in terms of longer-term job creation and income growth have not been up to par, with many of the start-ups being sold abroad and never really expanding internally. Moreover, sectors outside of the high tech and communication sector have been more or less left out as a result of the government's focus on high tech, and have experienced much lower levels of innovation. Another challenge is posed by the industry growing faster than the supply of talents, resulting in an employees' market, with wages in the tech sector rising faster than in other areas.

Source: Oxford Research/AAA/To Excel, 2020.

For the countries under analysis, major sectoral shifts have taken place, from the public to the private sector and from various sectors to the service industries. The shift towards services is particularly problematic, as the jobs being created in most of the countries are in low value-added service sectors (ESAY, 2017).

Other than these major trends, each country has experienced certain shifts in youth employment depending on contextual factors and domestic policies. For example, employment in Jordan's garment sector has grown considerably over the past decade, contributing to the employment of young women. A special arrangement of qualified industrial zones, with tax-free access to US markets, has helped to boost this sector and greatly increase its employment levels²⁵.

Unfortunately, the education systems of most of the countries in the SEMED region have not been able to keep up with the shift towards high-tech sectors, and continued investment in education, innovation and connectivity from both government and the private sector are needed to enhance job creation in the context of high global integration and rapid technological change (WEF, 2018). On the other hand, Israel is one of the few countries which has been able to keep up and respond to the rapid technological change (Slakmon, 2016).

1.3.4 Rising new forms of youth employment

The literature on this issue²⁶ illustrates that forms of employment are changing, with young people increasingly engaged in multiple non-standard jobs, sometimes working for many employers simultaneously. In other words, the way in which young workers engage in the labour market is shifting, with a clear move towards less secure forms of work. In Jordan, for example, a regulation on non-standard, part-time work was recently endorsed to accommodate this shift in employment patterns (*Jordan Times*, 2018).

The development of the gig economy in the region (e.g. online platforms such as Uber) is connected with benefits and threats, as in other parts of the world. First of all, it allows young people to find employment with relative ease and gain their first work experience. However, important risks are related to job insecurity, unstable wages, low bargaining power and atypical working hours, all of which create an unstable livelihood situation (Graham et al., 2017). The conditions offered by the gig economy are intertwined with local situations and sometimes increase the precariousness of young people's positions. At other times, however, it provides jobs for young people who would otherwise have remained jobless or disengaged from the market.

²⁵ For more on this example in Jordan, see Royal Scientific Society and FES (2013).

²⁶ See for example OECD (2019).

UBER'S LAY-OFFS EXPOSE THE VULNERABILITIES OF WORKERS IN THE GIG ECONOMY

As the largest market in the MENA region, with over 100 million people, Egypt has been one of Uber's top 10 markets. The giant tech company has helped create 200 000 jobs in the country over the past six years. However, in the first half of 2020, Uber laid off about 40% of its (approximately 700) full-time office-based staff (Reuters news, 2020). These cuts occurred amidst Egypt's measures to flatten the curve of the coronavirus spread, which included enacting a curfew to slow down the infection rate. The lay-offs were part of Uber's global job cuts, which saw 6 700 full-time employees, almost a fifth of the total, made redundant in 46 of the markets where it operates. Furthermore, Uber shut down its food delivery platform 'Uber Eats' in all Middle East markets, including Egypt. These drastic measures highlight the vulnerability of employment in the gig economy.

Source: Oxford Research/AAA/To Excel, 2020.

1.3.5 Conflict and migration

Conflicts among and within countries are another main driver affecting youth employment in the region; directly and/or indirectly they have limited opportunities for young people and driven many to migration. Conflicts and social unrest have had a great impact on youth employment prospects in the region, due to their effect on job creation, investments, exports and freedom of movement. This applies, for instance, to the conflict in Syria, which has caused millions of refugees to flee to neighbouring countries, including Jordan and Lebanon.

All this creates a mesh of migration patterns driven by the search for livelihood opportunities. According to the United Nations' stock of migrants' data, the highest proportion of migrants compared to population of the country is observed in Jordan, where immigrants account for 33.1% of the population (3.3 million in 2019). A significant share of immigrants was also noted for Lebanon (~27.2%), while the lowest value was in Egypt (504 000, i.e. 0.5% of the country's population) (UN, 2019b). This already difficult situation has been exacerbated by the Syrian conflict, with a major influx of refugees coming especially to Lebanon and Jordan, which has had a considerable impact on the local labour market.

Many countries in the region are countries of immigration, emigration and transit, which creates a complex network of migration in the region. Young people migrate to Europe and North America as well as the Gulf Arab countries, in pursuit of better opportunities. Emigration acts as a safety valve for many of the SEMED economies, by absorbing some of the excess labour force who cannot find jobs that meet their expectations in terms of quality and pay in their home countries. In addition, emigrant workers support their economies through remittances. While young people migrating in search of opportunities abroad relieves pressure on the domestic labour market, the outflow of skilled human capital from these countries leads to a situation of 'brain drain'. One study conducted on a sample of MENA countries, including Egypt, Jordan, Lebanon, Palestine and Tunisia (Ramos, 2017), found that there is a high tendency among NEETs in these countries to migrate abroad to seek better opportunities. The study revealed that longer spells of unemployment and the perception of a lack of jobs are also relevant drivers for people considering international migration. While this trend was evident for all countries in the study, important differences can be noted from the results. Educated

NEETs in Jordan and Palestine are more inclined to migrate abroad, while in Lebanon and Tunisia, the preference is to migrate to other parts of the same country. Meanwhile, the region hosts an inflow of labour migrants, amounting to more than 1 million legal immigrants of working age, in addition to an unknown number of irregular or unregistered incomers looking for work (estimated to exceed 2 million). These immigrants represent a source of cheap labour for local employers, accepting wages and working conditions deemed unacceptable for national workers (ETF, 2015a).

1.4 Policy mechanisms to support young people's transition into work

In general, the policies adopted and implemented by the countries in the region have fallen short in addressing the various challenges that young people face when transitioning from school to work. Despite the very many programmes and policies implemented over the years, deep-rooted structural barriers and/or other specific causes limiting youth employment remain. These include: persistently low levels of job creation; the lack of effective structural reform in the labour market, the broader economy, and/or the public administration and public services (including the public employment services); ineffective ALMPs; inefficient and insufficiently targeted employment measures; and limited efforts to integrate inactive and disadvantaged youth and NEETs into the labour market.

More specific country analysis is included in Annex 1, which includes a description of the most relevant initiatives implemented by each country to tackle youth unemployment. These lists are not exhaustive but give an idea of the main policies and programmes put in place at country level, either through national measures or with the support of donors. As is clear from the country analysis, most policies can be grouped into three clusters: (i) skills development; (ii) career guidance and counselling; and (iii) entering and remaining in the labour market.

The skills development cluster encompasses all the measures provided at school level (initial education and/or training), skills development after leaving school (including non-formal education) and the delivery of continuing vocational training to both jobseekers and workers. The second cluster comprises all career guidance and counselling services publicly provided in the secondary general, VET and higher education systems. Many actors are involved in the provision of career guidance and counselling, from secondary schools, vocational schools, resource centres for inclusive education and universities to non-governmental organisations (NGOs) and donors. The third cluster covers various measures relating to entering and remaining in the labour market. Intermediation between jobseekers and vacancies is the most important service provided by the public employment services. Under this cluster, interventions related to young people's first work experience include work-based learning in vocational education, on-the-job training in companies, the temporary employment of young people who continue studying in educational institutions in their free time, as well as support for youth entrepreneurial activities.

2. CASE STUDIES: EGYPT AND JORDAN

As emerged from Chapter 1, the labour market situation of youth in the SEMED region is challenging. Detailed evidence on this situation is fragmented, and it lacks a deeper understanding of the phenomenon; often it does not allow for any disaggregation of the findings or investigation into the root causes of exclusion. Young people's perceptions about their own situation and their aspirations are also rarely tracked. Furthermore, existing studies often say little or nothing about why skills are used in a non-optimal way or how young people come to end up at the margins of society and substantially inactive. The dynamics of the region and the fast pace of change add complexity to this already multifaceted picture.

Chapter 2 aims to provide new, more in-depth evidence on the situation of young people in two countries, Egypt and Jordan. These countries were selected as case studies based on their socio-economic characteristics (different population sizes and economic development) as well as the availability of data. In particular, the research looks firstly into the situation of young people in each country, whether in employment or not, with specific reference to the subgroups of young people who are NEETs, so as to better understand their profiles and determinants; and, secondly, it sheds light on the situation of young people and their own perceptions of their labour market situation, their opportunities and plans.

To achieve its ends, the research combines the use of two main tools. The first is a quantitative tool based on an analysis of microdata from the national LFS, which provides a deeper assessment of the situation of young people in Egypt and Jordan in terms of their participation in the labour market. In particular, it aims to show the differences in types of jobs held by young people as compared to other age groups, the probability of being employed/unemployed/inactive, and the methods of jobseeking used by unemployed young people. The analysis covers four periods (2010, 2012, 2014 and 2016) in both countries and applies univariate and multivariate statistical methods, which are based on the literature and other research projects in this area. Microdata are retrieved from the Economic Research Forum (ERF) Microdata Catalogue²⁷, available up to 2016 (a disaggregated analysis of more recent data is consequently not possible at the time of writing). A general overview of policy responses to youth-related issues in the two countries is also provided.

The second tool is more qualitative, based on an ad-hoc small-scale survey that provides insights into the situation of youth in the two countries and their perceptions, as reported directly by young people themselves. The specific objective of the survey was to collect information on the situation of young people – including those who are unemployed, inactive or in employment – with a special focus on working conditions, the relationship between work and education, job satisfaction and ways of finding a job, as well as eliciting subjective opinions on the labour market situation in their country and their perspectives in general. The survey was carried out in the first quarter of 2020 with a sample of 100 young persons in each country, using the same survey instrument and thereby ensuring a mirroring effect. Although not statistically relevant, the results provide interesting insights and allow a better understanding of the situation of young people in the two countries.

²⁷ www.erfdataportal.com/index.php/catalog

KEY HIGHLIGHTS

- Young people in the two pilot countries – Egypt and Jordan – share a very similar situation in the labour market with regard to working conditions, challenges and perceptions. Both the LFS data and the survey with young people confirm this.
- Data from the LFS show that their situation is characterised by low economic activity and employment rates and high unemployment compared to the total population, especially among graduates.
- Gender is the most important dimension shaping young people's outcomes: the great majority of women are inactive and the share of employed women is much lower than that for men. However, important labour market changes are observed in Egypt, with more young women in the labour market and significantly more in education than in the past.
- Education is a success factor in both countries in terms of employment chances: while in Egypt tertiary graduates have the highest probability of finding a job, in Jordan, VET is the pathway that yields the best results (followed by tertiary education) – people with secondary vocational education have a 349% higher probability of being employed than those with no education.
- Young people who are employed are typically male. If labour market opportunities are limited for young men, they are almost non- for young women. The typical employed youth is a man aged between 25 and 29 with a tertiary education degree. Working conditions are usually difficult in both countries.
- From an occupational perspective, most young people work as agricultural workers in Egypt, and as shop and market sales workers in Jordan. From an economic sector point of view, the majority of young people in Egypt work in agriculture and construction, while in Jordan they work in public administration and defence, as well as wholesale and retail trade. In both countries most young people work in the private sector.
- There are great variations in occupations and economic sectors between men and women, with women more often working as professionals in both countries. Skills mismatch characterises both countries, with a high percentage of young people working in occupations that require a lower level of qualifications and skills than they have attained.
- In Egypt, between 2010 and 2016, the length of time people stayed in a job fell significantly, which indicates that moving from job to job has become a rather recurrent situation for young people. However, young people are working more irregularly, for fewer hours, and are definitely less willing to change job: this seems to suggest a general deterioration in working conditions.
- NEETs constitute one-third of all young people in both pilot countries, with women making up the majority of this group. This means that 8 million young people are NEETs in Egypt and 0.9 million in Jordan. While in Egypt the NEETs rate has held steady over the last few years – with a significant reduction of the NEET gender gap – in Jordan a sharp increase has been observed since 2010.
- Typically, NEETs are single unemployed men or female homemakers.
- The unemployed group includes mainly men, with a significant share of persons with tertiary education.

- In Egypt the category of 'discouraged from seeking a job' has increased significantly (from 3.4% for men in 2010 to 25.3% in 2016). This implies that a large section of young people in Egypt are inactive and not looking for a job, which again signals a deterioration in the labour market situation (or at least in young people's perception of it), especially for young men.
- In both countries, the effect of education on the probability of being NEET can be depicted as a U shape: the likelihood of becoming a NEET increases for those with no education and higher levels of education, while elementary and general high school graduates are less likely to fall into this group.
- The situation of tertiary graduates is challenging, with the highest employment, but also the highest unemployment rates among this group – this situation is related to a mismatch between education and the labour market, and also to the low capacity of local economies to absorb high-skilled youth.
- Young tertiary-educated women face considerable challenges in finding a job, especially in Jordan. However, tertiary education seems to have a positive impact on activity rates, which also indicates a higher level of engagement in public life.
- Long-term unemployment is structural and significant in Jordan (accounting for 41.4% of all unemployed persons) and shows an increasing trend over the years. Conversely, a decreasing trend has been observed in Egypt. However, this may be the result of increased inactivity rather than an improved labour market situation.
- According to the survey respondents, young people perceive that it is hard to find a job in their country, mainly due to mismatches between employers' requirements and the skills of young people, as well as the necessity of having work experience. In their opinion, the situation of young people in the labour market has not changed in the last five years.
- Respondents also frequently claimed that governments could do more to support jobseekers, and that starting one's own business is a difficult process.
- Most employed respondents felt time pressures at work and reported exposure to hazardous conditions.
- The majority of employed young people expect that digital technologies will affect their job situation.

2.1 Egypt case study

2.1.1 Overview of the employment situation of young people

Compared to the rest of the population, young people in Egypt face a difficult situation in the labour market. This is reflected in lower activity and employment rates and higher levels of unemployment. However, their situation has changed over time, especially in relation to young women (with greater numbers in education and employment).

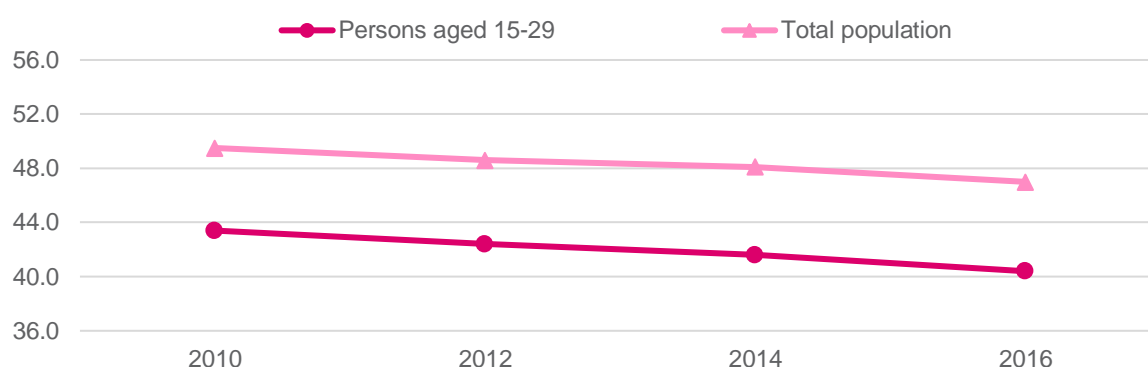
In Egypt the percentage of economically active young people (15–29 years old) reached 40.4% in 2016²⁸, somewhat lower than for the total population (46.7% in 2016, 15+). During the period 2010–

²⁸ The national LFS is the source of all the data in this part, except when otherwise indicated.

2016, the activity rate of young people closely followed that of the population at large – showing a constant slight decrease for both groups – although the youth activity gap (6.6 percentage points in 2016) marginally increased from 2010, meaning the relative situation of young people had slightly deteriorated (Figure 2.1).

The activity rate is highly diversified by educational attainment, with the highest level seen for tertiary education graduates (84.7% in 2016) and the lowest for young people with only primary education (19.2%).

FIGURE 2.1 SHARE OF ACTIVE POPULATION IN EGYPT, 2010, 2012, 2014 AND 2016*



Note: * More recent data available in KIESE database follow a different group definition (aged 15–24). For this report, the group was defined as aged 15–29 (LFS definition). However, the KIESE data show exactly the same trend in Egypt, showing the total share of the active population in 2018 as 43.3%.

Source: Oxford Research, based on LFS data, 2020.

The lower level of economic activity among young people is further confirmed by the analysis of the employment rate: in 2016, only 29.6% of young Egyptians were employed (cf. 40.9% for the total population) and 10.8% of all young people were unemployed²⁹ (cf. 6.1% for total population). This resulted in an unemployment rate of 26.6% for young people, and 12.9% for the population aged 15+.³⁰

After 2010, negative trends were observed for both indicators (employment and unemployment rates, -5.6 percentage points and +2.6 percentage points respectively). The most dramatic changes were seen between 2010 and 2012, after this period the level of both indicators flattened.

The economic activity of young people is highly heterogeneous, with specific groups being particularly disadvantaged, i.e. more often inactive or unemployed. The most important factor is gender. Young women are far less active than men – registering an activity rate of only 23.9% in 2016 compared to 56.4% for men. This situation has been fairly stable over recent years, although it has shown a slight improvement (22.3% of women were active in 2010). It is worth underlining that the share of active

²⁹ This figure is calculated as a labour force status distribution of the total corresponding population (including both active and active persons), and it differs from 'unemployment rate' as the latter is calculated as percentage of the active labour force (i.e. the unemployment rate of the 15+ population equals 12.9%, namely 6.1% / 47%). Hence, unemployment rate of young people aged 15–29 can be calculated as 10.8% / 40.4% = 26.7%. For the purpose of the analysis in Chapter 2, 'unemployed' will refer to the labour force status distribution of the corresponding population.

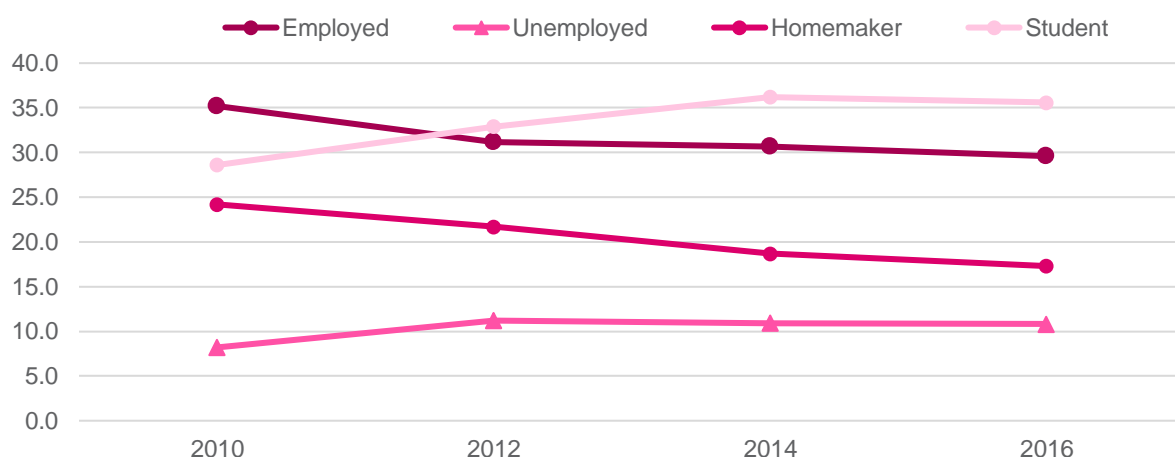
³⁰ The unemployment rate is calculated as the number of those who are unemployed divided by the number of all active persons in a certain population.

young women is very similar to the level of female activity in the total population (23.0%), while the activity rate for young men scores much lower than that for men in the total population (69.6%). This indicates that, when participation in the labour market is analysed, gender counts more than age in Egypt.

There is also a clear age gradient, with a much higher share of active persons in the older age group (25–29 years old) – 61.5%, compared to only 17.4% for the youngest group. This can be seen in both men and women, although the difference between the youngest and the oldest is stronger among men. We also observed the highest percentage of active persons among those with tertiary education (84.7% in 2016), and the lowest among those with primary education (19.2%). Conversely, lower shares of active youth are found in families where the household head has a higher level of education or a relatively good income (this is probably linked to young people being able to continue their studies due to the more favourable socio-economic context of the family). Activity rates in rural areas are slightly higher than in urban regions.

Among inactive young people, most are either homemakers (17.3%) or students (35.6%). Important changes in activity status were observed in the later years, which reveal important shifts among young people: increasing percentages of students and unemployed, and decreasing numbers of employed persons and homemakers. In 2016, student was the most often mentioned activity status, whereas in 2010 the highest share of young people were those in employment. These changes played out differently in various subgroups. Between 2010 and 2016 the percentage of women in higher education increased by 10 percentage points and the share of homemakers dropped by 15 percentage points, further confirming significant changes related to gender. Men, on the other hand, are significantly less often employed, and more frequently unemployed. The share of students among young men showed a much smaller increase compared to the rise in this area for women. Such trends may suggest important labour market changes, with more young women in the labour market and significantly more in education, who can also enter the workforce in the near future.

FIGURE 2.2 ACTIVITY STATUS AMONG YOUNG PEOPLE (15–29 YEARS) IN EGYPT, 2010, 2012, 2014 AND 2016



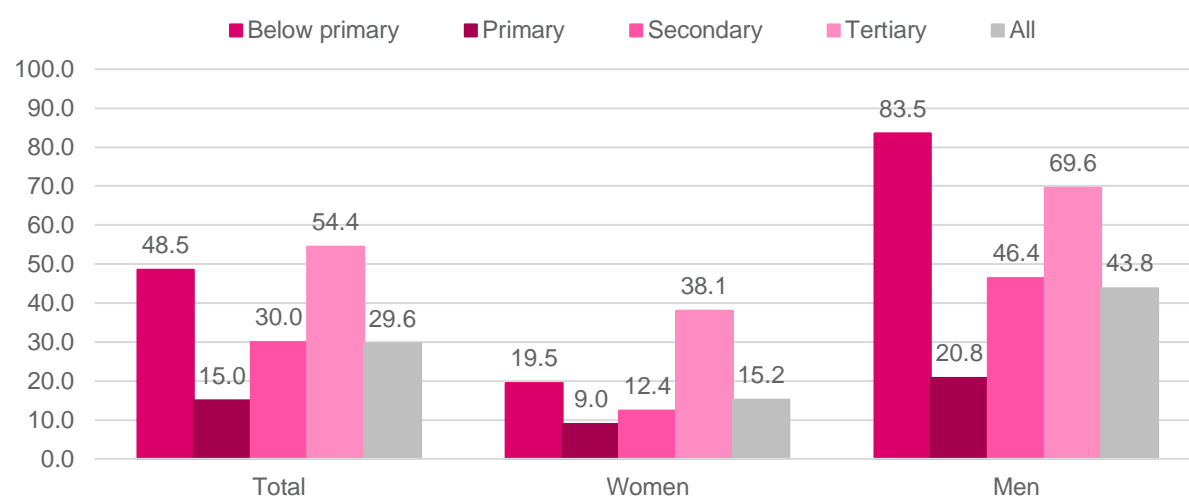
Source: Oxford Research, based on LFS data, 2020.

The employment rate also varies considerably by subgroups, with the greatest difference related to gender. In 2016, 43.8% of young men were employed and only 15.2% of women. Between 2010 and 2016, the employment rate for young men dropped significantly (from 56.5%), accompanied by an

increased percentage of unemployed men. In the case of women, on the other hand, the employment rate was observed to grow (from 12.5% in 2010).

The proportion of those in employment grows sharply with age, reaching 49.9% among people in the 25–29 age group. The highest employment rate is seen among young people with tertiary education (54.4%) (Figure 2.3) (but this is also true for the unemployment rate, which is highest among tertiary graduates, see below). Interestingly, the second highest youth employment rate is evident for people with the lowest educational attainment, i.e. those who have not completed primary education. This trend has been stable for a number of years (2010–16).

FIGURE 2.3 EMPLOYMENT RATE OF YOUNG PEOPLE (15–29 YEARS) BY EDUCATIONAL ATTAINMENT IN EGYPT, 2016



Source: Oxford Research, based on LFS data, 2020.

Household size also plays an important role: the highest share of employed persons can be found among people living in the least populous households (with fewer than four members). It is also worth highlighting the impact of the education level attained by the household head on the labour market outcome of young people. The employment rate for young people is highest where the household head has no education, whereas among those households where the head has tertiary education, a significantly higher share of young people are students.

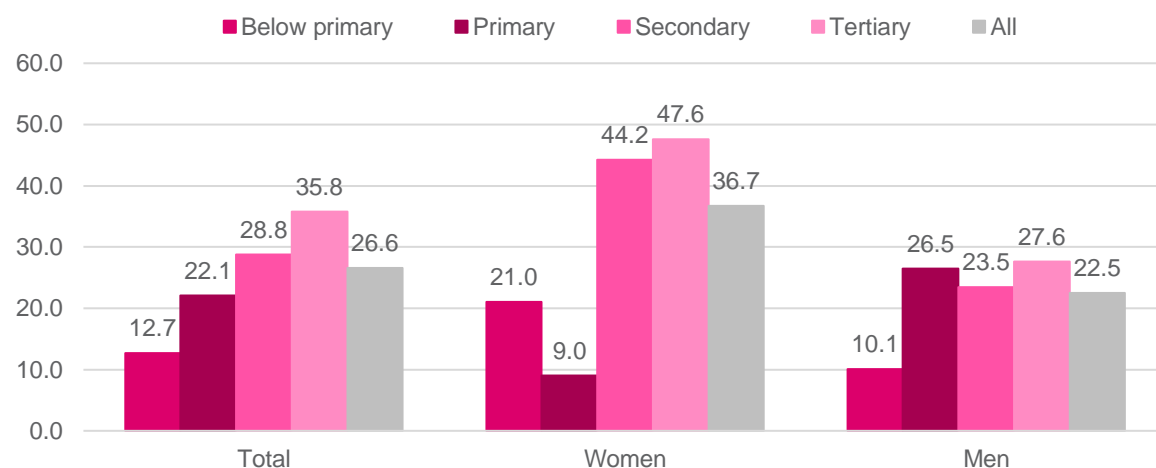
In 2016, 10.8% of all young people were unemployed, and the percentage of unemployed persons reached 26.6%³¹, with a much higher unemployment rate among women than men. The highest share of the unemployed was noted for the middle age group, i.e. 20–24 years old (unemployment rate = 36.8%). A great variation in unemployment can also be seen in terms of education level – 35.8% of young people with tertiary education were unemployed in 2016, and 12.7% of those with below primary education (Figure 2.4). Interestingly, higher unemployment rates for women appeared across all education levels except primary, which suggests better employability prospects for women with low educational attainment, while more highly educated women struggle with finding a job. The low

³¹ See the previous note on calculation methods.

unemployment rate of men without education points to a high demand for low-skilled workers, usually manual labourers.

These findings confirm that young people graduating from tertiary education find it hard to enter the world of work. However, it also shows that higher education pushes young people to enter the labour market (as employed or unemployed), therefore keeping them active (and possibly engaged).

FIGURE 2.4 UNEMPLOYMENT RATE OF YOUNG PEOPLE (15–29 YEARS) BY EDUCATIONAL ATTAINMENT IN EGYPT, 2016



Source: Oxford Research, based on LFS data, 2020.

2.1.2 The situation of employed youth

Although only one-third of young people are employed, there is a great variety in their working circumstances and conditions, including occupations, sectors, working hours and availability of social security. This section describes the situation of employed young people, namely the types of jobs they do and their working conditions. This is compared to the employment conditions of the total population, which allows us to identify the position of employed youth relative to the total Egyptian labour force. An assessment of the differences between subgroups of young people and changing trends over the last years is also provided.

Types of jobs

The great majority of young people holding a job have employee status (77.9%), and only a fraction of them are self-employed. Young people are much less likely to be self-employed or have the status of employer, compared to the total population (15 years and over). On the other hand, young people, are more often contributing family workers (especially young women).

The main economic sectors employing young people are agriculture, forestry and fishing (29.2%), followed by construction (14.9%), manufacturing (12.3%) and wholesale and retail trade (12.3%). These four activities make up almost 70% of the businesses employing young Egyptians. Compared to the total population, young people are more frequently employed in agriculture and construction, but considerably less so in public administration and education.

Significant variations between men and women are observed. Young women are more often employed in agriculture, as well as education and human health and social work activities, whereas

men find employment in manufacturing, construction, trade and transportation. The only major variation between age groups is related to agriculture, with a much higher share of workers in this sector coming from the youngest age groups. The type of economic activity engaged in is clearly related to education level, with agriculture dominating among young people in the below primary and primary groups, and the education sector providing employment for those with tertiary qualifications.

From an occupational perspective, most young people (almost half of young employed persons) work as skilled agricultural and fishery workers³² (27.6%) and craft and related trades workers (21.2%), whereas this proportion is much lower for the total population, which has larger shares of legislators, senior officials, managers and professionals. Among young people, women are significantly more often professionals, technicians, and skilled agricultural and fishery workers, while men are more frequently employed as craft and related trades workers, plant and machine operators and assemblers, as well as service workers and shop and market sales workers. There are quite obvious differences related to age – the youngest employed people are agricultural and craft and related trades workers, whereas in the top age groups, there are high shares of occupations requiring advanced skills (professionals, technicians).

The private sector dominates the employment landscape in Egypt: 90.5% of people aged 15–29 work in the private sector, and only 7.5% in the public sector (with an overrepresentation here of tertiary education graduates and people aged 25–29). There are only limited differences between genders, with young women slightly more likely to work for the government (11.7% of young women are employed in the government sector, and 7.9% of men) and less so in the private sector (women 87.3%; men 91.6%)³³.

Job tenure (the length of time an employee has been employed by his/her current employer) is obviously related to the age of the respondent. The average job tenure for the total population of employed persons in Egypt is 12.9 years, while the average figure for young people is 4.8 years, with a sharp increase in relation to age³⁴. Women generally have shorter tenures than men, and the higher a person's education level, the lower the number of job tenure years. Compared to 2010, the share of workers with a low level of experience (up to 3 years) increased, while the proportion of those with 4–6 years of job tenure dropped significantly, which indicates that transitioning from one job to another has become a somewhat recurrent situation for young people in the country. This has numerous implications, for example in relation to the function that employment services are called on to perform (offering stronger support for multiple transitions), and the rules and regulations that would need to be adopted to ensure workers' social protection and rights (for instance, the possibility of transferring

³² According to the ILO definition, 'Skilled agricultural and fishery workers grow and harvest field or tree and shrub crops, gather wild fruits and plants, breed, tend or hunt animals, produce a variety of animal husbandry products, cultivate, conserve and exploit forests, breed or catch fish and cultivate or gather other forms of aquatic life in order to provide food, shelter and income for themselves and their households. Most occupations in this major group require skills at the second ISCO skill level': www.ilo.org/public/english/bureau/stat/isco/isco88/6.htm.

³³ The government sector is by far the biggest employer in Egypt (Assaad and Krafft, 2013), and the government has plans to reduce its size (Emam, 2018), which may result in young people having difficulties finding a job in this sector.

³⁴ When analysing single years, the average tenure for a 15-year-old is 2.3 years, for a 20-year-old – 3.3 years, for a 25-year-old – 4.3 years, and for a 29-year-old – 6.9 years. Half of the young people had a job tenure of up to 3 years, but 25.2% had a tenure of 7 years and more (this group was mainly comprised of men). Summarising, we observe that half of the young people had up to 3 years' experience and the other half – more than 3 years.

rights from one employer to the other), not to mention the validation of any skills acquired (making them visible to new employers).

Between 2010 and 2016 a few significant changes were observed in the types of jobs held by young people. First of all, as already mentioned, a growing share of young people are unemployed (an increase of 2.6 percentage points) and students (+7.0 percentage points), while fewer are in employment (down by 5.6 percentage points) or are acting as homemakers (-6.8 percentage points among all young people, driven by a decrease of 14.9 percentage points among women). During this period, more young people moved into the private sector (from 86.3% in 2010 to 90.5% in 2016), at the expense of the public sector, as a result of the rationalisation of official agencies implemented by the Egyptian government. This decrease in those employed in the public sector affected mainly young women (the share among women dropped from 27.2% to 10.9%).

Working conditions

Many of the young people who hold a job in Egypt experience difficult working conditions, with long working hours, irregular or seasonal work, and poor health and social security coverage. Indeed, the majority of employed young people – 58.6% in 2016 – work 40 hours a week or more, with those living in urban areas and men working longer hours than those based in rural areas and women. Long working hours per week denotes precarious working conditions and often engagement in labour-intensive sectors.

The proportion of young people who work full time is 54.3%, and 32.8% have irregular or seasonal jobs (compared with only 20.6% among the adult population), which entails greater instability for the youth population. Full-time jobs are more often associated with tertiary education, 'older' employees (25–29 years) and urban residence, with no gender differences observed.

Social security related to employment is not common among the Egyptian labour force. Out of the total population of employed people aged 15 years and over, only 37.9% have social security coverage and 31.2% have health insurance. These numbers are much lower among young people: only 22.2% have social security coverage and 17.8% have health insurance, while 77.1% of young workers have neither health nor social insurance (compared to 61.7% in the total population), and only 17.2% have both (30.9% in total population). This further confirms the situation of poorer employment security for young people. Men are more endangered by a lack of social security, as are the youngest and least educated groups. The group with the highest share of employees with both health and social security benefits are those with tertiary-level education (50.0%).

The average monthly salary of employed young people in Egypt in 2016 was much less than their older peers, with women and the youngest age group more often present in the lowest wage categories. The distribution of monthly earnings by education was not observed to follow a simple pattern, but there was a general indication that although a tertiary education does not guarantee a higher wage, it protects people from a low salary and has a beneficial effect on earnings in the long run.

When looking at the main trends between 2010 and 2016, first of all we observe a significant shift in working hours. In 2016 young people were working fewer hours than they were six years earlier. The percentage of young people working fewer than 40 hours a week almost doubled, and the share of young people working long hours also dropped considerably. This is confirmed by changes in employment stability, where the proportion of young people in full-time work dropped by almost 10 percentage points – with a much steeper decline among women than men. So, although the

employment rate among women rose over the years under review, this was mainly an increase in part-time jobs. Security of employment has not changed significantly during this time, but we can observe a significant drop in people's willingness to change jobs. This all means that young people are employed more irregularly, work fewer hours, and are definitely less willing to change job (although they transition more from job to job, as seen above). This shift in working conditions might be the result of the increased unemployment rate. From a wages perspective, the nominal increase in earnings was less beneficial for university graduates than other educational groups³⁵.

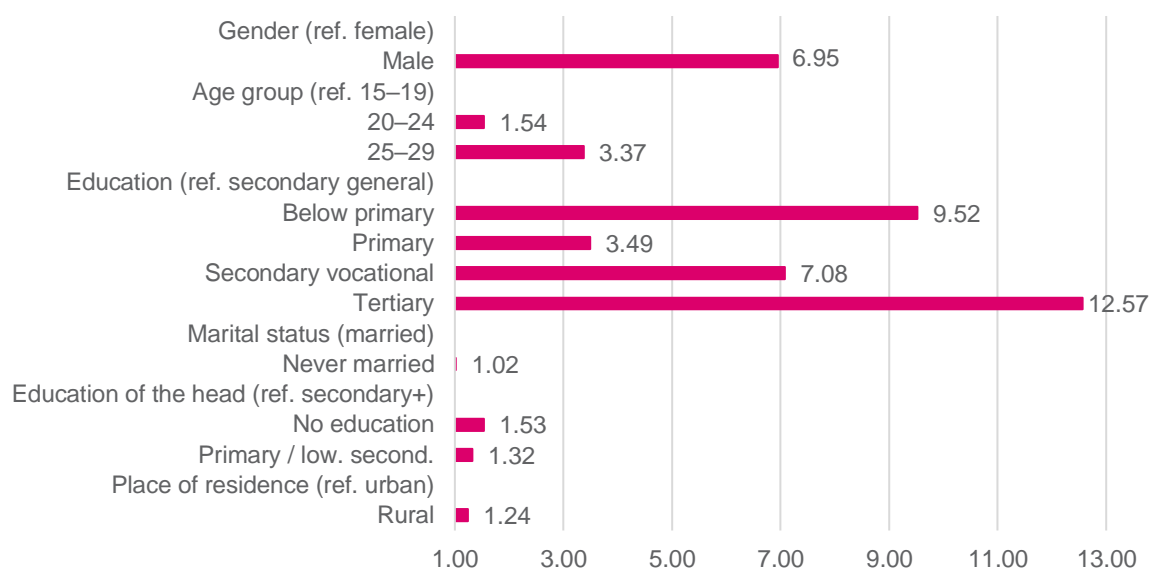
The probability of being employed: success factors – statistical modelling

To assess the probability of a young person being employed in Egypt, we applied a logistic regression (Figure 2.5). First, we need to underline that all predictors of being employed were statistically significant (p -value < 0.01), which means they all had significant influence on being employed. Out of all the social and demographic predictors, education is by far the most important. A person with tertiary education has the highest chance of being employed, almost 13 times higher than a person with general secondary education. A similar trend, with a much lower odds ratio, is noted for those with below primary and secondary vocational education (the distribution of young people by education is as follows: below primary, 12.5%; primary, 37.4%; secondary general, 14.1%; secondary vocational, 24.0%; tertiary, 12.1%).

The next important predictor is gender: being a man increased the probability of employment by 595% (more than six times) compared to being a woman. The age and educational attainment of the household head also bears an influence on the likelihood of being employed. Being in the oldest age group (25–29) increases the chances for employment by 237%, and in the mid age group by 54% compared to those aged 15–19 years. When the head of the household has had no or only primary education the probability of being employed for a young person is, respectively, 53% and 32% higher than when the household head has had at least secondary education. People living in rural areas have a 24% higher chance of being employed than those based in urban areas.

³⁵ The analysis of trends in wages should take into account the increase in the consumer price index and the devaluation of the Egyptian pound (EGP) in 2016. Direct comparison is therefore distorted. We can, however, point to the most important changes. In 2010, 82.4% of young employed people earned less than EGP 900/month, and in 2016 – 18.1%. At the same time, the share of top-earners (EGP 2 000 and above) peaked from 1.9% to 17.7%. Young employed university graduates earning at least EGP 1 500/month in 2010 constituted 7.1% of all employed persons with tertiary education (above the share for all young people), and 39.5% in 2016 (below the share for all young people).

FIGURE 2.5 PROBABILITY OF BEING EMPLOYED IN EGYPT, 2016 – RESULTS OF THE LOGISTIC REGRESSION (ODDS RATIO)



Source: Oxford Research, based on LFS data, 2020.

Our analysis confirmed the presence of significant gender bias in Egypt's labour market, yet education has the strongest influence on being employed. The influence of the head of the household might seem unexpected; however, it probably indicates that a young person from a household where the head (usually the father) has no education is more likely to look for a job in order to provide for the household, whereas parents with higher educational attainments value schooling more than an early entry into the labour market for their children.

2.1.3 The situation of NEETs

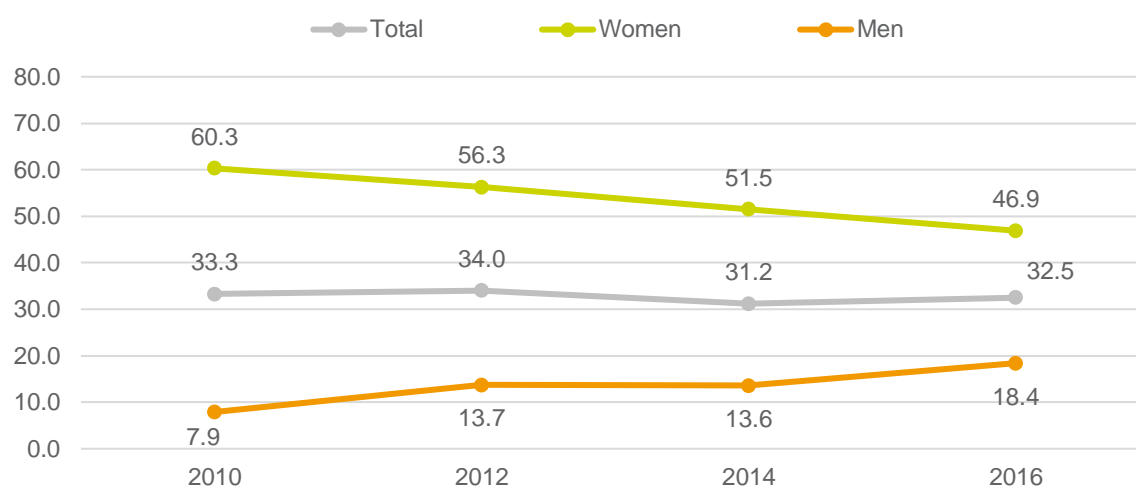
NEET categories

Young people who are NEET constitute a significant portion of young people in Egypt. NEETs are classified as unemployed persons, homemakers, those discouraged from seeking a job ('inactive' indicates not employed and not looking for a job), people with disabilities, and others (not specified). In 2016, 32.5% of Egyptian youth (aged 15–29) were classified as NEETs, meaning that 8.06 million³⁶ young people were not in education, employment or training.

In spite of a fairly stable youth NEET rate over time, an important trend emerged between 2010 and 2016: in this period the share of NEETs among women fell constantly, with an inverse trend discernible for young men. This implies a significant reduction of the NEET gender gap – in 2010, the difference between the share of NEETs among women and men was 52.4 percentage points, whereas in 2016 the gap had been squeezed to 28.5 percentage points (Figure 2.6).

³⁶ Calculation based on UN 2015 data (UN, 2019a).

FIGURE 2.6 SHARE OF NEETS IN THE TOTAL POPULATION AGED 15–29 IN EGYPT, 2010, 2012, 2014 AND 2016



Source: Oxford Research, based on LFS data, 2020.

As women constitute 71.4% of the NEETs aged 15–29 (79.7% in the total population), it is evident that the most important distinction in the NEET category is gender. Moreover, there is also great gender heterogeneity between categories of NEETs and the reasons for their exclusion from education and employment: most of the young women not in employment or education have the status of homemaker (74.9%), while the majority of young men fall into the category of unemployed (63.1%) (Figure 2.7). The group of young people who are discouraged from seeking a job consists mainly of men (in 2016 they represented 68.2% of the category), and more often people with primary or secondary education.

FIGURE 2.7 DISTRIBUTION OF NEET CATEGORIES BY GENDER IN EGYPT, 2010 AND 2016



Source: Oxford Research, based on LFS data, 2020.

Overall, the shares of NEETs among young people remained very stable in Egypt between 2010 and 2016. However, in this period, the share of female homemakers declined, and a similar trend was observed for unemployed men. These changes occurred at the expense of a significant increase of the category 'discouraged from seeking a job', which rose from 3.4% for men in 2010 to 25.3% in

2016. This trend was especially visible between 2014 and 2016, meaning that a significant section of young people in Egypt are inactive and not looking for work. This indicates a deterioration of the labour market situation (or at least of young people's perception of it), especially for young men, who increasingly become discouraged and drop out of the labour market.

There is a great heterogeneity in the NEET rate among different educational groups (Table 2.1). The lowest rate is found among general high school and elementary graduates, and additionally for male literates without schooling. The highest rates are observed among women without education and men with a university education. The effect of education is therefore U-shaped: the likelihood of becoming a NEET increases for those with no education and higher levels of attainment, while elementary and general high school graduates have lower rates. It is also worth remembering that the figures for early school leavers (the percentages of those with below secondary or lower education among young people aged 18–24) are as high as 36.1% for men and 34.5% for women.

TABLE 2.1 NEET RATES BY DETAILED EDUCATIONAL LEVEL IN EGYPT, 2016 (IN % OF TOTAL YOUNG PEOPLE)

	Total (15–29 years old)	Women	Men
Illiterate	55.8	80.9	19.1
Literate without schooling	36.7	71.0	9.2
Elementary school	20.8	29.5	12.4
General high school	11.4	8.8	14.5
Vocational high school	49.0	76.9	26.0
Post-secondary institute	39.0	62.6	17.2
University	43.3	57.9	29.6
Postgraduate	34.6	46.5	20.1
Total young people	32.5	46.9	18.4

Source: Oxford Research, based on LFS data, 2020.

NEET subgroups

To identify multidimensional NEET segments, we applied a two-step cluster analysis. This statistical technique identifies groups of respondents that exhibit similar response patterns, taking into account various attributes, i.e. not only those related to the labour market itself (such as being unemployed), but also social and demographic factors. It allows the (automatic) grouping of all young NEETs in a way that maximises the differences between groups, and minimises the variations within a group.

Taking into account various socio-demographic characteristics of young people, all NEETs were classified into two segments. In the first, constituting 43% of all NEETs, we find mostly men (76.6%), who have never married (95.8%), and are mainly either unemployed (67.0%) or discouraged from seeking a job (21.7%). More than 70% of this group has at least secondary education and, on average, is around 22 years old. This suggests that segment 1 consists mostly of young, never married, educated men interested in finding a job, but probably lacking sufficient skills (both

occupational and personal and/or soft skills) to enter the labour market, despite their educational attainment.

The second group, which represents 57% of all NEETs, consists only of women, mainly married (76.2%) and acting as a homemaker (87.7%). They are older than those in the first segment (with an average age close to 25), more often live in rural areas and are less well educated (half of them – 48.1% – have at most primary education). The members of this group are out of the labour market, most probably due to family responsibilities as a result of marriage.

Table 2.2 shows the composition of both segments with full socio-demographic characteristics.

TABLE 2.2 NEET SEGMENTS IN EGYPT, 2016

Segment number Segment name		1 A	2 B
Size of the segment		42.9%	57.1%
Age (average)		22.6 years	24.8 years
Education level	Below primary	9.1%	25.0%
	Primary	18.7%	23.1%
	Secondary	47.5%	42.2%
	Tertiary	24.8%	9.7%
Gender	Female	23.4%	100.0%
	Male	76.6%	0.0%
Marital status	Married	5.3%	76.2%
	Never married	95.8%	20.0%
	Divorced/widowed	0.2%	3.8%
NEET category	Homemaker	0.0%	87.7%
	Unemployed (seeking a job)	67.0%	9.1%
	Discouraged to seek a job	21.7%	2.9%
	Disabled	6.0%	0.1%
	Other NEET	5.3%	0.2%
Household size	Fewer than 4 persons	20.9%	18.9%
	4–5 persons	46.9%	54.0%
	6–7 persons	24.2%	20.2%
	8–9 persons	6.3%	4.6%
	10 persons and more	1.6%	2.3%
Place of residence	Rural	54.3%	63.5%
	Urban	45.7%	36.5%

Source: Oxford Research, based on LFS data, 2020.

The probability of being NEET – statistical modelling

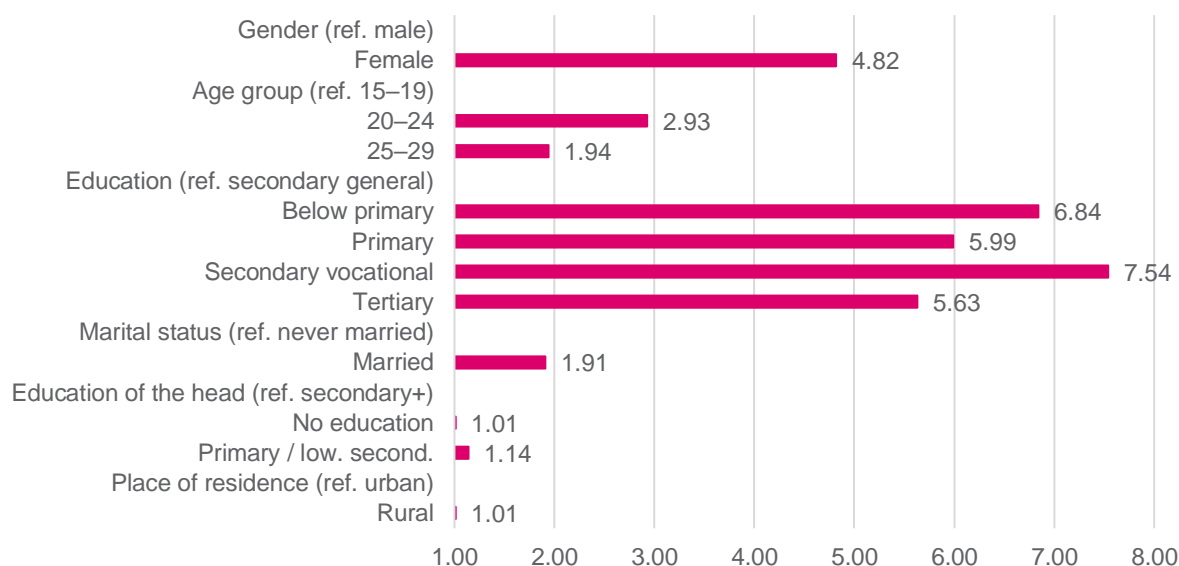
The strongest predictor of being NEET is education. Young people with other than general secondary education have a much higher chance of becoming NEET. Those with secondary vocational education have a 654% higher chance of becoming NEET, while for young people with below primary attainment

the likelihood increases by almost seven times, and even tertiary graduates have a 463% higher probability of being NEET than persons with general secondary education. This confirms that having (only) general secondary education reduces the chances of being NEET.

Another important dimension is gender: women have a 382% higher probability of being NEET than men. The next predictor is age. Compared to the youngest subgroup (15–19 years old), people aged 20–24 years have a 193% higher probability of being NEET, and those aged 25–29 a 94% higher chance.

In the case of marital status, married persons (assumed to be mainly women) have a much higher chance of being NEET than unmarried people. A similar situation is observed for the education level of the head of the household: young people living in households where the head has had primary education have a higher chance of being NEET than households where the head has secondary education or no education at all.

FIGURE 2.8 PROBABILITY OF NEET STATUS IN EGYPT, 2016 – RESULTS OF THE LOGISTIC REGRESSION (ODDS RATIO)



Source: Oxford Research, based on LFS data, 2020.

Unemployed NEETs

Unemployed youth is the second largest NEET category in Egypt (31.3% in 2016, whereas homemakers represent 53.4% and the discouraged 10.6% of the total NEETs).

The highest shares of unemployed young people were observed among those aged 20–24 years old, those with tertiary education, those in the never married category, and those whose father has a secondary or above level of education. The percentage of unemployed young people in urban areas was recorded as almost twice that of rural areas. The most striking differences between subgroups is related to education level. In 2016, 71.4% of those with tertiary education were unemployed and 14.2% of those with below primary education.

In 2016 the share of unemployed persons in the total NEET sub-population was significantly higher than in 2010, but slightly lower than in 2014. During that period, we can see a significant drop in unemployment among men, with no changes among women. However, this is the result of a steep rise

in the category of 'discouraged from seeking a job' among men between 2014 and 2016, and when those two categories are combined, the figures for men have not changed, meaning that a section of the men who were unemployed in 2014 classified themselves as 'discouraged' in 2016. Additionally, the share of unemployed persons with tertiary education increased between 2010 and 2016.

The probability of being unemployed – statistical modelling

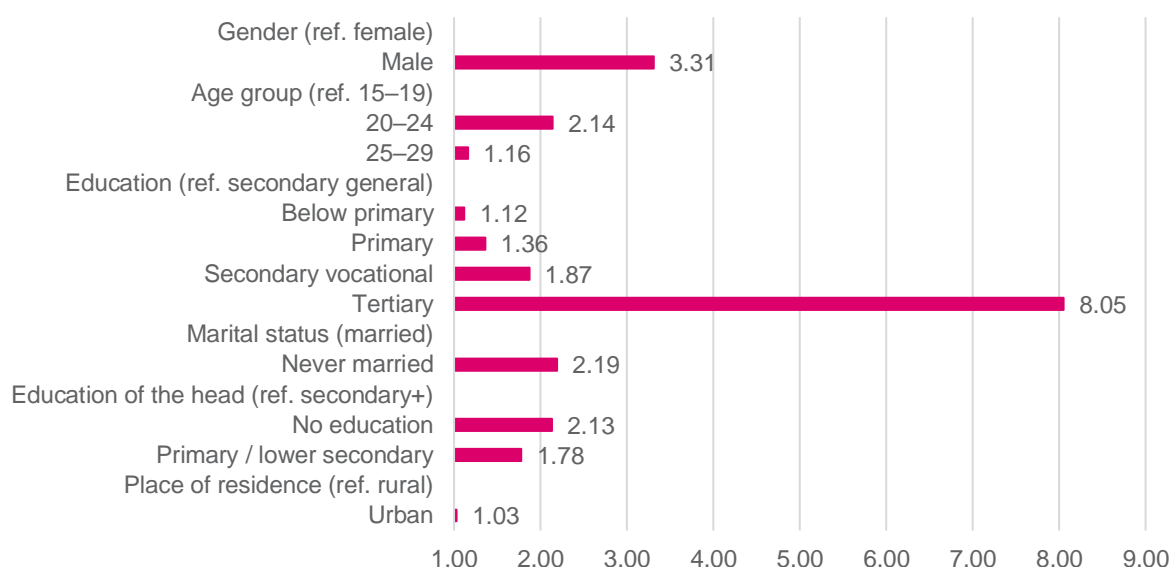
All the analysed categories have a significant influence on being unemployed. Out of the all demographic predictors, education has by far the greatest impact: when compared to secondary general as a reference category, having tertiary education increases the probability of being unemployed by 705% (this may be due to the increased rate of activity among educated youth³⁷). Similarly, but to lesser extent, young people with secondary vocational education have an 87% higher probability of being unemployed, while for primary education the increase in probability is 36%, and below primary 12%, compared to a person with secondary general education. Therefore, the higher the education level, the more chance of being unemployed, which could be explained by the fact that the higher the educational attainment, the higher the motivation and ambition to actively look for a job in line with one's qualifications.

These results suggest that tertiary education graduates face a very difficult situation in Egypt and that a large number of them have a high chance of being unemployed. This might be connected to several factors, possibly linked to the mismatch of education and labour market expectations but also to the inability of the economy to generate enough high-quality jobs to satisfy all the highly skilled new entrants in the market. As shown in a recent ETF report (ETF, 2019d), in Egypt in 2016 almost one in five people (18.7%) with tertiary education were working in semi-skilled occupations. Indeed, many young people choose to take up jobs below their level of education or qualification as a strategy to gain work experience, a 'must-have' in the eyes of many employers. While understandable as a short-term strategy to access the labour market, a mismatched job comes with a wage penalty, frustration and skills depreciation. This mismatch raises the issue of the underutilisation of human capital and underlines the increased risk of migration and brain drain, while calling for actions on both the demand and the supply side (ETF, 2019a).

Another important predictor of unemployment is the education level of the head of the household: for a person living in a household where the head has had primary education, the probability of being unemployed is 78% higher, and where the household head has had no education 113% higher than for a person living in a household where the head has had at least secondary education. Age also plays an important role: young people between 20 and 24 years old have a 114% higher probability of being unemployed than someone aged 15–19. Never married persons have a 119% higher probability of being unemployed than married people, and men have a 231% higher probability of unemployment than women.

³⁷ A higher education level often implies a shift from an inactive to an active labour market status. Consequently, this also increases the probability of being unemployed. Tertiary education, therefore, increases both probabilities (of being unemployed and of being employed, as shown by the logit model on employment), because overall it significantly increases the likelihood of being active in the labour market.

FIGURE 2.9 PROBABILITY OF BEING UNEMPLOYED IN EGYPT, 2016 – RESULTS OF THE LOGISTIC REGRESSION (ODDS RATIO)



Source: Oxford Research, based on LFS data, 2020.

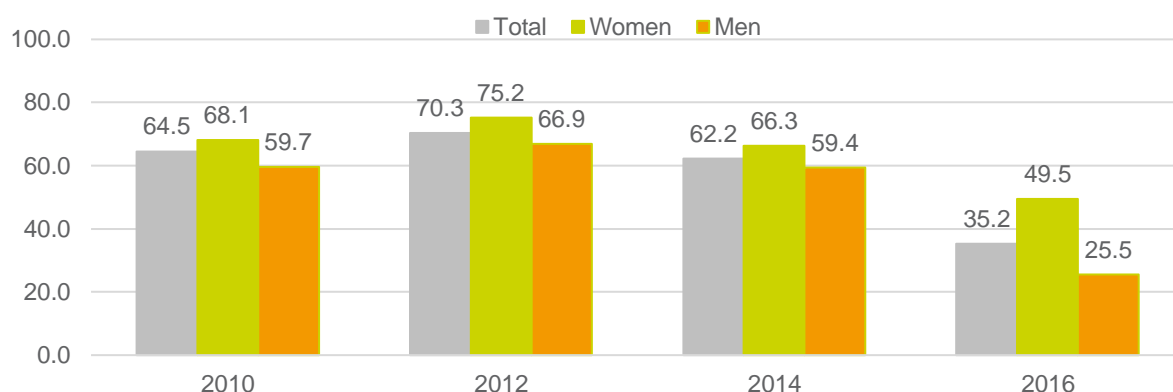
Job search

Young unemployed people use various ways to find a job. The main method is seeking the assistance of friends/relatives (a tactic that has become increasingly popular – in 2016 it was used by 76.6% of young unemployed Egyptians), followed by job advertisements (35.1%) and applying directly to potential employers (21.5%). Seeking the assistance of friends and relatives is most often used by the youngest age group in this cohort and those with below primary education. Applying directly to a potential employer is a method that is preferred by women, persons aged 25–29 years, and those with tertiary education. Responding to job advertisements is more often used by men and people with a low level of education.

Job search duration represents an important element affecting young people's chances of finding work. The proportion of young people looking for a job for more than 12 months is significant, yet still the majority experience only short-term unemployment. In 2016, 35.2% of unemployed young people in Egypt were classified as long-term unemployed. Out of this group, 21.4% had been looking for a job for more than two years. When analysing particular subgroups of the long-term unemployed, we can see higher shares among women (49.5%), as well as people aged 25–29 years, with at least secondary education and those living in cities.

Between 2010 and 2016 a substantial decrease in the long-term unemployed was observed (from 64.5% in 2010 to 35.2% in 2016) (Figure 2.10). This change may be viewed as related to the sharp increase in discouraged youth, which suggests that the fall in long-term unemployment was the result of increased inactivity rather than any improvements in the labour market situation.

FIGURE 2.10 SHARE OF LONG-TERM (>12 MONTHS) UNEMPLOYED AMONG ALL UNEMPLOYED AGED 15–29 IN EGYPT, 2010, 2012, 2014 AND 2016



Source: Oxford Research, based on LFS data, 2020.

2.1.4 Youth conditions and perceptions of the labour market

This section, looking at the condition of the youth labour market and young people's perceptions of it, is based on an ad-hoc, small-scale survey which was conducted with 100 young people in each of the two pilot countries. The survey aimed at providing an indication of the youth situation across various subgroups. It is however important to underline that, due to its limited sample size, the survey is not intended to be statistically representative of the country nor to allow for generalisation.

Ease of finding a job

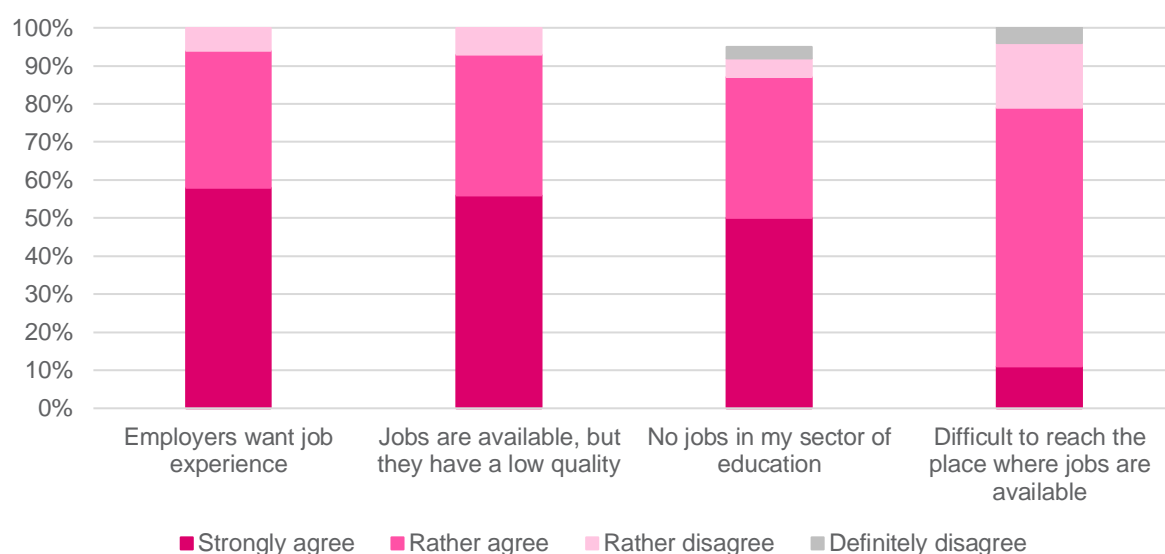
The number of young people in our sample who considered it somewhat hard/very hard to find a job was slightly higher than those who regarded it as relatively easy (53% vs. 46%). Interestingly, more young men than women experienced difficulties in finding a job (54% vs. 42%), as was the case for the majority of NEETs (72%). In other words, the perception of the ease of finding a job was shaped by the experience and activity levels of the respondents.

When asked about their job search, the problems encountered by the vast majority of sampled youth were the required experience; the low quality of jobs available; a mismatch between job requirements and educational background; and difficulties in commuting (Figure 2.11). Some young people complained about the limited number of vacancies, mentioning that 'the labour market cannot absorb the large number of graduates and jobseekers', as well as talking about the poor quality of the available jobs, which 'offer low salaries compared to the long working hours required' and the fact that 'the available jobs are not compatible with the qualifications of young people'.

Relevance of education to work

An overwhelming majority of young people (81% of the sample) expressed a strongly negative perception of the national education system's effectiveness in providing young people with skills that match the requirements of potential employers. Nonetheless, the young people surveyed did not regret the educational path they had chosen. Up to 70% of the sample would stick to the same field of study if they were reconsidering their educational paths. Enrolment in post-graduation training for skills upgrading was found to be a common trend among young people (79% of the sample). The percentage was, however, significantly lower for those with VET education (20%) compared to tertiary education graduates (93%).

FIGURE 2.11 PROBLEMS ENCOUNTERED BY YOUNG PEOPLE CONDUCTING A JOB SEARCH

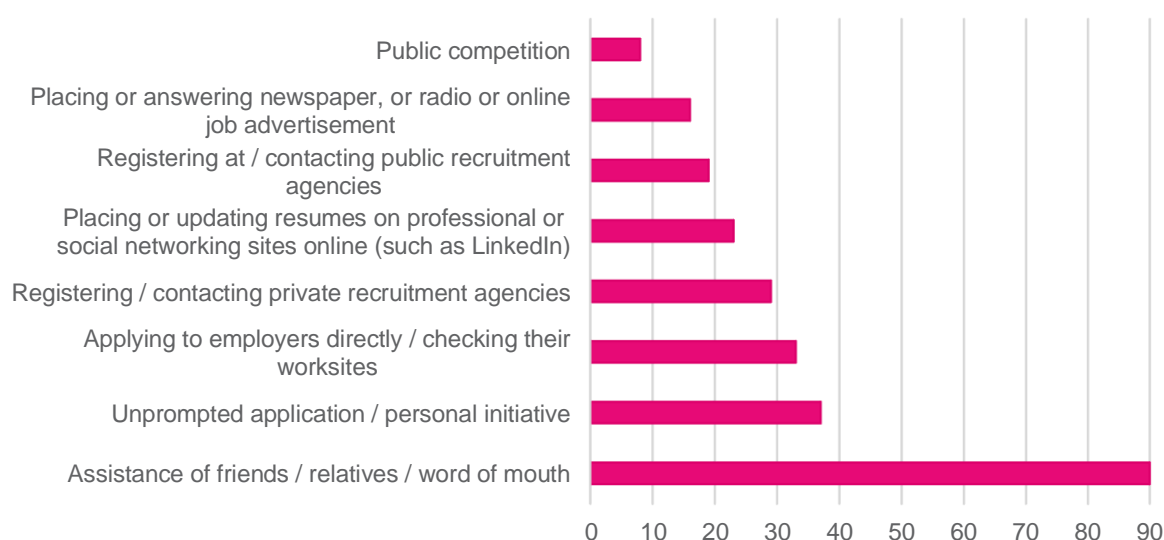


Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

Methods of looking for a job

The survey respondents confirmed that jobseeking for Egyptian youth relies first and foremost on the assistance of friends, relatives and word of mouth (in Arabic this is generally referred to as 'wasta', and freely translated as 'connections') (Figure 2.12). This finding is line with LFS data, indicating that such a method has been gaining importance in recent years, to the detriment of formal channels, such as public recruitment agencies.

FIGURE 2.12 JOB SEARCH METHODS OF YOUNG PEOPLE IN EGYPT



Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

Government support for young people to find a job or start a business

The young people interviewed mostly agreed that governmental support for young jobseekers is inadequate or should be improved. A majority (65%) was of the opinion that – at best – modest levels of support are available from the national or local government, while another 13% denied the existence of support altogether.

Starting a private business was perceived to be difficult by the majority (69%) of the young people, and by women in particular. Young people expressed concerns around government support for entrepreneurs: half the sample described the support they received as insufficient, while one fifth reported not having had any kind of government support in setting up or developing their business. Moreover, two out of three of the young people surveyed did not feel that their issues and concerns were dealt with seriously. According to an overwhelming majority (85%) of the sample, there is a need for channels and platforms through which young people can voice their opinions and talk about their problems.

The employment situation

A limited number of young people (20% of the sample) had seen an improvement in the labour market situation over the previous five years, although female respondents' perception of the improved situation was lower than that of the men (16% vs. 24%).

The most reported challenges young people faced at work were low salaries; long working hours; the absence of formal contracts; and lack of career paths. Some 50–60% of the sample, on the other hand, were somewhat in agreement with a more positive attitude towards employers, for example in terms of their willingness to offer jobs to young people without experience, and showing fairness in relation to the salaries and working conditions (including training opportunities) offered to young people.

The majority of young people surveyed (83%) reported themselves as mobile and willing to relocate to other governorates/cities in Egypt. The percentage of those who were willing to stay in their home country to work was almost equal to that of the group seeking jobs overseas (48% vs. 52%). Mentioned limitations to migration plans included the absence of financial support, lack of knowledge of foreign languages and fear of the unknown. Almost 38% of young people thought that the impact of refugees or migrant workers on the labour market in their area was small or non-existent.

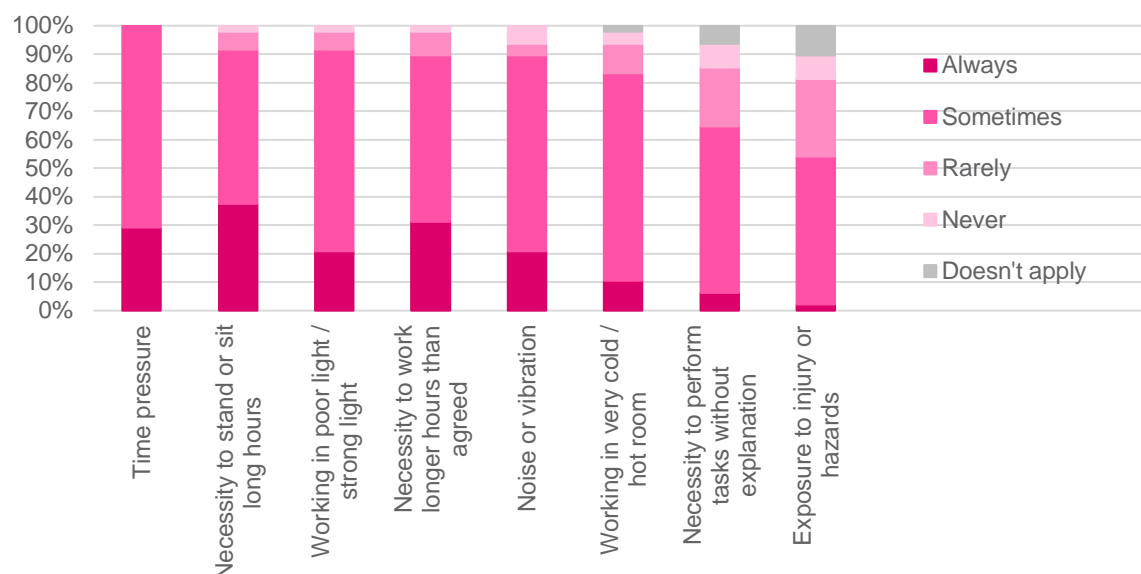
The situation of employed youth

With respect to the difficulties experienced in their jobs, the majority of young people (83–100%) noted the following as factors they always or sometimes encountered: time pressure; having to stand or sit for long hours; working in poor/strong light; having to work for longer hours than agreed; noise or vibration; and having to work in a very cold/hot room (Figure 2.13).

Education

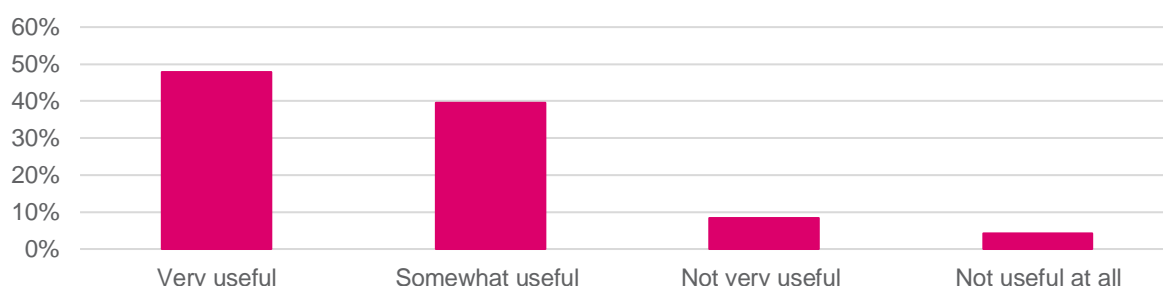
The majority of respondents (almost 88%) perceived that their field of education and study programmes qualified them to enter the job market, and more than half of them (55%) were fully confident of their work readiness, while the other half could see room for being better prepared.

FIGURE 2.13 DIFFICULTIES FACED BY EMPLOYED YOUTH IN THEIR CURRENT JOB



Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

FIGURE 2.14 USEFULNESS OF EDUCATION IN PREPARING YOUNG PEOPLE FOR WORK



Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

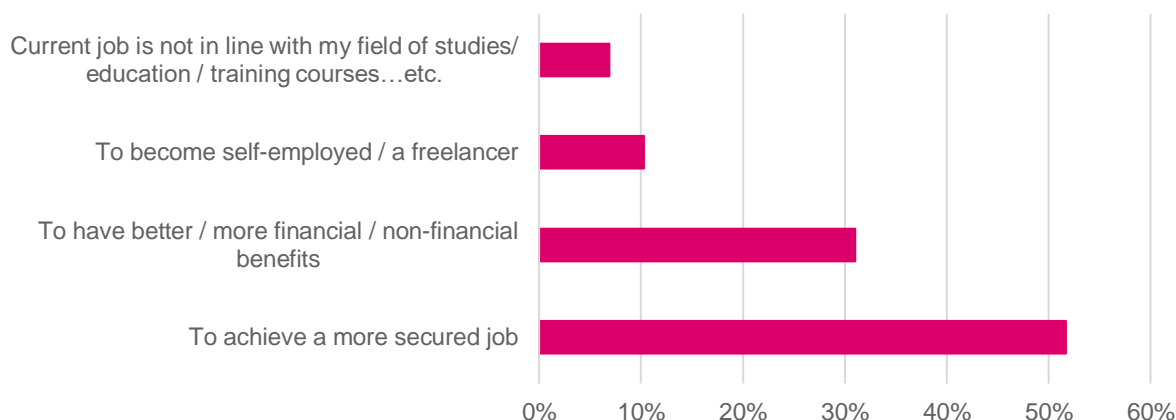
The respondents revealed high levels of confidence in their skills with regard to the demands of their current jobs. Nearly 70% clearly stated that their skills exceeded the job's requirements, whereas 25% confirmed that they possessed adequate skills for performing the duties of their job. Moreover, 77% of the respondents perceived there to be a good match between their respective education and the requirements of their job. Most of the employed young people (73%) were comfortable with the relevance of their qualifications to the duties and responsibilities of their current jobs. For those respondents who felt that there was a degree of mismatch between their education and their current job, the main reasons given for accepting such a situation were as follows: a failure to find a job that matched their own qualifications (39%); a relatively good salary in their current job (23%); and shifts in career interests after graduation (23%). It is noteworthy that failing to find a job matching their own qualifications was largely reported by women (63%), whereas a shift in career interests was more commonly seen for men (40% vs. 12%).

Job outlook

According to 62% of the employed young people, new digital technologies will have a major impact on their respective job contexts. About 60% of the currently employed sample of young people were actively seeking new jobs, with more young women in this group than men (68% vs. 54%). Job security and better benefit packages were the two main reasons reported by those respondents

looking for new jobs, accounting for 52% and 32% respectively. However, interestingly, secure employment was cited as the reason for seeking alternative job opportunities by twice as many female jobseekers compared to more generous packages of perks and benefits (63% vs. 31%). In contrast, the percentages for these categories among male jobseekers were relatively similar (39% vs. 31%)

FIGURE 2.15 REASONS MENTIONED BY EMPLOYED YOUNG PEOPLE FOR LOOKING FOR ANOTHER JOB



Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

NEETs

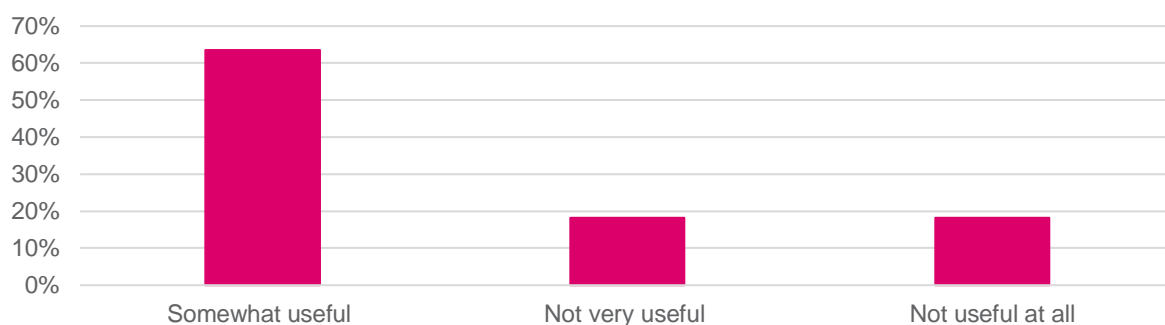
NEETs in the sample comprised two distinct groups, those with work experience (22% of the surveyed NEETs) and those without any work experience (78%). The results of the survey for each group will be presented separately.

NEETs with work experience

Education

Among the NEETs sub-sample, 64% thought that education was somewhat useful in preparing young people for work (Figure 2.16). However, a large majority (90%) of the NEET respondents mentioned that their previous jobs were not very compatible, or not compatible at all with their fields of education (this percentage fell to 75% for young people with VET education). In terms of the relevance of their previous job to the subjects they had studied, all the women thought that they were not very relevant or not relevant at all, while 25% of males thought they were fairly relevant.

FIGURE 2.16 USEFULNESS OF EDUCATION/STUDIES IN PREPARING YOUNG PEOPLE FOR WORK – NEETs WITH WORK EXPERIENCE



Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

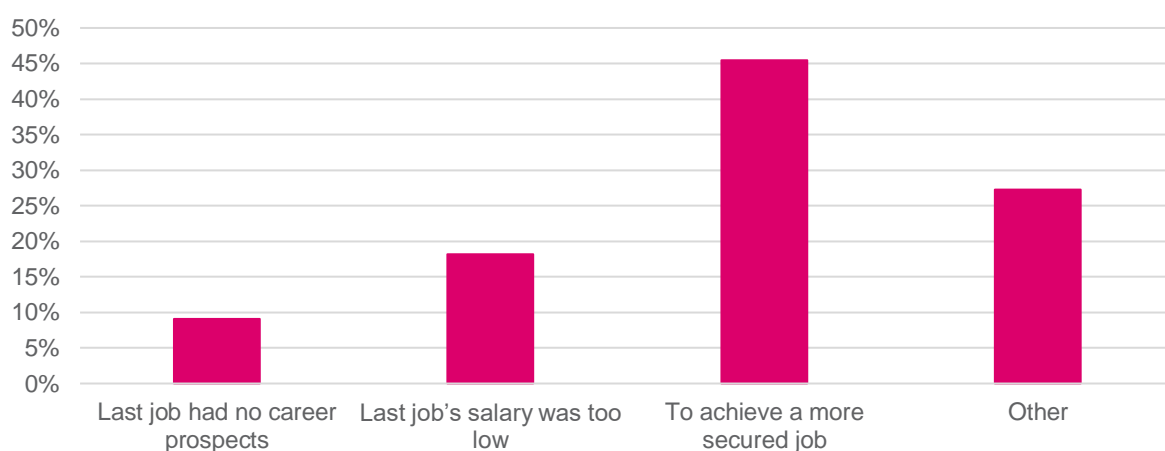
In terms of their skill levels, all the respondents confirmed that they were either overqualified for the jobs they had held previously or just matched the qualifications required. Interestingly, none of them admitted inadequacy or gaps in their own skills. Forty-four per cent of the NEETs in this group revealed that the limited scope of job openings was the major reason for accepting a job that did not match their field of study. It is noteworthy that the failure to find a job matching their own qualifications was reported more often by women than men.

Most of the NEETs with work experience (91%) were clearly enthusiastic about pursuing further education/training, with view to improving their prospects of finding a job. They did not perceive there to be any shortage of sources of information to guide them towards opportunities for further education. However, none of NEETs with VET education had pursued any training.

Reasons for leaving their previous job

Regarding the various components of their previous jobs, the NEETs seemed generally satisfied with these (as expressed by more than 50% of the sample). Respondents were more divided on salary and career prospects. However, a significant majority (64%) expressed dissatisfaction with job security. This sense of frustration was reflected in the reasons given for leaving their previous job, as 46% of the NEETs sub-sample reported seeking a more secure job (as illustrated in Figure 2.17). This was particularly prevalent among male respondents, of whom 63% mentioned this as the reason for leaving their job.

FIGURE 2.17 REASONS FOR LEAVING THEIR PREVIOUS JOB



Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

Reasons for being NEET

Out of the total number of NEETs in the sample, 20% were not looking for a job – a group that was comprised predominantly of women (90%). More than 50% of those women stated that they were not looking for a job because they had got married.

NEETs without work experience

Occupations and sectors

Just half of the NEETs sample without previous work experience spelled out their preferences regarding the type of employer they hoped to work for. For this group, the private sector ranked highest, followed by the government/state-owned enterprises and NGOs. Within this sub-sample, women were more inclined to favour work in the private sector than men (57% vs. 13%).

Real estate, education, financial services/insurance and recreational services were the top-ranked sectors of employment aspired to by the NEETs interviewed.

Education

Almost all of the interviewed NEETs without work experience were looking for jobs that matched their fields of study. Similarly to NEETs with work experience, the majority (97%) of this sub-sample – including those with VET qualifications (86%) – were keen to pursue further education/training, with a view to improving their prospects of finding a job.

Working conditions in pursued jobs

NEETs without work experience were not selective about the type of employment contract they would be satisfied with. Being in desperate need of work, the majority of NEETs in this group (90%) were willing to accept any type of employment, including occasional work. Nonetheless, more than two-thirds would prefer full-time job.

A majority of NEET youth with no work experience (ranging between 93% and 100%) emphasised that they would be prepared to accept a number of constraints in a job, such as longer hours than agreed; noise or vibration; time pressures; no prior explanation of how to perform a task; standing or sitting for long hours; poor light/strong light, and/or working in a very cold/hot room. A significant majority (76%) even went as far as accepting exposure to injury or hazard. This reflects the sense of desperation of NEETs without work experience.

2.1.5 Policies to support youth integration into the labour market

The situation of young people in the labour market has been high on the agenda of national authorities for a long time. Developing young people's employability by helping them to acquire and further develop the right sets of skills, knowledge and attitudes, and supporting them in the transition from school to work are key policy issues in Egypt. However, as seen above, many young people face increasing difficulties when entering the world of work, either because they are not sufficiently prepared to respond to employers' needs or because of limited business opportunities. Therefore, greater attention has been devoted to youth policies in the past decade, with the aim of developing a range of measures to support young people's transition into work.

This section provides an overview of the main recent policies and initiatives taken to improve youth employment outcomes. The measures discussed are divided into three broad policy areas, covering: (i) skills development policies; (ii) policies facilitating young people's transition into the labour market; and (iii) ALMPs aimed at integrating unemployed youth into the labour market.

Skills development policies

Improving the education system

As a priority sector linked to current and future economic development strategies, Egypt's VET system has clearly received political commitments from the government over the past few years. One of the main objectives at present is to reach a unified and agreed 'Vision for VET' among the many stakeholders who are strongly engaged in the reform process. This has resulted in a number of strategic documents that aim to address the various VET reform challenges (ETF, 2020a).

For instance, the national development plan – 'Sustainable Development Strategy – Egypt Vision 2030' – highlights investment in human resources as key to achieving its overall goal of promoting

sustainable and inclusive economic growth. Education and training are included in the social dimension as one of four priority pillars (ETF, 2019e). In line with this vision, in 2018 the Ministry of Education and Technical Education (MoETE) launched its strategies for transforming general education (Education 2.0) and technical education (TE 2.0). The pursued measures aim, by 2027, to make students entering technical and vocational education with better basic skills, through training in advanced numeracy, literacy and soft skills.

Reform policies and measures³⁸, either recently adopted, or in the pipeline for implementation by the government, consider the system to be still incapable of delivering the necessary learning outcomes, skills and competences needed by the labour market. Among others, one of the key challenges identified is the underfinancing of public schools: the country's large expenditure on wages limits the budget available to schools to acquire the necessary resources for learning.

Increasing the relevance and attractiveness of VET

The large number of students enrolled in the Egyptian VET sector is not an indication of its attractiveness, nor is it a sign of students' willingness to follow this educational path. In most cases it is considered a secondary option compared to general education, forced on students as a result of the rules and regulations governing pupils' transition from the preparatory to the secondary level³⁹.

Because the governance model does not include the assignment of clear leadership roles to different stakeholders for different VET areas, the participation and coordination of multiple stakeholders has been identified as a key factor in facilitating the increased relevance and attractiveness of VET.

The government has adopted a number of initiatives to enhance the attractiveness of VET, such as: (i) opening bridging pathways to allow VET students to access higher education; (ii) enhancing the quality of courses through partnering with employers in the provision of VET services; (iii) promoting VET access and participation for special social groups (women, youth and children at risk, people living in remote areas and people with disabilities); (iv) introducing the recognition of prior learning through occupational licensing and the development of a national qualifications framework (NQF); (v) implementing a number of training programmes, offering training for the labour market and for specific groups; and (vi) targeting the smooth transition of VET graduates from school to work (setting up School-to-Work Transition units and career guidance services as well as employment and entrepreneurship functions) (ETF, 2020c).

Among several initiatives already in place, it is important to mention: (i) TVET II (2013–23) aimed at improving the structure and performance of the technical and vocational education and training (TVET) system to better respond to Egypt's rapidly changing socio-economic needs; (ii) the development of a Bachelor of Technology programme to narrow the gap between general education and VET and allow students to move on to higher education; (iii) curriculum development, through a

³⁸ For instance, in July 2018, the Egypt's House of Representatives approved a USD 500 million loan from the World Bank Group's International Bank for Reconstruction and Development to modernise the public school system, enhance the capacity of teachers and administrators, and increase the role of technology in teaching and learning: www.worldbank.org/en/news/press-release/2018/04/21/world-bank-and-egypt-sign-us500-million-project-to-bring-learning-back-to-public-schools

³⁹ Students are steered into VET according to their performance in the third preparatory year and their numerical grading, with the higher 'performers' allowed to choose between general secondary and technical education, while students with lower grades find themselves confined to technical education, and those with the lowest grades are only permitted to enter vocational educations: https://openspace.etf.europa.eu/sites/default/files/2020-04/TRPreport_2020_Egypt_EN.pdf

12-step unified methodology for competence-based curriculum design⁴⁰; and (iv) the establishment by the MoETE in 2018 of applied technology schools as a 'a new brand of schools' working in partnership with private sector companies.

VET quality assurance and the national qualification system

Quality assurance in VET is one of the areas the government has been focusing on for some time now. In 2006 it established the National Authority for Quality Assurance and Accreditation of Education (NAQAAE), which has provided an institutional framework for quality assurance and accreditation. Subsequently, an explicit reference to quality assurance was made in the 2014 Constitution and the concept was also introduced into Egypt's Vision 2030. The government then developed an NQF, and finally launched a VET-specific quality assurance and accreditation authority.

In 2010, the NAQAAE was mandated to develop an NQF that would contribute to improving the quality of education and training provision through developing clearer and comparable qualifications, as well as ensuring greater access to qualifications and skills development, improving the relevance of qualifications to employers, enterprises and individuals, and introducing a system of benchmarking and quality assurance for Egyptian qualifications against national and international standards, thus facilitating labour mobility.

Following the 2018 Youth Conference, the President of Egypt announced the idea of setting up the Egyptian TVET Quality Assurance and Accreditation National Authority. A draft law for its establishment was developed and subsequently adopted in September 2020. The Authority will establish the general framework for monitoring the quality of technical education and vocational training programmes, and teaching and learning methods, as well as instigating the necessary evaluation methods according to international standards⁴¹.

In parallel, a process for the introduction of a 'world class training of trainers' academy' within the MoETE, has been launched⁴².

Anticipating skills needs

The absence of a well-established information system for tracking labour market needs and the lack of an institutional and sustainable mechanism to anticipate skills gaps are among the factors that contribute to persistent skills mismatches in Egypt. Fast-changing skills needs, especially (but not only) in technological sectors will make the rapid tracking of new emerging requirements more important than ever.

In the last decade, the pathway towards policies to promote the identification and anticipation of skills needs has passed through the establishment of the Egyptian Education, Training and Employment Observatory, then the formulation of Training Councils (for Industry, Building and Construction, and

⁴⁰ By the second half of 2019, this initiative's achievements included 13 industrial programmes, 9 agricultural programmes, 5 commercial programmes and 6 tourism programmes; it is being implemented in 105 technical secondary schools.

⁴¹ According to the draft law, the Authority will issue two types of accreditation certificates: the first for the accreditation of the institution and the second for the accreditation of the programme.

⁴² The Technical Vocational Education for Teachers' Academy (TVETA) is envisaged to offer training to technical education trainers, instructors, teachers, master trainers, assessors and verifiers. The MoETE is currently working on finalising the framework and guidelines for establishing the TVETA:

https://openspace.etf.europa.eu/sites/default/files/2020-04/TRPreport_2020_Egypt_EN.pdf

Tourism), and finally, the setting up of 12 enterprise TVET partnerships (ETPs) for 12 subsectors (no longer operational).

In addition to the current plans to introduce Sectoral Skills Councils, and the institutional restructuring plan for a Productivity and Vocational Training Department approved by the Minister of Trade and Industry, the MoETE is developing public-private partnership models to engage industry in education, in an effort to better understand and anticipate skills needs. Overall, these initiatives have the objective of providing better information to stakeholders, including young people, so as to equip them with sound evidence on labour market opportunities across the different sectors.

Providing work experience while in education

An important priority in the education sector is the reinforcement of current work-based learning initiatives, with particular reference to the VET sector⁴³.

From a work-based learning perspective, Egyptian stakeholders have made a strong collective commitment to expand the existing initiatives⁴⁴; however, the percentage of students in work-based learning is severely limited, and only 2% of the students in technical education are engaged in work-based learning. There is a strong political will to increase work-based learning to 50% by 2025 (ETF, 2019a).

Although some VET institutions, schools and training centres try to arrange work-based learning for students during the summer vacation, it is difficult to find enough workplace training opportunities for the large number of students in the VET system.

Improving work-based learning models needs to address a number of challenges:

1. VET institutions must reach out to and engage employer organisations in work-based learning programmes.
2. VET institutions should ensure that companies are properly equipped and have qualified mentors/trainers/teachers adopting well-planned programmes.
3. VET providers are required to monitor resources.

Policies facilitating the transition from school to work

Career guidance

In Egypt, career guidance is formally established at the national level but is not fully operational. Efforts are made to gather information in order to provide a better understanding of the process of transitioning from school to the labour market (school-to-work transition surveys are supported by the ILO in Egypt). However, these tools are not established systematically in a manner that can enhance decision-making processes and ease the transition of young people into the labour market.

The process of transition from school to work has increasingly come under the spotlight, in particular through the creation of school-to-work transition and career guidance units within the relevant

⁴³ No work-based learning government policies exist for other types of education.

⁴⁴ A significant step towards this goal was a protocol, signed by the Minister of Education and Technical Education with private firms in June 2018, to implement the Egypt Makers initiative, under the slogan 'Learn ... Improve ... Work'. The objective is to raise students' production skills in general, and to advance TVET at secondary level, generally through three-year programmes.

ministries (originally planned as part of the MoETE, they were also established in the Ministry of Manpower and Immigration and the Ministry of Trade and Industry in 2018). Regional units have also been set up at the governorate level with career guidance, employment and entrepreneurship functions. Career guidance services are expected to be established in every school in the context of the TVET II programme. However, further legislative measures are pending. Among a number of different initiatives in place is the 'Transition to Employment: Career Guidance for Youth' or 'Tawgeeh' (guidance), implemented by the ILO (with the Ministry of Manpower and Immigration from 2008 to 2012) to improve the capacity of counsellors in public employment services to provide career guidance for jobseekers.

Supporting entrepreneurship

A number of entrepreneurship programmes exist that aim to stimulate small business creation. A recent trend has been the emergence of incubators and initiatives focusing on innovative start-ups. Support for young entrepreneurs ranges from measures that provide them with financial and technical assistance in creating their own businesses, including microcredit and entrepreneurship training and mentoring, to measures that seek to improve their chances of expanding⁴⁵. The MoETE has also led the development of an entrepreneurship curriculum to be introduced at the technical secondary education level⁴⁶.

Moreover, several initiatives have been launched by the Ministry of Communication and Information Technology to advance innovation and entrepreneurship among young university graduates in Egypt's information and communications technology (ICT) sector. Also, in 2013, the Ministry of Investment launched an initiative called 'Fekretak Sherketak' ('Your idea is your enterprise'), consisting of a platform aimed at supporting entrepreneurship projects in different sectors and various stages of growth.

Notwithstanding these efforts, progress in the uptake of entrepreneurial activity is still slow. General and technical education curricula and related teacher training programmes do not sufficiently cover the topic of entrepreneurship. Furthermore, the country's cumbersome regulatory business environment stifles dynamic entrepreneurial growth, as reflected in Egypt's low scores in the Global Entrepreneurship Monitor 2019–20.

First work experience

As highlighted in an analysis of LFS data, young people face a slow transition to work, partly due to a lack of working experience.

It is difficult for young people to obtain their first work experience, and this issue has been addressed by several initiatives launched by the government as well as by donors. For example, the USAID-funded Workforce Improvement and Skills Enhancement (WISE) programme has established school-to-work transition units at both school and governorate levels. A total of 1 000 teachers and school

⁴⁵ The USAID-funded WISE programme has published and distributed to all 60 WISE-supported schools a referral handbook on entrepreneurship consisting of a guide on how to initiate and develop a project, including information on financial and non-financial service providers supporting entrepreneurs. Global Affairs Canada is financing the Aswan Skills Development Programme, a five-year programme designed to improve the livelihoods of 6 000 young women and men in Aswan city and the Kom Ombo District.

⁴⁶ A Unified Entrepreneurship and Innovation Curriculum was developed with the support of several partners, including the EU (TVET II), ILO, UNIDO, GIZ and USAID (WISE) programmes, and was approved by the Supreme Council for pre-university education.

leaders were trained in order to pass the model on to others. The units actively linking students to employers through an internship programme, resulting in 13 000 internship and 22 500 employment opportunities.

The Ministry of Communications and Information Technology introduced the 'Wazeefa Tech' programme, which connects young people with internship opportunities at IT companies and covers the costs of their training, provided that after employment they repay these costs from their monthly salary for a period of up to three years.

Notwithstanding these efforts, there is still a great need for creating a level playing field for first-time jobseekers. An obstacle that young people encounter is that employers are generally hesitant about hiring young jobseekers, and, as long as the large surplus of unemployed youth persists, employers will have less incentive to hire inexperienced youth rather than experienced workers (OECD, 2012).

Active labour market programmes

Overall, the Ministry of Manpower and Immigration is responsible for labour policy, managing labour supply and demand, increasing the employability of the workforce, and monitoring labour market needs. It leads an Employment Information Programme, which prepares labour market statistics that are published in a monthly bulletin. It also organises an enterprise census every year, which collects information on training needs from all businesses with more than 10 employees.

Employment services and job search assistance

Under the auspices of the ministry, the public employment offices offer the possibility of registering at a public employment service, and provide financial support and training. The ministry administers a network of 300 employment offices, matching available jobs with jobseekers free of charge. Nevertheless, a lack of reliable mechanisms to perform job matching limits the ability of the public employment offices to help young people find work. Furthermore, their utility is constrained by their insufficient coverage of rural and unskilled youth, and their low capacity in terms of providing training for young jobseekers. Administrative reforms, qualified staff and increased budget allocations are needed to allow public employment offices to better perform their core functions – namely, job search assistance, placement and intermediation services (Said, ETF, 2015).

Specific programmes for vulnerable groups

Specific programmes are implemented for vulnerable groups, such as women, youth and children at risk, people living in remote areas, people with disabilities and refugees.

These groups have been supported by several initiatives implemented by national organisations, for instance the National Programme for Training for Employment and the Female Social and Economic Empowerment Programme, whose main beneficiaries are women and people with disabilities (ETF, 2020a). Moreover, the National Strategy for the Empowerment of Egyptian Women 2030, adopted in 2017, aims to develop women's abilities to enhance their employment options, expand their participation in the workforce, support their entrepreneurship, and achieve equal opportunities in employment across all sectors.

In addition, the government has taken policy decisions to integrate students with disabilities and has offered training and financial incentives to teachers, school administrators and psychosocial workers in integrated schools, provided they have acquired accreditation from the Professional Academy for Teachers. The draft TVET Law affirms the rights of people with special needs to education and training in the same institutions and as part of the same system as their peers, without discrimination.

The Ministerial Decree No 229/2016 was issued to give students with mild disabilities access to technical education of all kinds (industrial, agricultural, commercial and hospitality)⁴⁷. In 2014, through Ministerial Decree No 562/2014, the MoETE adopted the Labour System, which offers students who are at risk of dropping out (because they come from low-income families or for other social reasons) the opportunity to complete their technical education programme, while working. This system is currently hosting around 350 000 students.

International organisations and donors have also been implementing initiatives targeting vulnerable groups. For instance, the Italian Agency for Development Cooperation is carrying out two projects aimed at addressing illegal migration by providing viable options for vulnerable young people⁴⁸.

However, policies and initiatives to promote VET access and the participation of vulnerable groups are not sufficiently combined with mechanisms that emphasise employer participation. Moreover, it would be useful to have specific action plans with key performance indicators and monitoring mechanisms that guarantee the implementation of policies at the school level so as to enhance the inclusion of these groups.

Providing lifelong learning opportunities for young people

The Egyptian VET system is working at creating an effective lifelong learning system.

Some of the challenges are: (i) limited flexibility in allowing for exiting and re-entering formal education; (ii) the absence of an NQF or system for defining pathways for lifelong learning and skills acquisition; and (iii) the lack of a credible system for the recognition of prior learning and transferring credit across institutions.

Over the past two decades, the government has launched initiatives to offer VET graduates better opportunities for progression within vertical pathways and higher qualifications in specialised technical programmes. Such initiatives include: facilitating VET students' access to higher education through integrated technical education clusters (ITECs), a technological university model in line with European universities of applied sciences; enhancing quality through partnering with employers in the provision of VET services (applied technology schools, dual education and the joint management of Productivity and Vocational Training Departments); promoting VET access and participation for particular social groups (women, youth and children at risk, people living in remote areas and people with disabilities); and introducing the recognition of prior learning through occupational licensing (ETF, 2020a).

Employment incentives programmes

Generally speaking, the employment programmes aimed at enhancing the opportunities for job creation in the private sector have fallen significantly short of the aspirations of young Egyptians. Given the large numbers of workers employed in the informal sector, support for self-employment and micro entrepreneurship through business training, life skills training, mentoring, micro-franchising and microfinance is still required to expand and improve job conditions in this sector. In terms of the formal private sector, there are calls for the subsidisation of labour costs in the short term through direct wage refunds, credits on social security contributions, or lower labour/payroll taxes, to incentivise

⁴⁷ Some 30 000 teachers were trained to deal with these students, while 59 351 young people with disabilities have been integrated into general and technical schools.

⁴⁸ Positive Life Alternatives for Youth in Egypt (2019–21) and the Multi-Educational Programme for Employment Promotion in Migration-affected Areas, awaiting final approval to be implemented (2019–22).

these businesses to create more job opportunities⁴⁹. In addition, financial incentives to encourage the participation of employers/investors in the provision of VET were introduced in 2017.

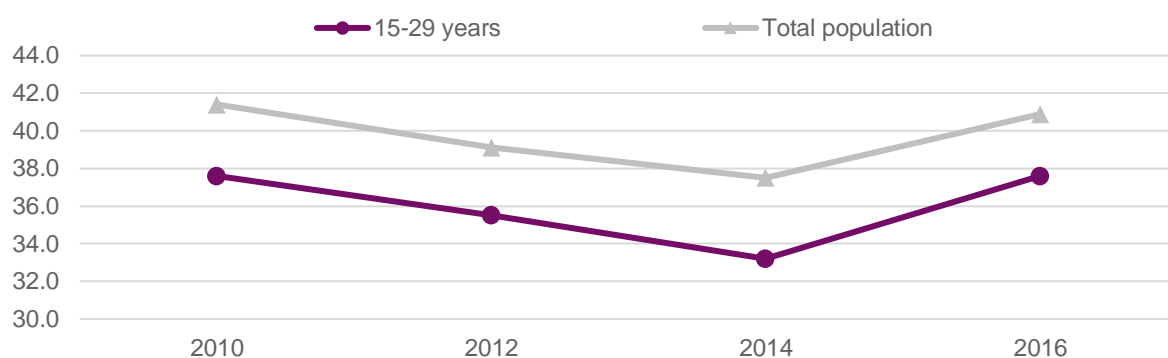
2.2 Jordan case study

2.2.1 Overview of the employment situation of young people

Young people in Jordan face a difficult labour market situation, marked by very low activity and employment rates and high unemployment.

In Jordan the level of economic activity among young people (15–29 years old) in 2016 was lower than for the total population (15+), reaching 37.6%. In the years 2010–16, the fluctuations of the youth activity rate closely followed those of the total population: a steady decrease until 2014, followed by a sharp increase in 2016. It is also worth noting that the activity gap for young people (the difference between the activity rate of young people and the total population) has been stable over recent years (Figure 2.18).

FIGURE 2.18 SHARE OF ACTIVE POPULATION IN JORDAN, 2010, 2012, 2014 AND 2016*



Note: * More recent data available in KIESE database follow a different group definition (aged 15–24). For this report, the group was defined as aged 15–29 (LFS definition). However, the KIESE data for Jordan show that the share of the active population has not changed over the last two years and remains at the 2016 level.

Source: Oxford Research, based on LFS data, 2020.

The situation of young people in Jordan is characterised by a lower employment rate and higher unemployment than observed in the total population. In 2016, only 28.4% of all persons aged 15–29 were employed (35.8% for the total population) and 9.2% of all young people were unemployed⁵⁰ (5.1% for the total population). This resulted in an unemployment rate for young people of 24.5%, compared with 12.5% for the population aged 15+. The youth employment rate slightly improved after 2014, while, on the other hand, overall unemployment worsened slightly in the same period.

There are great differences in levels of economic activity between the various subgroups of young people. First of all, significant variations according to gender can be observed. The activity rate among

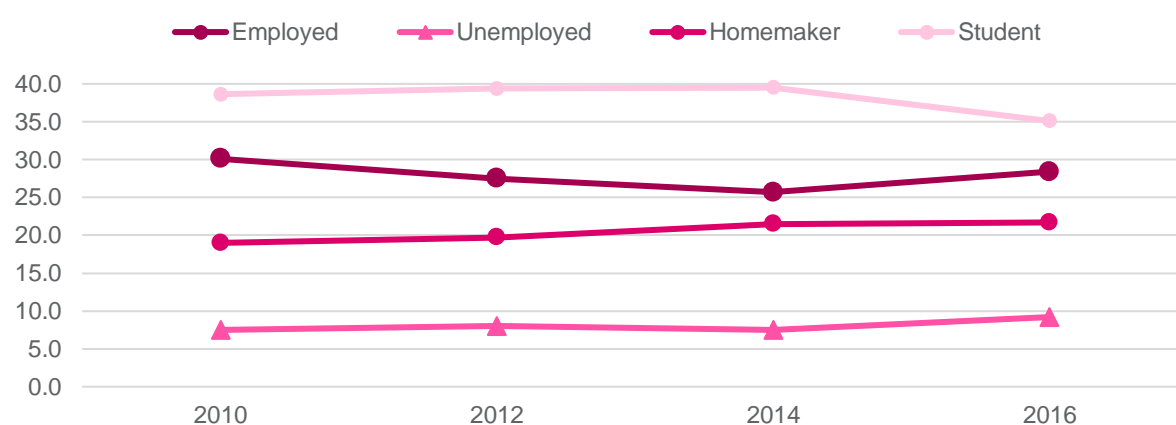
⁴⁹ Employment incentives offered by the government include discounted rates for the amount of energy consumed, and the reimbursement of all or part of the cost of connecting facilities to the project land, as well as covering all or part of Egyptian workers' and employer's social insurance, etc.

⁵⁰ This figure is calculated as a labour force status distribution of the total corresponding population (including both active and inactive persons), and it differs from 'unemployment rate' as the latter is calculated as a percentage of the active labour force. For the purpose of the analysis in Chapter 2, 'unemployed' will refer to the labour force status distribution of the corresponding population.

young women is (extremely) low – only 17.3% of this group are economically active, compared to 55.4% of young men (2016). Interestingly, the activity rate for young women is higher than the corresponding rate for women aged 15+, whereas the activity of young men is lower than the rate for men over 15. This may indicate that the younger cohort is more ready to step into the market than their older peers.

Education has a noticeable impact on the activity rate, which increases among those with tertiary education (in 2016, 72.2% of this cohort was active), compared to other groups with lower levels of education. Much higher activity rates for young people can also be seen among those from the smallest households (fewer than four persons), and slightly higher rates among non-citizens⁵¹. Most women in the inactive youth group declare themselves as homemakers, while 35.1% report that they have the status of student, with no gender differences (Figure 2.19).

FIGURE 2.19 ACTIVITY STATUS AMONG YOUNG PEOPLE (15–29 YEARS) IN JORDAN, 2010, 2012, 2014 AND 2016

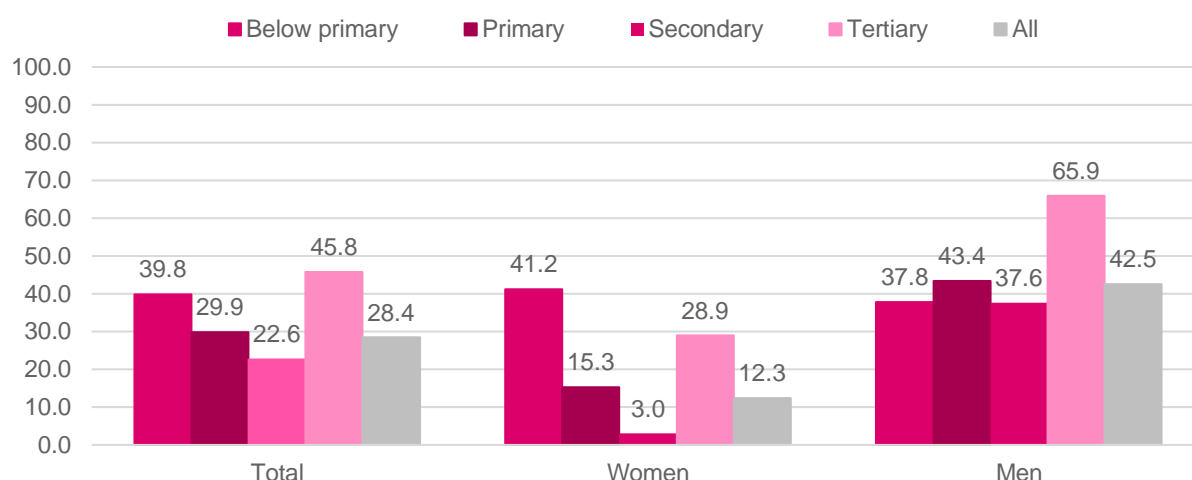


Source: Oxford Research, based on LFS data, 2020.

The employment rate for young people also differs considerably by subgroup, with the greatest differences related to gender and age. In 2016, 42.5% of young men were employed, compared to only 12.3% of young women (Figure 2.20). As with the activity rate, the employment rate tends to grow with age and reaches more than 52% in the 25–29 age group. In relation to education level, the trends are mixed: the highest employment rate is observed among young people with tertiary education (45.8%), but the second highest is recorded for those with below primary education. This could suggest that low-skilled people tend to come from poorer households and, therefore, need a job to ensure their own subsistence. As for household size, the highest share of employed people is among those living in the least populous households (fewer than four members). Finally, higher employment rate is noted for non-citizens (often associated with migrant workers or refugees, who need a job in order to support themselves).

⁵¹ Citizenship in statistical databases is a simple binary variable, in this case: having Jordanian citizenship or not. There is no information about the original nationality of non-citizens.

FIGURE 2.20 EMPLOYMENT RATE OF YOUNG PEOPLE (15–29 YEARS) BY EDUCATIONAL ATTAINMENT IN JORDAN, 2016

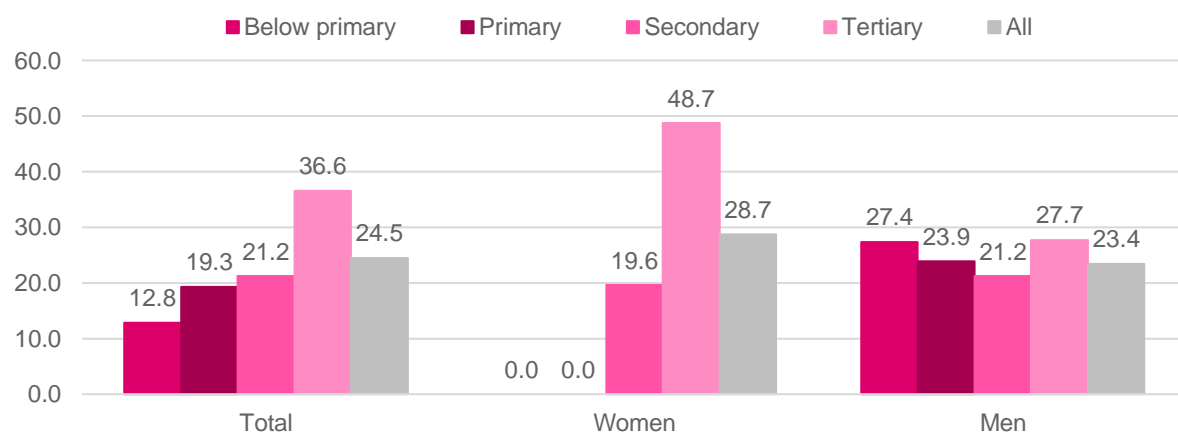


Source: Oxford Research, based on LFS data, 2020.

Similar differences also apply to unemployment. The unemployment rate rises along with the education level, i.e. the higher education level, the higher the unemployment rate, reaching 36.6% among young persons with tertiary education (and only 12.8% among those with no education) (Figure 2.21). It is also much higher in the youngest age group (40.8% for persons aged 15–19), and lower in the subgroup of those who are 25–29 years old.

The unemployment rate is higher among women than men. It is also interesting to note that only women with above-primary education are actively jobseeking. The situation is extremely difficult for women with tertiary education – almost half of this group are looking for a job. In the case of men, the unemployment rate is similar across all education levels (although slightly lower for men with secondary education). This highlights that tertiary education does not provide protection from unemployment in Jordan, with young women especially facing major challenges in terms of starting work after graduating from university (Figure 2.21).

FIGURE 2.21 UNEMPLOYMENT RATE OF YOUNG PEOPLE (15–29 YEARS) BY EDUCATIONAL ATTAINMENT IN JORDAN, 2016



Source: Oxford Research, based on LFS data, 2020.

The changes in activity status observed since 2010 reveal modest shifts among young people, with slightly decreasing percentages of students and employed persons, and more unemployed people and homemakers. These changes have occurred differently in various subgroups: women are more often homemakers (with the rate rising from 40% in 2010 to 45% in 2016) and a little less often engaged in education or employment, while men show a slight increase in terms of unemployment (from 9% in 2010 to 13% in 2016) and homemaking, and a reduced rate for being students or employed (down from 38% to 34% and from 46% to 43% respectively). These changes may show a deterioration of the labour market situation for young people in the country.

2.2.2 The situation of employed youth

This section describes the situation of employed young people, namely the types of jobs they occupy and their working conditions. The analysis compares youth employment conditions to those of the total population, and also assesses the differences between subgroups of young people while tracking the main changes in the situation over recent years. The description of young people's situation is based on 2016 LFS data.

Types of jobs

In 2016, the private sector employed 73.4% of all employed young people in Jordan, while 26.0% worked in the public sector (a similar proportion to the total population). Public sector employees are mainly men holding at least a secondary education qualification.

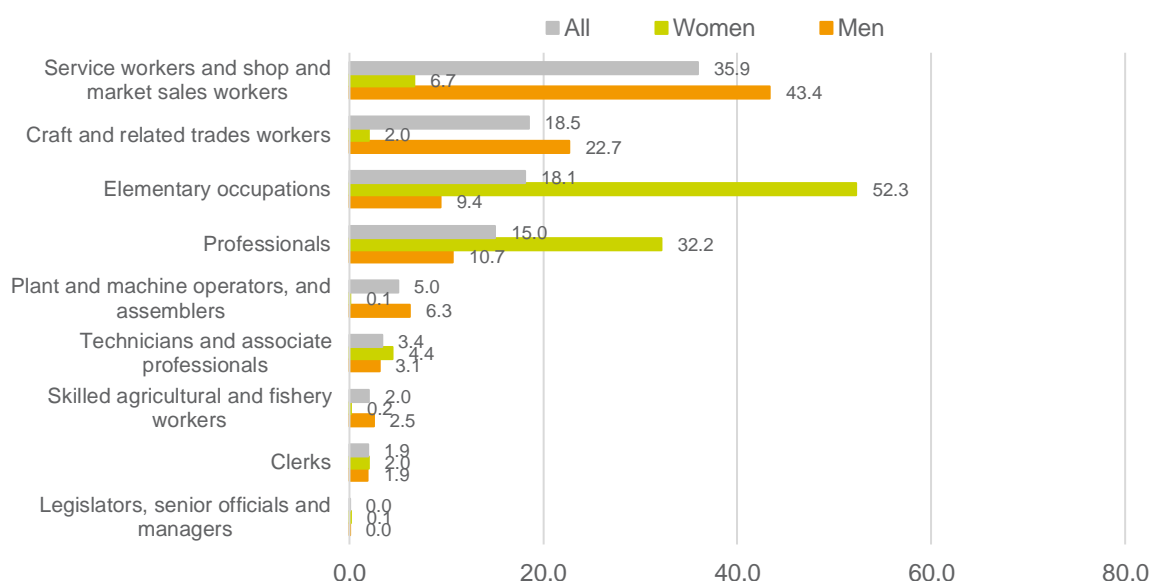
The overwhelming majority of young people in Jordan are categorised as having employee status (94.7%, significantly higher than the total population), and only a fraction of them are self-employed (mostly young men). The largest segment of young people work in public administration and defence (21.2%), followed by wholesale and retail trade (14.2%), construction (10.6%) and manufacturing (10.2%) (2016). Significant differences appear related to gender. Men more often work across most of the areas, whereas women dominate in the 'other activities' sector⁵² (52.8% of young women in 2016), as well as education and human health (13.7% and 10.0% respectively). Non-citizens⁵³ are clearly more often found working in construction and in 'other activities'.

In terms of occupations, young people most frequently work as service and shop and market sales workers (35.9%). The three next most common occupations, much less popular than the former, are craft and related trades workers (18.5%), elementary occupations (18.1%) and professionals (15.0%). These four occupational groups comprise almost 90% of the total youth labour force. The differences between young people are obviously related to education, but also to gender and age. Men are significantly more often employed in the service industry and as craft and related trades workers, whereas women are most often professionals or work in elementary occupations (Figure 2.22). A similar variation is observed among age groups, with older persons more often being professionals, and younger employees engaged in service or craft work. Between 2010 and 2016 the share of service workers increased at the expense of professionals (mostly due to the significant drop in the percentage of women working in the professions).

⁵² In the Jordanian LFS, 'other activities' include mainly 'activities of households as employers of domestic personnel'.

⁵³ Citizenship was coded in the questionnaire according to the respondents' declaration, using standardised UN country codes. A 'citizen' has Jordanian citizenship, and 'non-citizens' are citizens of other countries. More details can be found in the LFS data dictionary on the Economic Research Forum website: www.erfdportal.com/index.php/catalog/133/variable-groups/VG8

FIGURE 2.22 OCCUPATIONAL GROUPS OF YOUNG PEOPLE (15–29 YEARS) BY GENDER IN JORDAN, 2016



Source: Oxford Research, based on LFS data, 2020.

Working conditions

Working conditions for young people in Jordan are challenging, due to the long shifts and the limited wages, especially for some subgroups, such as women and non-citizens. Unfortunately, the Jordanian dataset does not provide information on job tenure, employment stability and health and social insurance; therefore, these elements are omitted from the analysis of working conditions. However, the consolidated literature acknowledges that working conditions in the country are difficult, featuring low salaries, lack of social security, and restrictions on freedom of association, despite the fact that Jordan was the first Arab country to sign an ILO agreement to implement better working conditions (Jordan Labour Watch, 2018).

Young people work on average as much as the total population (43.2 hours per week, 2016), but gender, ethnicity and education are the most important dimensions influencing working hours. The group working at least 60 hours a week is mostly represented by women. Non-citizens work longer hours than young people holding Jordanian citizenship. Shorter working hours are more often related those in the youngest group and those with tertiary education, whereas persons with primary education or no education usually work longer shifts.

Despite working similar hours, young people earn on average 7% less than the total employed population. Women appear in both the low and top earner groups: this is a result of the variation in their occupations, as women work more often in elementary occupations, with very low salaries, but also frequently work as professionals, occupying high-salary positions. Men, on the other hand, are more typically engaged as service, trade and technical workers, with mid and mid-high salary levels. The share of people on higher salaries increases sharply with education level. Non-citizens also earn more, and huge differences can be observed between rural and urban inhabitants, with a significantly greater share of higher earners in rural areas.

Very few young people intend to change their job (in 2016 only 5.5% of employed youth), which may indicate that they perceive the labour market situation as precarious, with high levels of uncertainty

and difficulties in finding new jobs. The youngest age groups, the never married cohort and those with tertiary education are the subgroups most willing to change job. Insufficient earnings are by far the most often mentioned reason for wanting to change job (given by 64.6% of employed youth willing to change job), as well as bad working conditions. For men, low wages are more often mentioned by the youngest subgroup and those with below primary education, whereas bad working conditions are the main reason given by women and persons aged 25–29. It is important to underline that a mismatch between the post-holder's job and their qualifications was only mentioned by young people with tertiary education – close to 22% of university graduates indicated that their current job does not match their educational qualifications and that this was the reason for their intending to look for a new job. Skills mismatch is often mentioned in the literature as a common issue among young tertiary graduates.

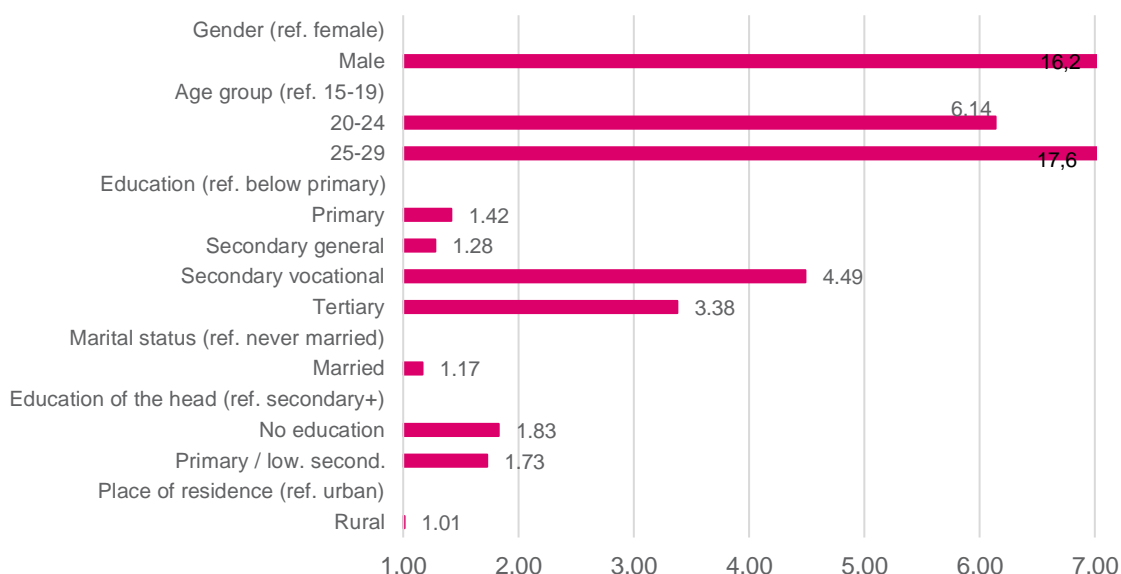
The probability of being employed: success factors – statistical modelling

Among the demographic predictors, gender and age have by far the greatest impact on the probability of being employed in Jordan. In fact, men have a 16 times higher chance of employment than women, and people aged between 25 and 29 are almost 18 times more likely to be in employment compared to the youngest cohort, aged 15–19.

Education is another important predictor of employment. In Jordan, education gives jobseekers a higher chance of getting a job and, in particular, among all educational levels, VET is the path that pays the greatest dividends: indeed, people with secondary vocational education have a 349% higher probability of being employed than those with no education, while people with tertiary education have a 238% higher chance. On the other hand, the educational attainment of the head of the household is inversely proportional to the likelihood of being employed for a young person, as the latter decreases when the former increases. However, when the family head has had no education, the probability of being employed for a young person is 83% higher, and 73% higher when the head of the household has had only primary education compared to their having attended secondary school. This seems to be clearly linked to the necessity of finding a job due to the socio-economic context of the family.

In a nutshell, men aged 25–29 years with secondary vocational or tertiary education are the subgroup of young people with the highest chance of being employed in Jordan.

FIGURE 2.23 PROBABILITY OF BEING EMPLOYED IN JORDAN, 2016 – RESULTS OF THE LOGISTIC REGRESSION (ODDS RATIO)



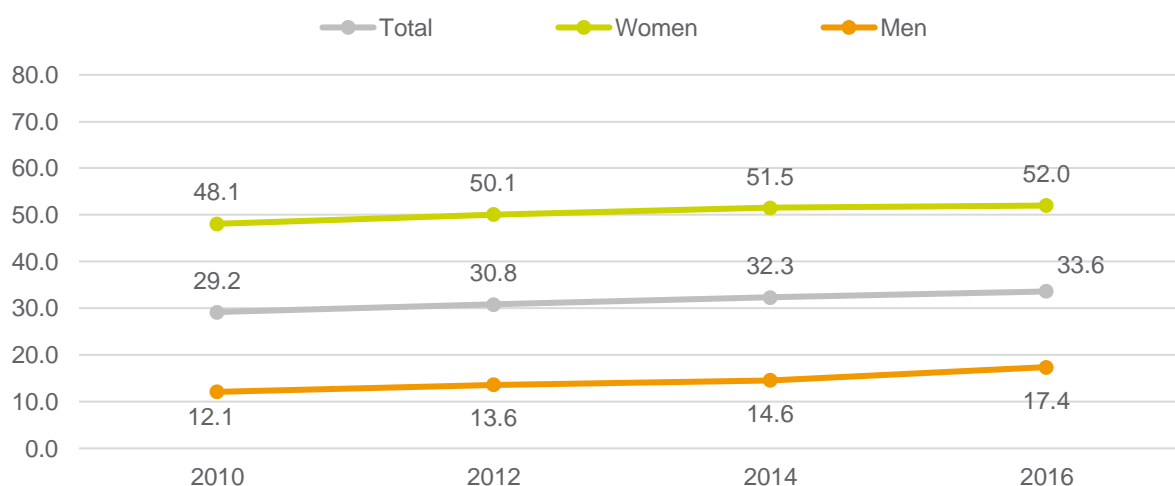
Source: Oxford Research, based on LFS data, 2020.

2.2.3 The situation of NEETs

NEET categories

In Jordan, the share of NEETs (classified as 'unemployed', 'homemakers', 'discouraged from seeking a job', and 'disabled and other') was estimated in 2016 to be 33.6% of young people, i.e. 0.9 million, with a rather sharp increase since 2010 for both women and men (Figure 2.24).

FIGURE 2.24 SHARE OF NEETS IN TOTAL POPULATION AGED 15–29 YEARS IN JORDAN, 2010, 2012 AND 2016

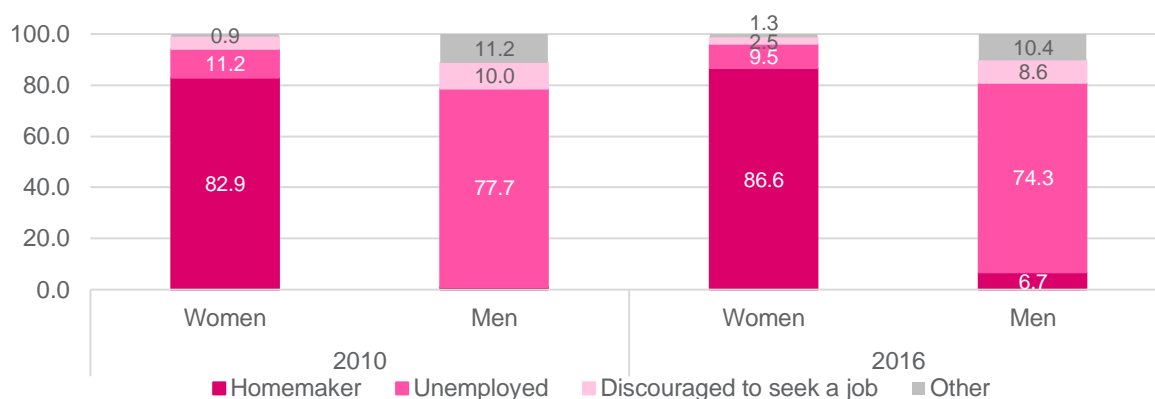


Source: Oxford Research, based on LFS data, 2020.

The most important distinction is gender, as young women constitute the majority of NEETs (72.3%). Among NEETs, most are homemakers (86.6% of the young women NEET) and unemployed persons (mostly men) (Figure 2.25), while the shares are higher among those with below primary education

and tertiary graduates. It is interesting that men more often than women are discouraged from seeking a job. Additionally, in 2016 almost 7% of young men were in the category of homemaker, marking an increase with respect to 2010.

FIGURE 2.25 DISTRIBUTION OF NEET CATEGORIES BY GENDER IN JORDAN, 2010 AND 2016 (IN % OF TOTAL YOUNG PEOPLE)



Source: Oxford Research, based on LFS data, 2020.

Educational attainment significantly affects young people's NEET status. The lowest shares, for both men and women, are observed for those with general high school education, while the highest rates are among illiterate young people of both sexes and female post-secondary and university graduates (Table 2.3). The U shape of education can therefore be observed in Jordan as well as in Egypt, raising issues regarding the quality and relevance of education.

TABLE 2.3 NEET RATES BY DETAILED EDUCATIONAL LEVEL IN JORDAN, 2016 (IN % OF TOTAL YOUNG PEOPLE)

	Total (15–29 years old)	Women	Men
Illiterate	61.4	62.1	60.4
Illiterate without schooling	47.7	55.6	35.8
Elementary school	37.3	56.6	19.5
Middle school	33.5	54.3	17.6
General high school	14.4	26.6	4.7
Vocational high school	22.2	54.5	20.1
Post-secondary institute	46.2	77.1	16.2
University	51.6	66.6	32.6
Postgraduate	39.7	60.0	13.6
Total young people	33.6	52.0	17.4

Source: Oxford Research, based on LFS data, 2020.

NEET subgroups

Using a two-step cluster analysis, we identified three multidimensional NEET segments, i.e. the groups which share common features and differ from other cohorts when taking into account labour market, social and demographic characteristics.

In the first segment, constituting 38.3% of all NEETs, we find mainly unmarried men who are unemployed and seeking a job. The average age of this group's members is 22.5 years. Almost 80% of them have at least secondary education (35% have tertiary attainment) and they live in urban areas. The young people in this group are most interested in finding a job, but probably don't have sufficient skills (both occupational and personal or soft skills) to enter the labour market, despite the fact that more than one-third of them have tertiary qualifications. This is the only group which could be classified as unused labour force.

The second, quite substantial group (34.8%) includes almost exclusively women who are or were married, with the majority declaring themselves as having homemaker status. Members of this group are older than those in the other segments, with an average age exceeding 25 years, and they live in the least populous households (most in household comprising fewer than six persons). There is a high degree of heterogeneity among this group regarding education level, as one out of four has completed at most primary education, yet almost one out of four has a university degree. This segment is out of labour market, most probably due to family responsibilities as a result of marriage.

Finally, the third group is the smallest in terms of population size (26.9%) and is the most homogenous, including only unmarried women designating themselves as homemakers. It is also the youngest, with an average age of below 21 years, while its members live in the most populous households (three out of four live with at least six persons) and represent the lowest share of non-educated persons (more than 80% of this group have at least secondary education). The non-ability of these young people to enter labour market could, therefore, be a result of family responsibilities, most probably related to parents, grandparents or siblings.

Table 2.4 shows the composition of the three segments, including full socio-demographic characteristics.

TABLE 2.4 NEET SEGMENTS IN JORDAN, 2016

Segment number Segment name		1 A	2 B	3 C
Size of the segment		38.3%	34.8%	26.9%
Age (average)		22.5 years	25.1 years	20.7 years
Education level	Below primary	7.8%	3.2%	2.9%
	Primary	13.1%	21.4%	13.8%
	Secondary	43.8%	52.1%	73.4%
	Tertiary	35.3%	23.2%	9.8%
Gender	Female	25.8%	99.7%	100.0%
	Male	74.2%	0.3%	0.0%
Marital status	Married	3.1%	91.8%	0.0%
	Never married	96.6%	5.1%	99.9%
	Divorced/widowed	0.3%	3.1%	0.1%
NEET category	Homemaker	4.5%	91.2%	100.0%
	Unemployed (seeking a job)	75.2%	5.0%	0.0%
	Discouraged from seeking a job	10.8%	3.8%	0.0%
	Disabled	9.5%	0.0%	0.0%
Household size	Fewer than 4 persons	10.0%	35.5%	2.6%
	4–5 persons	29.5%	47.6%	23.3%
	6–7 persons	37.0%	13.7%	42.1%
	8–9 persons	17.8%	2.2%	23.6%
	10 persons and more	5.5%	1.0%	8.4%
Place of residence	Rural	28.1%	27.9%	32.5%
	Urban	79.1%	72.1%	67.5%

Source: Oxford Research, based on LFS data, 2020.

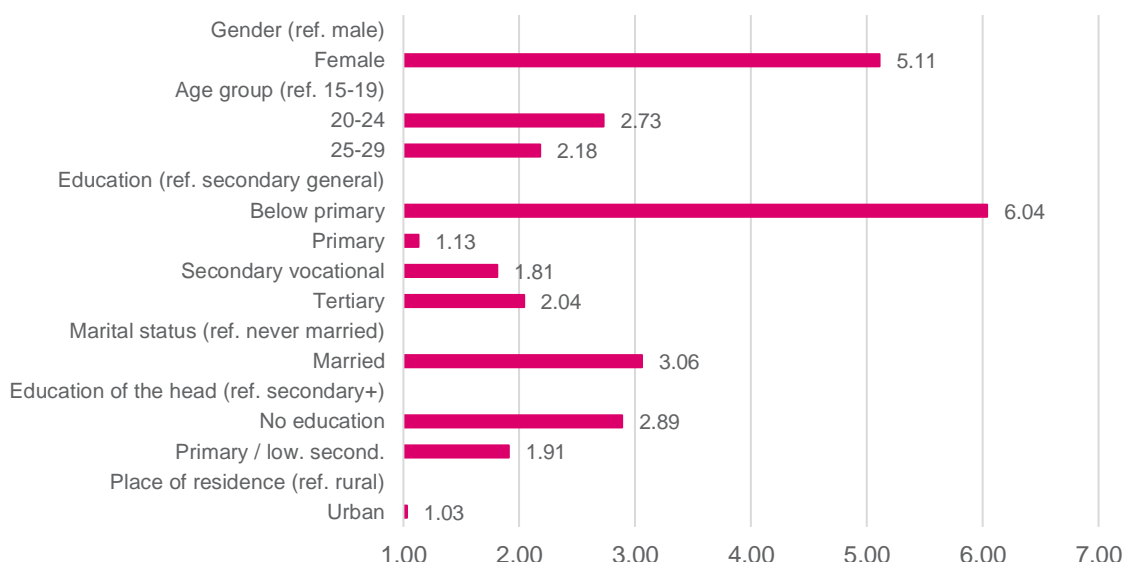
The probability of being NEET – statistical modelling

The strongest predictor of being NEET is level of education: a person with below primary education has a 504% higher chance of being NEET than someone with secondary general education. An elevated probability in this respect is also noted for tertiary education (by 104%) and secondary vocational attainment (by 81%). Although with significantly lower levels of odds ratio, a similar trend was also observed for primary education, suggesting that secondary general education in Jordan protects young people from NEET status.

The second very important predictor is gender: compared to men, women have a 411% higher probability of being NEET. The third predictor is age: people aged 20–24 have a 173% higher probability of being NEET compared to those aged between 15 and 19, similarly to the oldest age group. In the case of marital status, a married young person has a much higher chance of being NEET than someone in the never married category (by 206%). With respect to the education level of the head of the family, young people living in a household whose head has had primary or no education

have a much higher probability of being NEET than those who live in a household where the head has had secondary or tertiary education.

FIGURE 2.26 PROBABILITY OF NEET STATUS IN JORDAN, 2016 – RESULTS OF THE LOGISTIC REGRESSION (ODDS RATIO)



Source: Oxford Research, based on LFS data, 2020.

Unemployed NEETs

Unemployed persons form the second biggest category of NEETs in Jordan (27.4% in 2016, whereas homemakers represent 64.5% and the discouraged 4.2% of the total NEETs). This group is dominated by men, who constitute three-quarters of its members.

In 2016, the highest share of unemployed was observed among young people aged 20–24, those with tertiary education, those in the never married category, and those whose family head had a secondary or above education level, with no differences detected between urban and rural areas inhabitants. Unemployment in young people increased slightly between 2010 and 2016, mainly among men and tertiary education graduates.

The most striking differences between subgroups are related to education level. In 2016, 52.8% of young Jordanians with tertiary education were unemployed, as opposed to only 10.7% of those with below primary education level and close to 20% for other educational levels. This means that tertiary educated young people in Jordan are naturally focused to enter the labour market (after graduation), as opposed to young people without education, who are mostly inactive.

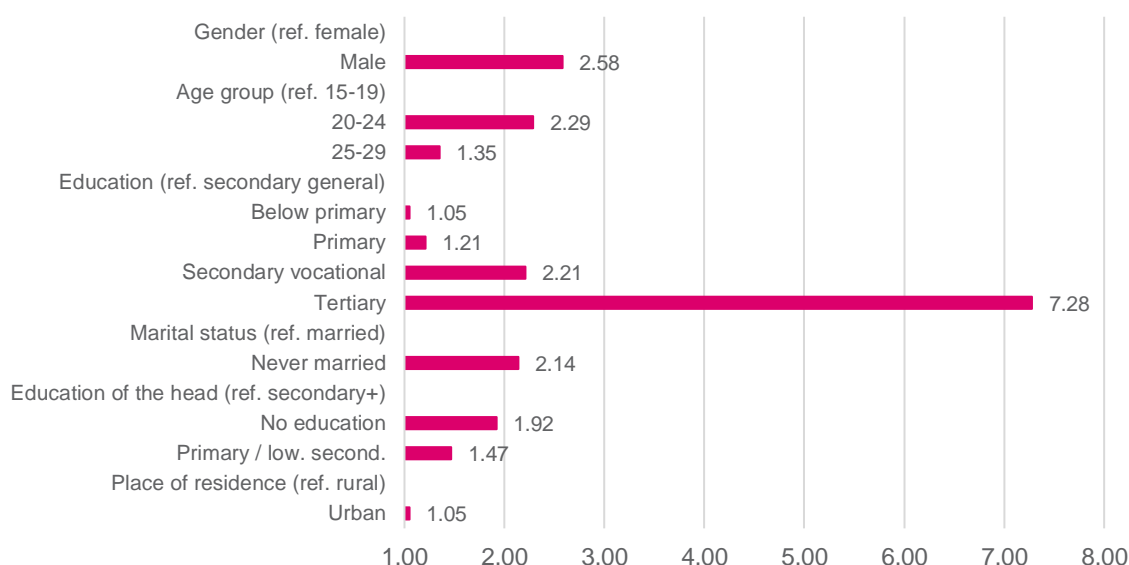
The probability of being unemployed – statistical modelling

All the demographic predictors except place of residence have a significant influence on the probability of being unemployed. Among them, education level has the greatest impact on one's unemployed status: a person with tertiary education has a 628% higher chance of being unemployed than someone with secondary general education, as well as young people with secondary vocational (121%) and primary education (21%) (always in comparison with people with secondary general education). It is worth remembering that tertiary education increases the chances for both employment and unemployment, which strongly signals an increased chance of being active.

The next important predictor is gender, as young men have a 158% higher chance of being unemployed than women (although this finding is linked to the high inactivity among women). Age also plays an important role: a person between 20 and 24 has a 129% higher probability of being unemployed than someone aged 15–19, with a similar ratio applying in respect of a person aged 25–29. Finally, if the head of their household has had only primary education or lacks formal education, this greatly increases the chances of the young person being unemployed.

Hence, a single man with tertiary education is the typical profile of a young unemployed person in Jordan.

FIGURE 2.27 PROBABILITY OF BEING UNEMPLOYED IN JORDAN, 2016 – RESULTS OF THE LOGISTIC REGRESSION (ODDS RATIO)



Source: Oxford Research, based on LFS data, 2020.

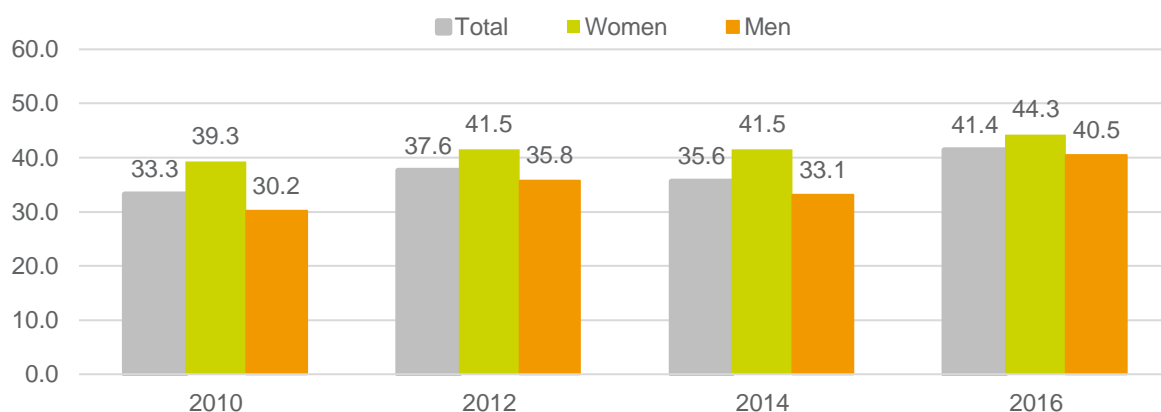
Job search

Young unemployed people undertake various strategies to find employment. The main method is making a direct application to the employer, chosen by 75.2% of young Jordanians, followed by eliciting the help of friends and relatives (53.3%) and answering job advertisements (49.1%). Applying directly to potential employer is preferred by women, people aged 25–29, those with a tertiary education (in both Jordan and Egypt), and by urban residents. Seeking the assistance of friends and relatives is most often used by the youngest respondents and those with below primary education. Responding to job advertisements is an approach more often taken by men, people with tertiary education, and those living in urban areas. Between 2010 and 2016 changes to these patterns were relatively limited: the importance of job advertisements grew, whereas the share of young people registering with public or private employment services fell.

Job search duration represents an important element affecting young people's chances of finding a job. The proportion of young people looking for a job for more than 12 months is significant: in 2016 this figure amounted to 41.4% of all unemployed persons, with an increasing trend noticeable since 2010 (Figure 2.28). Out of this group, 15.8% were looking for a job for more than two years.

The risk of long-term unemployment is evenly distributed among subgroups, with the only exception being young people with below primary education, who are more likely to be looking for a job for more than two years.

FIGURE 2.28 SHARE OF LONG-TERM (>12 MONTHS) UNEMPLOYED AMONG ALL UNEMPLOYED AGED 15–29 YEARS IN JORDAN, 2010, 2012, 2014 AND 2016



Source: Oxford Research, based on LFS data, 2020.

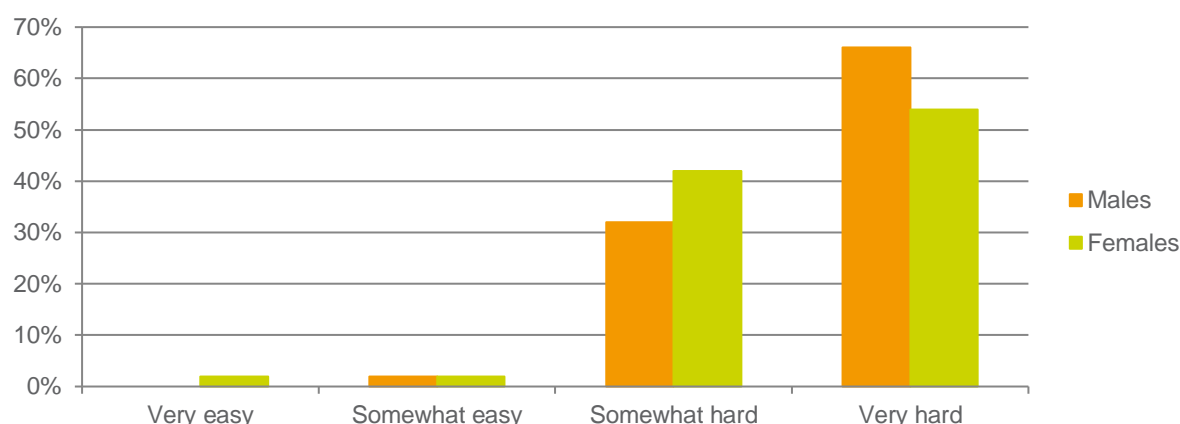
2.2.4 Youth conditions and perceptions of the labour market

As mentioned above, the sections on youth conditions and perceptions for both Egypt and Jordan are based on an ad-hoc, small-scale survey which was conducted with 100 young people in each of the two countries using a mixed qualitative and quantitative research approach. The survey aimed to provide an indication of the situation of young people across various subgroups. However, it is important to underline that, due to its limited sample size, the survey was not intended to be statistically representative of the country under review.

Ease of finding a job

The overwhelming majority (97%) of sampled youth believed that finding a job in Jordan is difficult, and particularly so within their own geographical location. Among respondents there was a widespread perception (89%) that the labour market situation had deteriorated compared to the past, exacerbated by a lack of adequate support from governmental institutions: indeed, all the interviewees stated that there is insufficient or no government support for young people to help them in finding a job.

FIGURE 2.29 DEGREE OF DIFFICULTY EXPERIENCED BY YOUNG PEOPLE IN FINDING A JOB



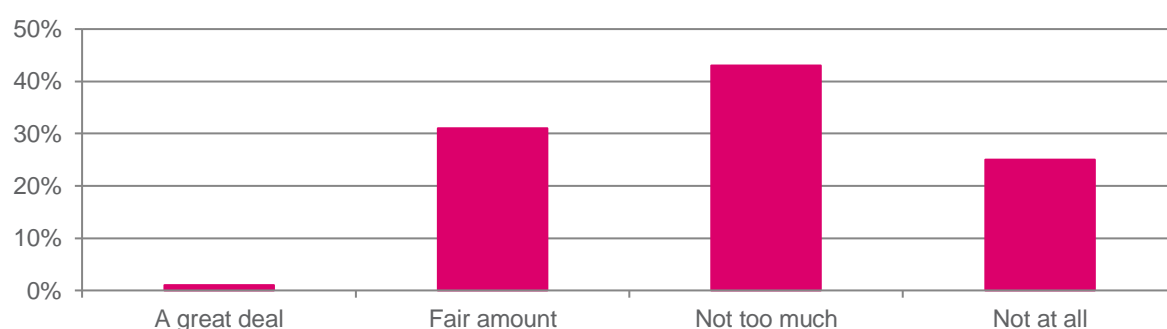
Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

In terms of starting a business, the situation is similar. The vast majority of respondents (98%) stated that it was somewhat hard or very hard to start their own business, as well as to run it. All respondents believed that there is not enough government support for starting or growing one's own business.

Relevance of education to work

At the core of the issue is the education system. Only 31% of respondents believed that the education system in Jordan provides young people with a fair amount of the skills that are required by employers (Figure 2.30). At the same time, over 56% said that they would definitely choose their field of study again, and 25% said that maybe they would. On the other hand, up to 57% of respondents declared they have never taken any training courses to develop their skills.

FIGURE 2.30 EXTENT TO WHICH THE EDUCATION SYSTEM PROVIDES YOUNG PEOPLE WITH SKILLS THAT RESPOND TO THE NEEDS OF EMPLOYERS



Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

Young people also felt that they are disadvantaged in the labour market, with one of the main challenges being obtaining their first job. Their lack of professional experience was considered to be among the major obstacles faced by jobseekers. Furthermore, almost half of the respondents believed that employers perceive young people as poorly skilled. In terms of pay, almost all the respondents thought that young people were offered lower salaries than their older counterparts.

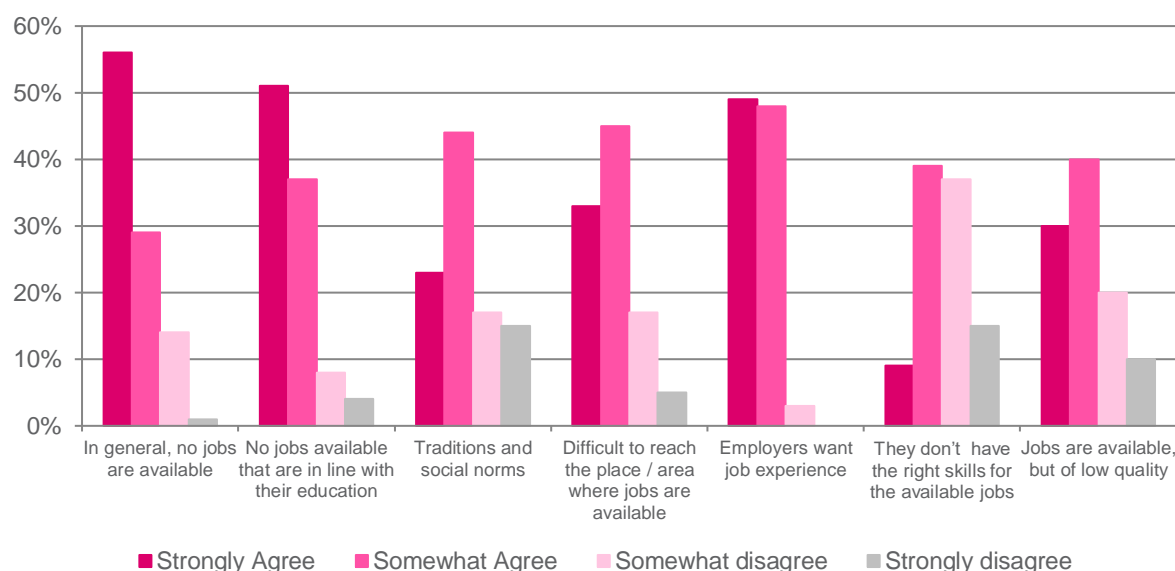
The main difficulties in finding a job seem to be related to the lack of available jobs and the relevance of education (Figure 2.31). When asked about their perceptions of the challenges facing people looking for work, the majority of respondents believed that there were no jobs available (85%),

particularly openings in line with their education (88%). Interestingly, 69% of respondents considered norms and traditions to form a challenge in terms of gaining employment, with half of these respondents being men. The distance to the workplace was also seen by the majority of those surveyed (77%) as being problematic.

Most young people had a negative perception of working conditions in Jordan, with 68% seeing them as somewhat poor or very poor, all of whom pointed to low salaries as the main challenge. The other difficulties respondents experienced in the workplace included long working hours (15.9%), working in jobs that were not in line with their education (13.1%) and a lack of formal contracts (10.7%).

A considerable share of the sampled young people (66%) believed that migrant workers or refugees were influencing the labour market situation in their geographical area, mainly leading to lower salaries (44.2%) and increased job competition (36.4%).

FIGURE 2.31 DIFFICULTIES YOUNG PEOPLE FACE WHEN LOOKING FOR A JOB

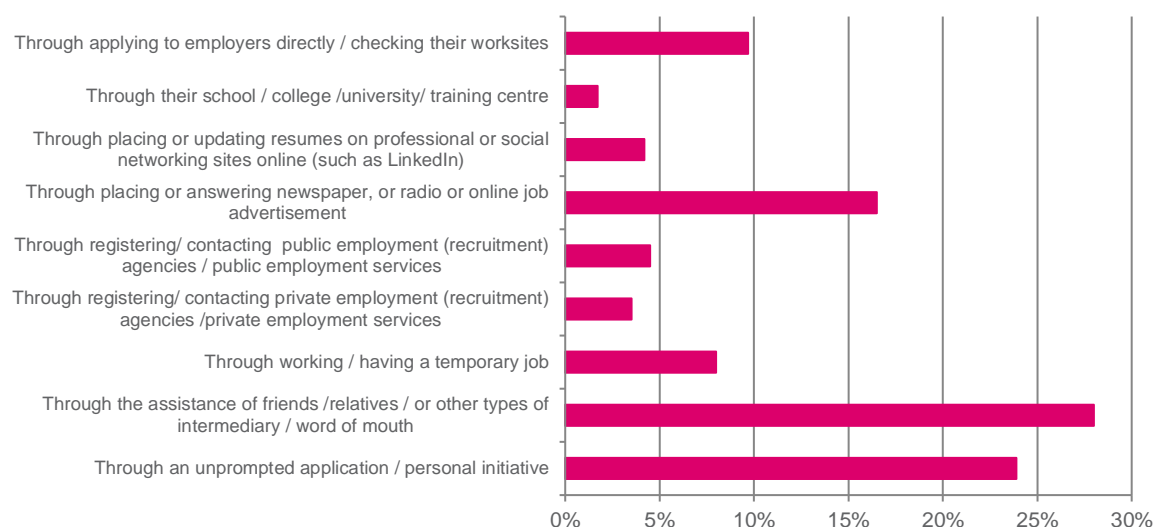


Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

Job search methods

Partially contradicting the findings from the LFS, most respondents indicated that they look for jobs through friends and relatives (28%), through unprompted applications or personal initiatives (24%) and by answering newspaper ads (16.7%) (Figure 2.32).

FIGURE 2.32 JOB SEARCH METHODS OF YOUNG PEOPLE IN JORDAN



Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

The situation of employed young people

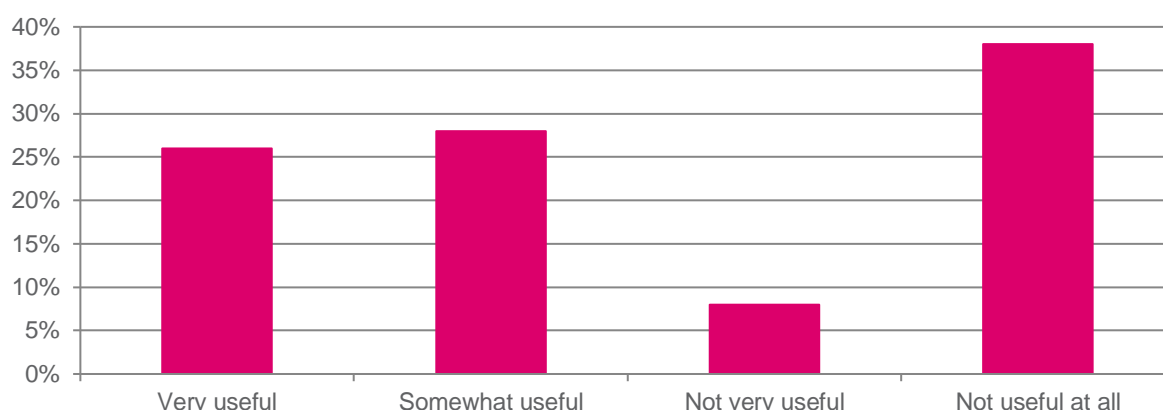
The majority of employed respondents obtained their first job either during their education (one third) or within six months of their graduation (27.3%), while 18.2% reported that it took them a year or more to find employment. Close to half of the employed sampled of young people found their first job with the help of friends, relatives or other intermediaries, while most of the remaining respondents gained employment through an unprompted application/personal initiative (14%), or by answering newspaper or online job ads.

Education

The experience of the employed group on the usefulness of their education in finding a job was mixed, with 54% indicating that it was useful, and 46% indicating that it was not (Figure 2.33).

Those who reported that it was useful also stated that their current job was in line with their studies, whereas the other group felt that their current job did not align with their educational qualifications. The latter respondents asserted that they could not find an appropriate job related to their educational background (71%), and that their current position provided them with better career prospects than any job in line with their field of study. Interestingly, the majority of employed respondents (72%) said that they had the appropriate skills needed to perform their current job, and 20% believed themselves to be overqualified.

FIGURE 2.33 USEFULNESS OF EDUCATION/TRAINING IN PREPARING FOR WORK OR FINDING A JOB

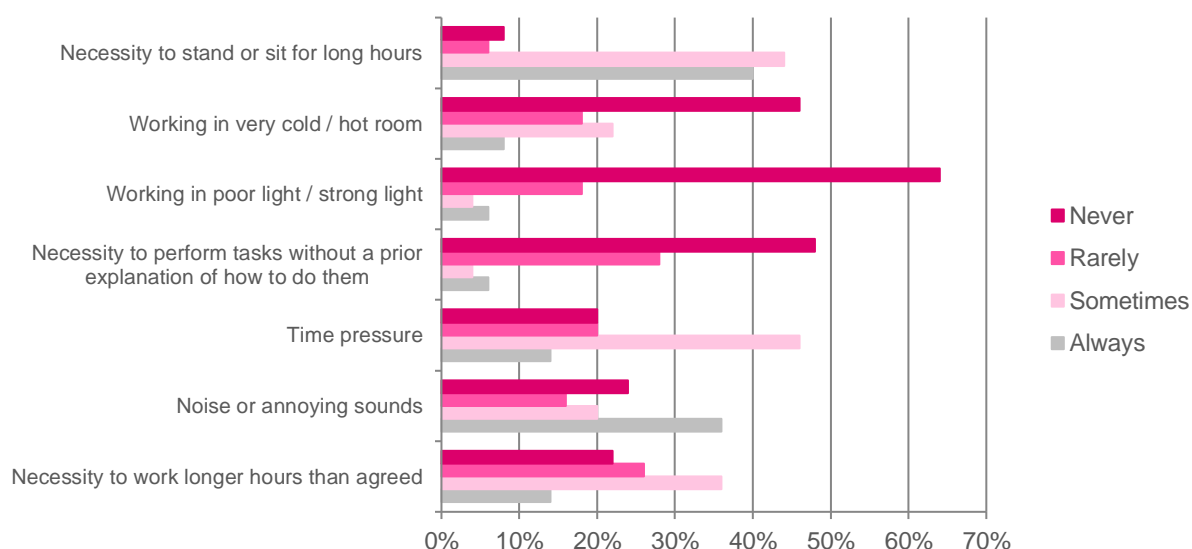


Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

Working conditions

The employed young respondents reported their working conditions as good, with a few exceptions. Almost a quarter stated that they don't have any type of contract for their job, and 12% said that they had an oral contract. For those with a contract, the majority (60.5%) had a permanent contract or one of unlimited duration; 38.9% had a temporary or renewable contract; and 10.5% had a temporary contract without the prospect of it continuing. The majority worked six days a week (64%) and, on average, 8.5 hours per day. Only a fraction of the respondents (18%) were satisfied with their salaries. Ninety-two per cent of the sample received non-financial benefits, with the majority of responses indicating that they received paid sick leave, paid leave (vacations) and personal medical insurance. Difficulties faced at work included having to stand or sit for long hours, time pressures and long working hours (Figure 2.34).

FIGURE 2.34 DIFFICULTIES FACED AT WORK BY EMPLOYED YOUTH IN JORDAN

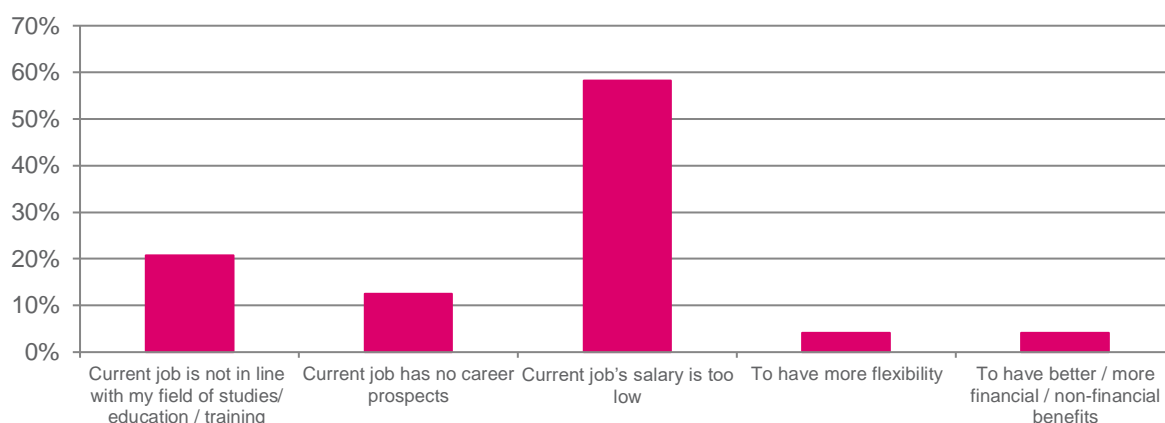


Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

Job outlook

Half of the employed respondents were looking for another job (48%), citing low salaries (58%), misalignment between their education and the requirements of their job (20.8%), and lack of career prospects (12.5%) as the main reasons (Figure 2.35).

FIGURE 2.35 REASONS FOR LOOKING FOR ANOTHER JOB BY EMPLOYED YOUTH IN JORDAN



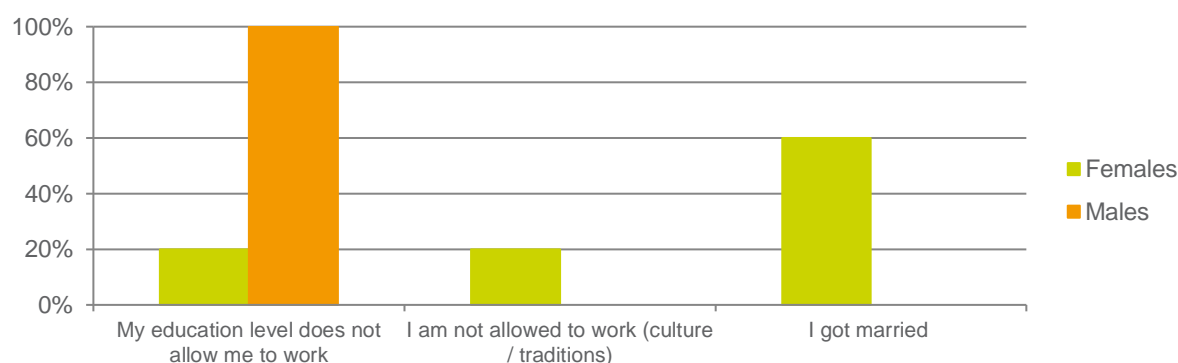
Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

A third of the employed respondents thought that digital technologies would have no impact on their current jobs, and 28% felt that their effects would be small, although the majority believed that the impact of digital developments will be positive (only 9.1% indicated a possible negative impact).

NEETs

The majority of NEET respondents were unemployed, meaning that they were looking for a job, while the rest were economically inactive. Almost 76% of NEETs were looking for a job at the time of the survey. The main reasons for not seeking employment were given as marriage, a lack of suitable education/skill level, and cultural/traditional factors (not being allowed to work) (Figure 2.36). Interestingly, almost all the men were looking for a job, while only two-thirds of the female NEET respondents indicated that they are looking for a job.

FIGURE 2.36 REASONS FOR NOT LOOKING FOR A JOB



Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

NEETs with work experience

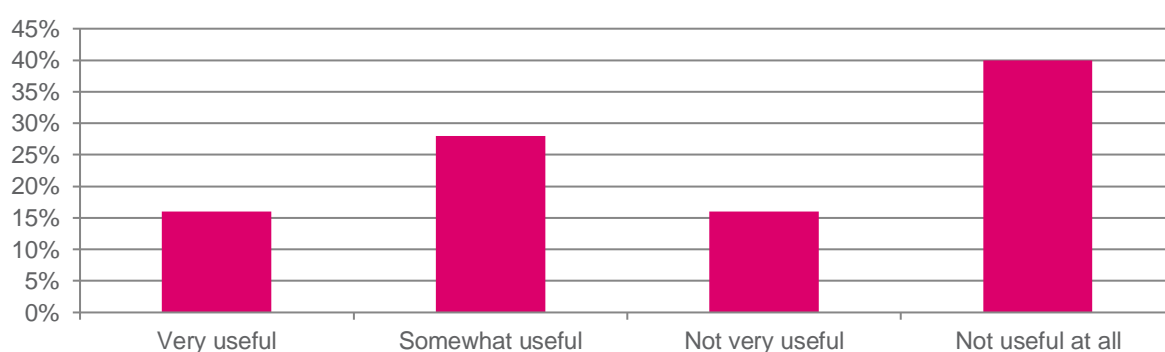
Half of the NEETs sampled had previous work experience, ranging from a few months to a few years, with some older respondents having had between seven and nine years' experience. The majority had been employees in the private sector and worked on a full-time basis. Only 4% had worked in the public sector and 12% had worked on a part-time basis. In terms of sectors, a third of the experienced NEET respondents had worked in the accommodation and food services sector, and a significant share in electricity, gas and water supply, construction, the trade and repair of motor vehicles, financial services, education, or as a secretary.

Interestingly, 39.1% of NEETs with previous experience did not have a written contract during their previous job, while 17.4% had an oral contract. Of the 43.5% with a written contract, the majority were temporary and without any prospect of a permanent job. Almost half of the experienced NEETs obtained their previous job through friends, relatives and other intermediaries, while others had succeeded by applying directly to potential employers or through an unprompted application.

Education

The majority of the experienced NEETs did not see their education as useful or as demanded by the labour market. Over half of NEET respondents who had worked before did not find that their education had been useful in preparing them for work, while only 16% and 28% indicated that it had been very useful or somewhat useful, respectively (Figure 2.37). Sixty per cent of respondents indicated that their last job had not been aligned with their studies and that their work responsibilities and tasks had not been related to the subject of their studies. For these respondents, the main reason given for choosing that job was that they could not find appropriate employment related to their education. All the NEET respondents with experience believed that they either had a higher level of skills than required or the appropriate level needed to perform their previous job's responsibilities and tasks.

FIGURE 2.37 USEFULNESS OF EDUCATION/STUDIES IN PREPARING YOUNG PEOPLE FOR WORK – NEETS WITH WORK EXPERIENCE

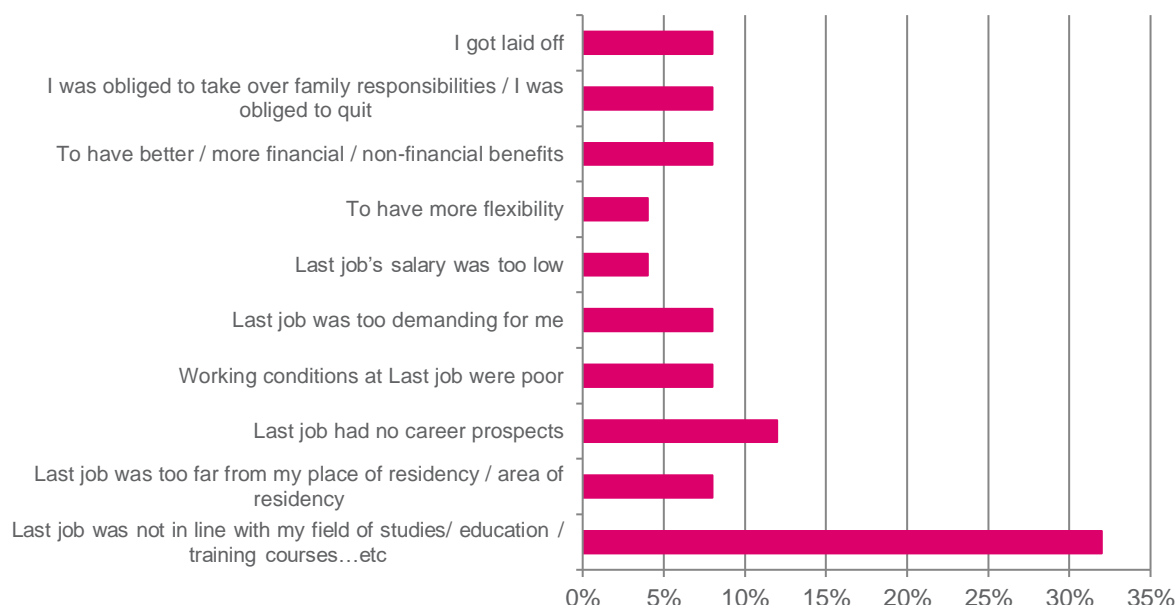


Source: Oxford Research/AAA/To Excel survey, 2020.

Working conditions

The group of experienced NEETs reported only a few issues in terms of working conditions in their last jobs, mostly related to delays in salary payments (74%) and a lack of non-financial benefits (15%). The experienced male NEETs had left their previous jobs mainly due to a lack of alignment between their education and the job requirements, while the female respondents, in particular, indicated family responsibilities and poor working conditions as the main reasons. Most left their jobs in 2019.

FIGURE 2.38 REASONS FOR LEAVING THEIR PREVIOUS JOB



Source: Oxford Research/AAA/To Excel, SEMED youth survey, 2020.

Job search

NEETs (with work experience) who indicated that they were currently looking for a job were doing so mainly through contacting private employment/recruitment agencies, through unprompted applications, and through the assistance of friends, relatives and other intermediaries. When asked whether they were considering further education/training, 60% said they were not. Those same 60% also indicated that there was not much available information on further education possibilities in Jordan.

NEETS without work experience

Multiple methods of job search were reported by NEETs with no prior work experience. The majority indicated that they are utilising the assistance of friends, relatives and other intermediaries, as well as responding to job ads and making unprompted applications to potential employers.

Most of the sampled NEETs were looking for a job with employee status, while around a third indicated their openness to accept any kind of job. Similarly, the majority were looking for full-time work, with around a quarter indicating their willingness to accept either full- or part-time posts.

There was no particular preference for working in the private or public sector: a third would like a job in the public sector, a third in the private sector, and a third indicated that it did not matter which sector they worked in. In terms of subsectors, a third were looking into the electricity and water supply field, a quarter into education, and near to a fifth were interested in the financial sector. Not surprisingly, the majority of those wishing to work in the education sector were women. More than half of the respondents indicated that they are looking for a job that was in line with their educational background.

2.2.5 Policies to support youth integration into the labour market

Given the persistence of youth unemployment, the government has constantly striven to support the employability of Jordanians, and especially young people. Key policy priorities in this area include

developing young people's education and skills to better match labour market requirements, improving the life skills or soft skills of young jobseekers, and facilitating the overall transition from education to work.

The government's priorities are reflected in a number of national strategy documents and plans. The most relevant policies addressing youth unemployment are the National Strategy for Human Resources Development (NCHRD, 2015), the National Strategy for Financial Inclusion (2018–20), the National Strategy for Youth (2019–25) and the National Employment Strategy (2011–20)⁵⁴.

This section provides the main policies and initiatives in this area specifically aimed at improving youth employment outcomes. Measures are divided into three broad policy areas, covering: (i) skills development policies; (ii) policies facilitating young people's transition into the labour market; and (iii) ALMPs aimed at integrating unemployed youth into the labour market.

Skills development policies

Improving the education system

Major efforts have been put into developing the education system in Jordan, but the lack of continuity between relevant policies has brought limited results so far.

These efforts have been championed by the Ministry of Education and a multitude of international development organisations. The European Union has supported the sector through the Skills, Employability and Social Inclusion Programme (SESIP) – a budget support intervention offering related technical assistance. Among its different components, the budget support element has helped to bring forward some important reforms with regard to quality assurance, qualifications, the monitoring and evaluation of the education system, and the training of teachers and instructors, as well as the development of a digital learning platform. Through the Education Reform for the Knowledge Economy programme, the World Bank has been working on developing teaching and learning, and establishing a national school-based development system. More recently, USAID has stepped up its support to Jordan through multiple school infrastructure projects. Indeed, much of the recent international support has focused on building the required infrastructure for a better physical learning environment that entails less crowding in the classroom.

More importantly, the government of Jordan launched the National Strategy for Human Resource Development (2016–25). This strategy is quite comprehensive and addresses the education system across all levels, from early childhood development to university education and technical and vocational training. Its main aims are ensuring equal access to quality learning and increasing the

⁵⁴ The National Strategy for Human Resources Development aims, by 2025, to substantially increase the number of young people and adults who have the relevant technical and vocational skills for employment, as well as supporting the creation of decent jobs and entrepreneurship. The goal of the National Strategy for Financial Inclusion is to increase the share of financial support (percentage of loans provided by banks and MFIs to micro, small and medium enterprises) from 8.5% to 15% by 2020, giving particular attention to the lowest-income households, women, young people and refugees. The National Strategy for Youth emphasises the role of young people in entrepreneurship and aims to develop the youth working environment and support entrepreneurship. Similarly, the National Employment Strategy focuses on improving education outcomes and ALMPs as well as encouraging entrepreneurship through the expansion of vocational, soft skills and entrepreneurial training, while also providing wage subsidies or grants for aspiring entrepreneurs.

number of young people and adults with the relevant technical and vocational skills to gain employment⁵⁵.

Unfortunately, implementation was severely delayed and limited during the first few years of the strategy timeline, mainly because the management of this process was transferred between different institutions on a number of occasions.

One of the main outcomes of this strategy to date has been the establishment of the National Centre for Curricula Development, which has recently been developing new maths and science syllabi in cooperation with local experts and according to international standards. New schools have also been built under this strategy to accommodate the increasing number of students. In addition, teachers have also undertaken training in up-to-date teaching methods. Work is underway to expand kindergartens, which would contribute to advancing the economic participation of women.

With regard to universities, legislative and institutional amendments have been put in place to enhance good governance.

Moreover, through this reform process, new entities have been established. Firstly, the Vocational and Technical Skills Development Commission has been set up to enhance the labour market by organising the vocational training sector⁵⁶. A Vocational and Technical Skills Development Council has also been created, as part of this commission, to formulate policies and strategies for developing the sector on a national level. Secondly, Sector Skills Councils have been created for some sectors, involving representatives from both the public and private sectors.

Policies facilitating the transition from school to work

Career guidance

Research on the mismatch between labour supply and demand in Jordan has shown that, too often, young people are specialising in stagnant fields that are not in demand in the labour market. For this reason, the authorities have been trying to enhance the framework for career guidance to better orient and direct young people with regard to options that are in demand.

The Career Guidance Strategy, which was developed and adopted in 2011, with the support of the ETF and the Canadian Building and Extending Skills Training (BEST) project, was not put into operation as the related implementation unit was not established (ETF, 2017b).

In the Ministry of Labour, employment directorates in Jordan's governorates provide career guidance services for jobseekers, including TVET graduates and workers looking for training and/or new employment opportunities (Ibid.). In addition, the employment directorates continue to conduct

⁵⁵ The main objectives of the strategy include: (i) guaranteeing that all children have access to quality early childhood learning and development experiences that promote primary school readiness, healthy lives, and future well-being; (ii) ensuring that all children complete equitable and quality primary and secondary education, leading to relevant and effective learning outcomes; (iii) substantially increasing the number of young people and adults who have the relevant technical and vocational skills for employment, decent jobs and entrepreneurship; and (iv) providing fair access to affordable, relevant and high-quality university education opportunities.

⁵⁶ The new commission is intended to be the legal and technical body for the vocational education sector, under a new law that gives it authority to replace all other vocational education institutions to rehabilitate vocational schools and institutes. The Commission is the result of merging the former Employment and Technical and Vocational Education and Training Fund (ETVET Fund) with the Accreditation and Quality Control Centre, to supervise the implementation of vocational education programmes and develop sector skills.

awareness campaigns, according to annual plans, that target schools, universities and associations to inform interested parties about training and employment opportunities, etc.

In 2003, the royal NGO King Abdullah Fund for Development began establishing Career Guidance and Alumni offices across the Kingdom to provide counselling services for university students to help them understand the various specialisation fields and set them on the right career path. Activities conducted by these offices include career counselling, training and extracurricular activities involving voluntary work. In partnership with Jordanian universities, a total of 27 offices have been established in various public and private universities in the country. These offices also aim to strengthen partnerships between the public and private sectors, universities, NGOs and international organisations.

The Ministry's Employment Directorate is tasked with the provision of employment services through its 14 labour offices. While these offices are currently not playing their role fully, the vision is for them to become one-stop-shops that offer various benefits to students, including advisory and placement support, information on locally available job opportunities and employment counselling services (ETF, 2014). At the beginning of 2013, the Ministry of Labour also launched the ongoing National Campaign for Employment, entailing cooperating with the private sector and organising job fairs.

Supporting entrepreneurship

Since the beginning of the Arab Spring in 2011, and the fiscal consolidation programme that the government has been implementing since 2012, the authorities have been turning to entrepreneurship support programmes to enable young Jordanians to become entrepreneurs or self-employed. This focus developed at a time when the private sector was not creating enough jobs to accommodate the labour force and the public sector had curtailed or even completely halted hiring new staff.

The importance of entrepreneurship was stressed within the strategic objective of the National Strategy for Human Resources Development (2016–25), which stated that: 'By 2025, substantially increase the number of youth and adults who have relevant technical and vocational skills for employment, decent jobs, and entrepreneurship.'

One of the key financing institutions promoting and developing entrepreneurship in Jordan is the Development and Employment Fund. The Fund has been provided with considerable funds over the past five years to scale up its loan-giving programmes for aspiring entrepreneurs. But, according to analysis carried out within the National Strategy for Social Protection, the frameworks of these programmes are largely ineffective, with a sizable share of beneficiaries defaulting on their loans⁵⁷.

Jordan also has a well-developed microfinance framework. The Jordan Microfinance Network was established in 2007 under the Ministry of Industry to represent microfinance institutions (MFIs) and disseminate information on their performance. The Network has nine MFI members, most of which focus on low-income households, women and licensed or unlicensed home-based micro and small businesses. In 2018, these nine members cumulatively had 465 717 active clients, 69% of whom were based outside the capital, and 43% of whom were young people aged between 18 and 30.

⁵⁷ According to the data, the average cost of jobs generated from projects financed by the Development and Employment Fund amounted to JOD 2 890 per job in 2017. A total of 48 000 jobs were created by these projects in that year.

FIGURE 2.39 DISTRIBUTION OF ACTUAL EXPENDITURE ON LABOUR-RELATED PROGRAMMES, 2017



Source: Jordan Microfinance Network, 2017.

As **Figure 2.39** shows, Jordan has been heavily relying on financing programmes (to support self-employment and entrepreneurship) at the expense of other types of labour market programmes.

Active labour market policies

Training for employment

Given the increasing length of time it takes young people to transition from school to work, ALMPs have also begun to focus on providing training for employment. In fact, skills training and employment service interventions are the most common ALMP category in Jordan. The Jordanian government and NGOs are the two main implementers of ALMPs in the country, with the programmes ranging from pilot projects to large-scale initiatives.

A 2017 study mapped 36 donor-funded programmes working in the areas of TVET and national employment since 2012, at a cost of JOD 223 million (ILO/IFAD, 2017). There are also numerous public, private and civil society institutions working on providing training for employment with a specific focus on young people, including the Ministry of Labour, the Vocational Training Centre, the Employment and Technical and Vocational Education and Training Fund (ETVET Fund), the Business Development Centre, Education for Employment and other NGOs. **Table 2.5** provides a summary of a number of training for employment programmes and their effects.

Analysis by the aforementioned study found that soft skills training actually improves the mental health of jobseekers and boosts their confidence during the application process. Moreover, it provides young people with much needed skills in terms of communication and commitment to the job, which were not included as part of their former studies. However, such training programmes suffer from a number of shortcomings, including a lack of follow up, monitoring or evaluation. Moreover, the job opportunities taken up by the graduates of these training programmes can end up being temporary positions that fail to provide sustainable employment. This is especially true for programmes that provide ‘incentives’ or compensation to trainees for their attendance, and for those that provide part of the employees’ pay

cheque as an inducement for employers. Such approaches have proven to be not sustainable and increase the structural problems facing the labour market.

TABLE 2.5 SELECTED TRAINING PROGRAMMES IN JORDAN

Project	Implementing partners	Objective	Findings
Employment Promotion Programme	German Federal Ministry for Economic Development, Ministry of Labour	Provide jobseekers with training and motivate employers to provide employment following training (through subsidies)	Only half of beneficiaries regarded the training as useful to find employment.
Jordan New Opportunities for Women (Jordan Now)	World Bank, Ministry of Labour, Ministry of Planning and International Cooperation	Implement and monitor selected labour market interventions, to learn about their effectiveness in contributing to building a coherent active labour market system, and improve job readiness and job placement opportunities for unemployed graduates (male and female)	Soft-skills training has no impact on employment.
Job Readiness and Placement Component	World Bank, Ministry of Labour, Ministry of Planning and International Cooperation, ETVET Fund		Training was not required as jobseekers were overqualified for the jobs they were hired for. Soft skills training increased confidence.

Source: Oxford Research/AAA/To Excel, 2020.

ALMPs targeting women

ALMPs have been increasingly targeting women, given the low female participation rate in the labour market, despite their having a high level of skills. However, unlike regular programmes, ALMPs catering exclusively to women look at the challenges that are particularly applicable to women, including cultural and social norms, transportation and other specific issues.

One successful example that has been on-going since 2010 is Jordan's satellite garment factories. In this project, the Jordanian government reached an agreement with several clothing manufacturers to open small satellite factories in local communities and employ women from these areas. This project addressed a major problem in this sector, which is the large geographical distance between the development zones in which these factories operate, and the local communities in which women can work.

3. POLICY REFLECTIONS

KEY HIGHLIGHTS

Several successful policy measures, programmes and initiatives have been identified in the region. Their focus in the future should be on reflecting the current labour market situation, which will be deeply affected by the pandemic situation, and taking into consideration the specific situation of young girls and women. Studies show that youth are and will be disproportionately affected by Covid-19, with many millions of jobs being lost worldwide.

Consultations with stakeholders in the course of this study resulted in a number of policy reflections, indicating possible development areas for these support programmes, divided into three main areas.

Demand-side actions

- Support business and investment, especially in SMEs
- Integrate businesses into larger value chains
- Promote private sector involvement and public-private partnerships
- Improve information on skills demand
- Offer employers incentives to encourage youth employment

Supply-side actions

- Teaching 21st-century competences (soft and digital skills)
- Prevent school dropouts
- Improve orientation and career guidance
- Enhance and diversify high-quality VET programmes
- Establish work-based and non-standard forms of learning
- Support entrepreneurship training
- Ensure skills development in the informal economy
- Strengthen intermediation and the role of public employment services
- Take advantage of new forms of employment

Cross-cutting actions

- Implement youth policies
- Engineer interventions targeting vulnerable youth groups
- Find solutions to cope with the Covid-19 pandemic
- Act at the local level
- Monitor and evaluate employment programmes
- Coordinate projects and interventions

3.1 Future perspectives

Since 2011, the situation of young people has been high on the political agenda of all the countries in the SEMED region, and governments have placed great emphasis on measures to tackle youth unemployment. While the situation at the starting point was already complex, with a large population of young people and limited job creation taking place, difficulties have also emerged in relation to the management of the different youth programmes (financed with national or international funds), in particular regarding their targeting, coverage and sustainability. Overall, the coordination among different initiatives has proved to be difficult, which has a negative impact on the concrete results of single projects.

However, several successful policy measures, programmes and initiatives in the region have also emerged, aimed at enhancing young people's skills, facilitating their transition from school to work and supporting them in finding a job. In particular, supply-side policies have focused on developing young people's employability by helping them to acquire and further develop appropriate skillsets (through equipping them with the skills required by employers, and improving the quality of education, particularly VET), as well as supporting them in the transition from school to work (through career guidance and encouraging entrepreneurship). Some demand-side measures targeting youth unemployment, such as employment incentives and job creation programmes, have also been developed.

The spread of the Covid-19 virus has surely made a complex situation even more challenging, although the specific effects of the pandemic on the labour market are not yet known. This study does not explore the pandemic's likely consequences since it was launched and implemented mostly before the current upsurge and because the most recent LFS data do not yet reflect the impact of Covid-19 on the labour market. The ETF is running parallel studies to better understand the phenomenon, so that evidence can be made available to policy makers and international organisations. However, global research already conducted by different international organisations such as the OECD, the United Nations and the ILO shows that young people are and will continue to be disproportionately affected by Covid-19, with many millions of jobs being lost worldwide. In the EU, according to the European Commission, one in six young people have stopped working since the onset of the crisis, with many losing their jobs in hard-hit sectors such as accommodation, food, arts, entertainment, wholesale and retail, and others now entering the labour market at a time when such sectors are no longer hiring.

Covid-19 has strongly affected high-income countries with comprehensive and effective health and welfare systems, and has had an even greater impact in countries without such benefits, especially low-income and least developed countries. The SEMED region is not excluded from this unprecedented shock, which will place extra strain on the already fragile and difficult socio-economic contexts that exist in these countries. Therefore, extraordinary measures will be needed to face an extraordinary situation. Specific support will be required for new graduates, as they will face even greater difficulties in finding their first job, with well-documented scarring effects in the medium and long run. Targeted policy responses will also be necessary for those young people with brief experiences of working or with precarious and non-protected jobs. In this sense, comprehensive support strategies, also including temporary basic income support, hiring premiums, subsidies for apprentices, will be key to keep young people in employment across the region (European Commission, 2020b).

Specific measures will be particularly important for young girls and women, given their already disadvantaged position in the labour market and the strongly gendered impact of Covid-19, with women and girls more likely to be negatively affected than men. International studies (for instance a recent United Nations Research Institute for Social Development report of July 2020) confirmed that women's burdens at home – in terms of care, education and domestic work – increased significantly as a result of confinement and school closures. Moreover, women were found to be more exposed to the risks of domestic violence and harassment, while their income insecurity has intensified, as they are less likely to receive direct government support compared to men. On the other hand, the gendered segregation of the labour market has meant that women are more likely to continue working through the crisis, especially in roles that put them at risk – in care, nursing, the food and service industries, for example (facing the tragic dilemma between health and livelihood) (UNRISD, 2020).

However, as a real game changer, the pandemic could present an opportunity to accelerate the transformation towards new development models, based on a socio-economic and ecological transformation that puts individuals at the heart of countries' policy agendas and that respects human well-being and the environment.

As recognised by the European Commission in its recent European Skills Agenda for sustainable competitiveness, social fairness and resilience (European Commission, 2020a), digital and green transitions are reshaping people's lives, jobs and relationships, and these trends have been accelerated by the pandemic. Such transitions reveal a need for an unparalleled shift in skillsets in order to reap their full potential, not only in the EU but around the world. Rising new forms of youth employment (new jobs, the platform economy, cultural shifts, etc.), emerging sectors, innovations in technology, the accelerated digitalisation of jobs and new forms of digital learning are all opportunities that governments need to grasp to provide fresh prospects for younger generations. Accelerating the move towards more digital and green systems comes with both opportunities and uncertainties. Building the resilience of individuals and companies and developing agile, coordinated and targeted public policies will be key to tackle youth unemployment and to improve the quality of existing jobs.

Existing good practices in the region can be streamlined and guide new actions, while addressing current limitations. Specific demand-side, supply-side and cross-cutting actions are suggested below, together with some inspirational good practices from the countries. Both the measures and examples were mentioned by experts and stakeholders during the consultations held for this study, during the investigation at the regional level and in relation to the specific case studies.

3.2 Demand-side actions

3.2.1 Support business and investment, especially in SMEs, as a source of job creation

All the consultations with stakeholders confirmed that there is a strong need to build an ecosystem supporting the creation and smooth running of SMEs, which remain the biggest employer in the region. While backing SME start-ups is fundamental, providing support for business growth is equally important to ensure the survival and development of start-ups and enable job creation. This requires streamlining the regulations that stifle SMEs' growth, and providing them with more incentives to create jobs of good quality. Creating high-quality jobs, where conditions and wages are more in line with young people's aspirations, is fundamental to boosting the private sector and raising productivity levels.

Support to SMEs can take place through several measures, including:

- strategic guidance and business development coaching for companies (including service and product design and other start-up-related methodologies);
- attracting targeted investments at the local level;
- subsidies and support for start-ups in the incubation phase;
- ensuring access to finance and guarantees;
- granting access to health and wealth insurance for SMEs, including women entrepreneurs in particular;
- differentiated tax incentives, including different tax rates for small/starting companies;
- support for export promotion;
- research and development funds;
- information and consulting services;
- training services combined with access to finance;
- local government support for implementing projects using local providers, including funding and monitoring;
- stepping-up public procurement to engage local actors in products and service supply;
- supporting women-led SMEs and reforming the legal frameworks that constrain female entrepreneurial activity;
- supporting basic infrastructure, including roads and transport services, access to water and irrigation, telecommunications, storage facilities, toilet and hygiene services; and
- the integration of local SMEs into bigger value chains.

3.2.2 Integrate businesses into larger value chains

Integration into global value chains provides an opportunity to help the economies of the region generate enough jobs to absorb the large number of young people who join the labour market every year. However, this requires adopting a systematic approach in order to establish priorities between the various value chains; identifying the various actors along with their linkages and interactions; analysing technological capabilities and economic performance; and formulating a strategy for upgrading selected value chains, while considering the regulatory and institutional dimensions. Businesses will also need technical support to be able to benefit from such opportunities.

3.2.3 Promote private sector involvement and enhance public-private partnerships

There is a need to reinforce public-private dialogue and engage in partnerships that can align the education system and the labour market, ease young people's school-to-work transition, and restore trust in the government. Public-private partnerships offer students and recent graduates jobs and work experience in the private sector (e.g. through internships, traineeships, volunteering, job shadowing and 'summer jobs'), thus providing young people with the necessary soft skills and the initial training required by the labour market. They can also enable young people to establish connections with potential employers that may help in future jobseeking. Seen in this light, ways of incentivising SMEs to provide a steady supply of high-quality and effective work experiences should certainly be explored.

Promoting partnerships between business and education, while supporting key industrial ecosystems and SME networks, as well as increasing the prevalence of work-based learning within existing programmes, could be a means of greatly enhancing the relevance of education.

GOOD PRACTICES OF PUBLIC-PRIVATE PARTNERSHIP

In **Jordan**, the government has recently been reforming its TVET sector, with the objective of adopting a comprehensive approach to enhancing its governance and strengthening its partnerships with the private sector. In 2019, a Technical and Vocational Skills Development Commission was established under a new law endorsed for this purpose. The Commission aims to streamline all TVET-related policies and to be the legal and technical body for the vocational education sector. The newly established Commission intends to enhance partnerships with the private sector in order to set standards and licensing criteria and establish conditions for working with vocational training providers.

Already, more than six sector skills councils have been officially established under this new governance and legal framework, including a tourism skills council and a hospitality skills council. It is expected that around 21 different sector skills councils will be created. Over 60% of the board members of these councils will come from the private sector while the remaining members will be public sector stakeholders. This means that the private sector will have the bigger say in these sector skills councils, which aim to develop the criteria and standards for vocational education institutions and instructors. The overall ongoing reform of the TVET sector in Jordan is characterised by private sector engagement and even ownership.

In **Lebanon**, the Ministries of Agriculture and TVET established a school-industry partnership to jointly develop new curricula for two specialisations. In 2016, a project was launched on 'upgrading the technical agriculture education system in Lebanon'. This project was implemented by the Ministry of Agriculture in partnership with the Food and Agriculture Organisation, UNICEF, the ILO and other organisations. The ongoing project is in the process of upgrading the technical agriculture education system, partly through its partnership with the private sector in developing the curricula. One of the five main outputs of the project is creating linkages between the agricultural schools and the private sector.

Source: Oxford Research/AAA/To Excel, 2020.

3.2.4 Improve knowledge and information on (changing) skills demand

Ensuring the availability and accessibility of data on jobseekers, job vacancies and the absorption capacity of the labour market is crucial not only for those who are looking for work, but also so that employers and policy makers are able to make informed choices. Skills intelligence systems need to be developed to generate reliable and sustained flows of information and indicators in order to help promote the employability of young people. Such systems would allow governments to monitor labour market demand and match it with the supply of graduates, thereby making it possible to anticipate and properly address skill shortages and mismatches, guide VET curricula with regard to labour market needs, and ease the school- and work-to-work transition. Policy makers also need to work with companies to identify skills shortages, in order to set up additional training programmes that can tackle specific needs. Dialogue with local entrepreneurship/business organisations is crucial in this context.

LABOUR MARKET OBSERVATORIES IN EGYPT

In order to improve the matching of skills supply and demand, the Egyptian Education, Training and Employment Observatory was established in 2006 by the Information and Decision Support Centre (IDSC) in cooperation with the ETF and other stakeholders. The Observatory was set up with the aim of developing capabilities, analysing information and forecasting education, training and employment needs in order to fulfil labour market requirements. Although the initiative was later discontinued, the idea of a labour market observatory was revived by the MoETE in collaboration with GIZ at the regional level. A network of regional observatories was established to produce regional labour market information in a participatory manner and propose employment-related interventions for the respective region. The project relies on staff from relevant stakeholders, including the MoETE, the Ministry of Manpower and Immigration, private sector associations and researchers, to ensure sustainability. These agencies share data and make labour market data available to improve the information base for policy makers. Six regional labour market observatories have been developed in Sadat City, 6th of October, Aswan, Port Said, Suez and Ismailia. The observatories have managed to establish working relations with the public employment offices and have produced a number of regional labour market reports.

Source: Oxford Research/AAA/To Excel, 2020.

3.2.5 Offer employers incentives to encourage youth employment

Offering incentives to the private sector to employ young people may help facilitate their integration into the labour market, especially at the beginning of their working life. Incentives can be financial or non-financial, and may include recruitment bonuses for new hires, coverage of the minimum wage and/or social security payments, and the provision of transportation or transportation allowances for young people. Such interventions may be particularly effective in promoting the employment of specific groups, such as women or people with disabilities, or in certain sectors or regions. While incentives like these may boost employment in the short term, they need to be accompanied by other structural measures to ensure that the employment created is sustainable, and that it does not lead to distortions such as substitution, displacement or deadweight loss effects. These measures tend to be particularly efficient if combined with training programmes.

JORDAN'S SATELLITE GARMENT FACTORIES

Given that clothing is Jordan's biggest export, the Kingdom hosts many garment factories that export under specially designed agreements. Jordan hoped that these factories would provide employment to Jordanian women, a minority of whom are in the labour market. However, the main problem was that the factories were located in special economic zones, which the community considers to be unsafe for women. Another challenge was commuting to the zones, which are usually a considerable distance from urban and rural settlements. Given these challenges, the government made an agreement with garment factory investors to establish 'satellite' production units in rural areas in order to employ Jordanian women with few income opportunities.

As part of the agreement, the government partially covers the salary and benefits of the workers, as an incentive for manufacturers to open these units. Since the start of this initiative in 2010 until the beginning of 2019, around 7 000 jobs have been created through 22 satellite factories established across different rural areas in Jordan. Nevertheless, the project faced some problems initially, mainly related to the fact that rural Jordanians were often inexperienced and unaccustomed to working in a factory environment, which meant that most of these businesses were facing high absenteeism and turnover rates. In response to this, Better Work Jordan, a partnership between the International Finance Corporation (IFC) and the ILO, launched a project to help rural Jordanians improve their productivity by providing job-specific training to factory workers and advisory sessions to managers. With such training, the satellite factories are expected to become more productive, and thus more profitable, as they expand into further areas of the country.

Source: Oxford Research/AAA/To Excel, 2020.

3.3 Supply-side actions

3.3.1 Improve the relevance of education: focus on competences for the 21st century and sectors with the potential for job creation

Young people need to acquire and develop skills so that they are able to adapt to rapidly evolving labour market needs. To ensure that this can happen, existing training should focus not only on specific technical subjects but also on life skills, creativity, critical thinking, collaboration and digital technology. In this regard, it might be useful to consider the key competences adopted in the EU Key Competences Framework (European Commission, 2018) and incorporate them into the education system. Brief and hands-on preparatory training – such as short learning courses, boot camps or workshops – related to specific skill needs could help upskill unemployed or inactive young people to enable their immediate labour market integration, focusing on, for example, digital entrepreneurial, career management and green skills.

Basic digital skills need particular attention, given their increasing importance, especially after the Covid-19 pandemic. As many countries adopted lockdowns or restrictions in response to the crisis, a large proportion of the workforce was instructed to work remotely, whenever possible. Despite such unprecedented disruptions, the pandemic also created opportunities for some sectors such as ICT, e-

commerce, finance and insurance. Therefore, young people need to acquire digital skills to allow them to benefit from the acceleration of digitalisation.

In order to make this possible, it is crucial that governments boost investment in broadband connectivity, ICT equipment and developing the digital skills of students and teachers/trainers, with quality curricula tailored to a virtual audience. Targeted support should be offered to young people who face barriers in accessing online learning to ensure that the digital divide does not hamper their employability prospects. Particular attention should be given to ensuring that girls have effective access to and use of digital tools so that they can benefit from the opportunities facilitated by e-learning. Initiatives should also be introduced to support virtual work-based learning options for young people.

3.3.2 Prevent school dropouts

School dropouts significantly affect labour market conditions, and the quality of jobs taken up. Dropouts result in a potential supply of illiterate or very poorly educated workers. Notwithstanding progress in educational attainment in the region, illiteracy remains a serious problem among the adult population in Morocco and Egypt and to a lesser extent in Algeria and Tunisia. It is, therefore, important to adopt measures to reduce school dropouts or to provide second chance education programmes. Raising the compulsory age of education could help lower the number of dropouts and absentees from school (as was observed in Israel).

Tracking mechanisms for non-attending school children and early warning systems (including identifiers such as a history of absences, grade retention, low levels of academic achievement, socio-economic background) greatly help in identifying young people who are at risk of becoming unemployed or inactive. Such systems, as well as implementation measures aimed at tackling early leaving from education, can contribute to a better prevention strategy.

Financial aid for students, whether pursuing campus-blended, blended or online programmes, in the form of grants or loans with favourable interest rates and state guarantees could help enable young people to prolong their studies or to re-enter education or training. It is also important to offer pathways for reintegration into education and training, including second chance education programmes, especially for early leavers from education and training, and low-skilled young people.

3.3.3 Improve orientation and career guidance

Counselling and career guidance services (including job clubs, job vacancy fairs and career guidance portals) are important for facilitating the transition from school to work as they help young people to obtain adequate information about education, training and alternative job opportunities. Furthermore, the skills needed and types of career opportunities are rapidly changing in the current constantly evolving labour market. In this context, young people require more and better information about the different career paths available to them.

Young people in the region have a limited awareness about the labour market situation and the various opportunities available. Therefore, there is a need to enhance orientation and career guidance for young people, to enable them to make more informed decisions and choices with regard to their education and skills development in a way that matches labour market needs. Such orientation and career guidance should also be strengthened at the local level and across different economic sectors.

Appropriate career guidance systems need to be established at all levels and across all types of education, including VET. To enhance its effectiveness and help students understand the relevance and usefulness of their studies, career guidance should start at an early age and be embedded in the curriculum. This will create more opportunities for jobseekers to better understand the job market. Career management courses in formal education and training are required to prepare young people for a volatile, precarious world of work, and to explain the possible steps to take in finding a job or receiving support.

It is also important to introduce more proactive methods of delivering career guidance services, for example through visits to firms, inviting individuals to talk to young people about their profession, open-door days in schools, and encouraging young people to explore part-time options, internships, voluntary work and opportunities that are lower-paid but have high future potential.

While the Covid-19 situation has exacerbated the challenge facing young people in transitioning to work, it has also highlighted the importance of digital tools in supporting school leavers in their job search journey due to the difficulty of carrying out face-to-face counselling. The use of web-based interactive guidance tools and services (e.g. video-communication with counsellors, YouTube-live or webinars with a chat function) are particularly relevant. In addition, dedicated phone lines provide a practical tool for offering one-to-one counselling to young people who do not have internet access, particularly those at risk of early school leaving.

CAREER GUIDANCE PRACTICES IN MOROCCO

Morocco has established six pilot career centres across the country, in an effort to help bridge the gap that students face when moving from education to work. Three of these centres are in universities and the other three are in vocational schools and institutes. These centres help students navigate the transition from school to work through investing in labour market actors to provide young people with a better understanding of employment trends, demand for skills and opportunities to connect with the private sector. The centres use communication and outreach tactics to accelerate change, thereby becoming a leading platform and key point of access for youth employability. They equip students and vocational trainees with diagnostic tools to help them discover their potential, as well as providing market information on viable career pathways, work-readiness training, and network opportunities to prepare young people for a professional work environment. There is also an online virtual career centre, which offers e-services for young Moroccans who cannot visit the physical centres.

Source: Oxford Research/AAA/To Excel, 2020.

3.3.4 Enhance and diversify high-quality VET programmes as a valid alternative to general education

In view of the increasing demographic pressure on upper secondary and tertiary education levels, VET systems need to undergo significant expansion in many countries. The attractiveness of VET can be increased through modernised curricula, better prepared teachers, up-to-date workshops and equipment, and schools and training providers that have strong links with the business world. More

labour-market-related VET programmes need to be made available to female students, and mixed-gender enrolment across the occupations should be actively encouraged by the system.

3.3.5 Expand work-based learning

Work-based learning has proved to be very successful in countries where it has been implemented systematically. Dual system programmes can help young people forge links with companies and gain real work experience and therefore relevant work skills. A system of flexible learning on-the-job could act as an instrument to foster the transition to work. For example, programmes that finance young people to undertake 'rotating' employment in a number of companies over a period of time (several months in each company), allow young people to experience different types of job, sectors and working conditions, but also helps them learn in different environments and acquire various skills from a variety of working scenarios. It can be an important way of raising possibilities and also increasing social inclusion among groups that are disadvantaged in the labour market.

There is also a need for TVET providers to utilise more work-based training (through apprenticeships, internships/traineeships and on-the-job training). Direct subsidies for apprentices in SMEs, including remuneration, recruitment bonuses and temporary social contributions coverage, as well as paying trainers' wages and/or their social contributions, could help stabilise and increase the supply of quality and effective apprenticeships available. Investments in inter-company training centres (whether setting up new ones, reinforcing existing ones or embedding them within centres of vocational excellence) could also help SMEs provide state-of-the-art VET and apprenticeships.

DUAL LEARNING PROGRAMMES IN EGYPT AND MOROCCO

In **Egypt**, the dual system of work-based learning is one of the most successful initiatives in providing on the job training for students. Initially, this system started out as a project called the Mubarak Kohl Initiative that sought to adapt the German dual system to the Egyptian context. This dual education and training system enables private sector companies to become involved in the design of training programmes, thereby making them more relevant to private sector needs. GIZ has recently helped Egyptian authorities to expand this programme and design the country's dual system at the national and regional levels, through advising public and private actors on jointly creating the relevant strategic and conceptual framework, as well as the legal and regulatory basis for the system. The project also introduced inter-company training as a new element in the country's dual system, which builds on the EU-funded TVET model to enhance the Egyptian TVET system in order to provide a qualified workforce and job opportunities for the formal and informal sectors of the economy.

In **Morocco**, a dual system of training dubbed 'Alternance' is a successful case of a nationally driven work-based learning system. Bolstered by a strong legal framework, the Alternance model in Morocco is mostly concentrated in programmes that lead to the three highest levels of vocational qualifications. These programmes usually last for two to three years, and at least half of this time is spent in the enterprise in the form of 'work-based' training. It is also important to note that the Alternance model is seen as having equal status with school-based programmes.

Source: Oxford Research/AAA/To Excel, 2020.

3.3.6 Foster entrepreneurship and entrepreneurial learning

Entrepreneurial learning is a way for young people to develop their own career path. Setting up a company and coming to the market with ideas, products or services can be a major tool in tackling youth unemployment in the region. Connecting this with the ability to operate fluently in the foreign languages that are used in external, global markets forms a second pillar on which new start-ups can stand.

Dedicated training on how to set up and operate companies, and on foreign languages for entrepreneurs can be useful concrete ways to support companies' inception and growth and promote their internationalisation. Youth entrepreneurship programmes could also include non-cognitive skills, such as innovative thinking, decision making, team-working and flexibility, to further develop the ability of young entrepreneurs to run their own businesses effectively. It is also important to cultivate and nurture an entrepreneurship culture by establishing a mechanism that facilitates collaboration among organisations involved in business-support activities; creating platforms that enable interaction among young entrepreneurs; and promoting successful entrepreneurs as role models. Young entrepreneur networks, mentoring schemes and business incubators help aspiring entrepreneurs, especially young women and groups facing discrimination or marginalisation, enter the labour market and build up the skills needed for various business models, including social entrepreneurship.

3.3.7 Promote skills development in the informal economy

Informality is one of the key economic challenges for all the countries in the region. Many of the region's young people are employed in the informal sector, which mainly offers low-skilled, low productivity and subsistence-oriented jobs. Although informal employment offers a short-term solution for youth unemployment, it often has a negative long-term impact on youth employability as their skills deteriorate, and many young people are discouraged from participating in the labour market. Addressing informality has become a priority as young people employed in the informal sector have been among the groups hardest hit by the pandemic situation because they lack social protection or employment benefits.

Therefore, actions need to be taken to support the transition toward formalisation, whenever possible. Education and skills development policies can play an important role in this regard, as they can contribute to raising the productivity of informal workers and enterprises. Reskilling for all is particularly relevant following the Covid-19 pandemic to help young people facing new growing challenges. Tailor-made training programmes need to be offered to young people working in the informal economy to help raise their levels of knowledge and competence, enabling them to increase their revenues, manage their work more efficiently and move from job to job, eventually accessing more innovative and promising occupations.

3.3.8 Strengthen intermediation and the role of public employment services

Public employment services play a crucial role in bringing young people into employment. Young people often lack information about promising educational pathways and job opportunities, particularly at the beginning of their school-to-work transition. Public employment services can support young people in this respect, as they have long-standing experience in the fields of career transition management, placement, continuing professional development, upskilling and reskilling. Thus, there is a need to strengthen the public employment services to ensure efficient service delivery. This could be achieved by, among other things, building the capacity of public employment services, for example, so

that they can reach out to greater numbers of young people (including vulnerable groups), provide more individualised support (in terms of counselling, guidance and mentoring) and strengthen integrated service provision. Participating in the European Network of Public Employment Services could also step up the mutual learning capacity of public employment services by strengthening partnerships with other stakeholders and intensifying outreach to vulnerable young people.

3.3.9 Take advantage of the opportunities generated by the new forms of employment

One of the most important developments in worldwide labour markets is the growing importance of non-standard forms of employment, such as temporary contracts, on-call jobs, temporary agency or dependent self-employment (also called platform working, carried out mainly via online applications). This type of employment poses a great risk to workers due to the lack of employment security, increased occupational health risks, and other precarious conditions (Dimova et al., 2016). On the other hand, platform work could also generate new job opportunities and, if properly managed, could reduce disparities between young men and women, by opening new employment perspectives for both, by overcoming issues related to safe transportation, family-work arrangements and flexibility. However, this area is not reflected in the LFS data and more specific research would be needed to analyse its impact and potential.

The possibilities created by non-standard forms of employment were mentioned during consultations with experts and interviews. The effect of the Covid-19 economy lockdown on labour markets has introduced a new dimension, with the global economy shifting to more remote work. Both the demand and the supply side of the market have had to get used to new ways of working. Therefore, people need to be equipped with the skills – both technical (digital) and soft skills (such as self-management, self-organisation, time management, communication) – that can respond to the new emerging needs of teleworking. It is also important that governments put in place measures to improve the working conditions for people employed in platform work. As this type of work makes a major contribution to job creation, especially in big cities⁵⁸, several challenges are posed in relation to, for example, the lack of social protection for workers, exposure to non-typical or excessive working hours and other negative features of non-standard employment.

3.4 Cross-cutting actions

3.4.1 Activate and implement youth policies

Although most SEMED countries have impressive sounding strategies and policies, experience shows that implementation often lags behind. This is a common issue in many developing and transition countries – programmes are announced, but no implementation is undertaken, and, hence, no real impact is seen. The solid log frame approach in the planning and implementation of programmes might be a solution to help countries genuinely influence the situation of young people. It is also important to have in place realistic plans with achievable targets, in line with the country's capacity.

3.4.2 Expand interventions that target vulnerable youth groups

Despite the existence of some programmes targeting vulnerable groups in the region, they remain largely excluded. A particular focus is, therefore, needed on specific vulnerable youth groups, such as

⁵⁸ See, for example, Uber drivers' experience in Cairo: www.bbc.com/news/business-39416041

women, NEETs, early school leavers, jobseekers without qualifications, rural and/or impoverished youth, people with disabilities and refugees/migrants. Risk factors and reasons for the growing numbers of NEETs – and their subgroups – need to be analysed in order to design specific policy measures targeting each group. Policy interventions must include preventive, reintegration and/or compensation measures. Gender-sensitive programmes should be developed to reduce barriers to female participation in the labour market, and increase economic activity among women. Specific programmes and interventions should be developed targeting young people in rural areas and disadvantaged regions.

3.4.3 Devise creative solutions to cope with the Covid-19 pandemic

As mentioned, the Covid-19 crisis has caused a huge disruption in young people's access to education and employment opportunities – as well as impacting their income. As a result of the economic downturn, young people's employability, their ability to transition to better quality jobs, their career development prospects and their future earning capacity are all likely to be negatively affected

Specific research is needed to measure the magnitude and quality of the immediate and long-term impact on young people, particularly NEETs, in order to inform policy making in this area. Covid-19 will influence the design of future comprehensive measures that support education and skills development, covering digital skills, e-learning and social protection, and improving rights and conditions in the workplace for young people.

Governments need to ensure that their economic stimulus policies and measures are aligned with ambitious climate change and wider environmental protection goals. For example, measures are required that promote private investment in economic transformations and technological innovations, such as renewable energy, smart cities, seawater desalination projects (powered by renewable energy), green public transport systems, climate-resilient infrastructure investments, teleworking (including well-being aspects) and digital solutions. Such sectoral policy measures could form the basis of an economic revival and a move towards a more sustainable and equitable labour market.

Governments should design sector-specific financial support measures (such as preferential loans and tax abatements) conditional on environmental improvements wherever possible. Furthermore, there is a need to adopt policy measures that ensure that local supply chains improve resilience and reduce environmental impacts, including by improving resource efficiency and adherence to circular economy principles. Furthermore, governments need to help workers make the transition into renewable energy jobs by investing in training programmes that equip young people with the skills needed by clean, low-carbon economies. It is also important to mainstream biodiversity within economic sectors, and reform subsidies harmful to biodiversity, including in the agricultural sector.

3.4.4 Act at the local level

Although the labour market is differentiated regionally within each country, policies tend to be formulated at a national level with limited distinctions made between regions. Skills supply needs to be in line with specific regional needs – higher quality jobs are created more efficiently when the existing potential at the local level is linked with ongoing support programmes and investment activities. In this regard, it is important to enhance the capacities of regional and local actors to identify skills supply and demand, and to design and deliver interventions that aim to improve matching and the use of skills at the local level.

MOROCCO'S 'CITÉS DES MÉTIERS ET DES COMPÉTENCES': ACCOUNTING FOR THE SPECIFICITY OF REGIONAL NEEDS

In Morocco, the Office for Vocational Training and Labour Promotion (OFPPT – Office de la formation professionnelle et de la promotion du travail) is in the process of setting up the so-called 'Cités des métiers et des compétences' (CMCs [cities of trades and skills]) in 12 regions as part of the new vocational training strategy of the country. These platforms will offer training for jobs and apprenticeships in various sectors according to the region. For example, Morocco recently announced the official launch of the construction works for the CMC in the region of Agadir. The CMC will offer vocational training for jobs in industry, digital and offshoring, management, tourism and hospitality, and construction. Apprenticeships will also be available in the sectors of agriculture, fisheries, agro-industry and handicrafts. The idea is that Morocco is preparing specific training and apprenticeship programmes based on a regional approach to sectoral needs and requirements.

Source: Oxford Research/AAA/To Excel, 2020

3.4.5 Monitor and evaluate employment programmes

The experience of several programmes implemented in the region shows that often the intended results were not achieved. Currently, a system for the monitoring and external evaluation of policies and programmes is lacking, and it is, therefore, difficult to assess their effectiveness and impact. To make such programmes more effective, there is a need to monitor and evaluate their results in order to learn lessons and identify good practices for replication and/or scaling up. Results-based monitoring and evaluation systems are deemed essential for improving the governance and effectiveness of youth policy interventions and for ensuring an efficient use of resources. There is a need to establish results-based monitoring systems that can provide quantitative data on programme outcomes, such as insertion rates and wages following programme completion, and analyse qualitative aspects, such as the quality of the work found, whether jobs match labour market needs and employee expectations, whether employment is sustainable, and whether job placements are effective. Such information needs to feed into the design of future programmes and interventions.

3.4.6 Coordinate projects and interventions, also utilising the support of international partners

Given the multitude of development projects and interventions working to improve youth employability, which is a multisectoral policy issue, there is a need to better coordinate – among government institutions and other stakeholders – initiatives aimed at enhancing young people's employment prospects and committed to matching education provision with the labour market. This can be led by national authorities with the support of international partners who are working on these issues. There needs to be better dissemination of good practices at regional, national and local levels to allow for their scaling up and replication. Experience in various countries shows that comprehensive approaches to youth employment work better.

In order to ensure the better coordination of efforts, it is important to strengthen social dialogue among all stakeholders, including governments, social partners, businesses, chambers, regions, youth organisations, VET providers and think tanks. It is also crucial to ensure that such dialogue is

maintained through a more active and systematic involvement of national social partner organisations, while adopting participatory and bottom-up approaches to the reform process in order to better understand the needs of relevant stakeholders and ensure better outcomes for young people.

Countries in the region also need to participate in global and EU networks to share their good practices and learn from each other's experiences.

STRONG PARTNERSHIPS BEHIND TUNISIA'S SECOND CHANCE EDUCATION MODEL

In 2019, a strong inter-ministerial partnership was formed in Tunisia as part of the 'second chance' education model, targeting out-of-school adolescents aged between 12 and 18 years old. Under this initiative, 'second chance centres' will firstly provide individual guidance to each adolescent seeking assistance in a so-called one-stop centre. The support will consist of counselling, help to define a learning or training project, assessment of the adolescent's current level of competences and the provision of other services that are relevant to each individual. If needed, each young person in the scheme is also able to benefit from a customised second chance educational programme, lasting between 6 and 9 months, which is focused on enabling them to return to mainstream education, enrol in vocational training, or start their transition into the job market. In order to make such a model work, great coordination efforts are required. This is why a strong partnership was forged, involving the Ministries of Education, Employment and Vocational Training, and Social Affairs, the Tunisian Agency for Vocational Training and the private sector. This strong partnership has been applauded by government partners as a best practice coordination example. It is expected that this model will form the basis for a larger-scale replication to respond to Tunisian NEETs aged 15–19.

Source: Oxford Research/AAA/To Excel, 2020

ANNEX 1. OVERVIEW OF POLICY MECHANISMS TO SUPPORT YOUTH TRANSITION INTO WORK

Algeria

National policies targeting young people are mainly focused on youth employment, which is a top priority for the Algerian government. Active labour market policies (ALMPs) have emerged in Algeria in three forms: support for business creation or self-employment; insertion in the labour market with fixed-term contracts jobs; and improving the employability of the unemployed through training/retraining and help with jobseeking (Adair and Souag, 2018).

The main role of Algeria's National Employment Agency (ANEM – Agence nationale de l'emploi) is to provide job intermediation services. ANEM aims to modernise and improve its functions by focusing on building the capacity of its staff, digitalising a number of intermediation services and improving internal communications. While intermediation remains the key function of ANEM, private agencies are also accredited by the government to operate in the field of job placement.

ANEM also manages the supported employment contracts (CTA – contrat de travail aidé), a subsidised employment contract integrated into the professional integration assistance system (DAIP – dispositif d'aide à l'insertion professionnelle) that provides a monthly contribution from the state to cover an employee's salary, as a way of encouraging the recruitment of jobseekers with no previous experience. More subsidies are offered by other interventions (such as social inclusion programmes) managed by the Social Development Agency (ADS – Agence de développement social), which is designed to fight poverty.

Algeria's ALMPs, extended by agencies, can generally be divided into two groups, according to the type of programme they manage (Adair and Souag, 2018):

- **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 the Social Development Agency – public works programmes for poor and unskilled people in disadvantaged regions.
- **Services to support entrepreneurship and micro-enterprises by providing business advice, training, credits, tax exemptions and business monitoring:** The National Youth Employment Support Agency (ANSEJ – Agence nationale de soutien à l'emploi des jeunes) targeting young people aged 19 to 35, particularly those with higher education; the National Unemployment Insurance Fund (CNAC – Caisse nationale d'assurance chômage) targeting unemployed adults aged 35 to 50; and the National Agency for Microcredit Management (ANGEM – Agence nationale de gestion du micro-crédit) providing microcredit to poor people to promote self-employment, working at home, small businesses and crafts.

The government has put measures in place aimed at directing young people towards vocational training, which is generally looked down on as an option (Musette, 2013). In 2008 a VET reform law was passed with the goal of improving its image, quality, efficiency and effectiveness. The plan addressed the whole system and included 23 measures covering a range of issues, for example: evaluation, continuing training, quality assurance, work-based learning, VET for disadvantaged

groups, social partnership, distance learning, and more. However, it is difficult to assess the impact of the government's efforts to achieve its goal in the absence of official progress reports (ETF, 2018).

Over the last few years, substantial funds were directed to encouraging young people to create their own businesses by facilitating their access to credit. However, this mechanism failed to provide support for young entrepreneurs after the creation of their business, and hence they faced a number of obstacles, such as the absence of technical and/or managerial skills related to the company's field of business, and a lack of market information and marketing skills, as well as an inability to deal with bureaucracy (Omrane, 2016).

Resources and measures dedicated to increasing young people's access to employment (including tax exemptions, hiring subsidies, government-backed credit guarantees for start-ups and microcredit options for poor households) have been in place since 2010.

In addition to national programmes, the European Union (EU) has supported Algeria's efforts in employment promotion. EU-funded programmes (such as Adequacy of Training-Employment-Qualifications [Adéquation-Formation-Emploi-Qualification] – AFEQ), the Support Programme for the Higher Education and Research Sector Policy (PAPS/ESRS) and the Economic Diversification and Business Climate (PADICA)) aimed to (i) foster partnerships between the public and the private sector to mitigate the problems of skills mismatch, for example; (ii) support the local socio-economic development of North-West Algeria; (iii) meet the labour needs of local economic sectors; (iv) promote institutional capacity building; (v) uphold the Algerian government's actions in its youth policy, as well as the efforts of civil society; and (vi) establish exchange networks between Algerian and European academic institutions to allow for a dynamic regional partnership⁵⁹.

The ILO, in cooperation with the Foreign and Commonwealth Office of the United Kingdom, introduced the TAWDIF project 'From university to the labour market' into Algeria, which was implemented in 2016 with the creation of job search clubs for young graduates in partnership with ANEM. The clubs offer intensive two-week cycles aimed at improving job search skills, including actively contacting employers and maximising the chances of obtaining an interview (ILO, 2018).

In addition, the French Cooperation (Agence française de coopération), the World Bank, the African Development Bank, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and other international actors also support reforms in employment, higher education and training.

Egypt⁶⁰

Government policies and measures addressing youth issues have sought to enhance young people's employability by helping them develop their skills, thus supporting the transition into work. There have been many national initiatives and donor-funded projects in this regard. For example, Egyptian stakeholders have made a strong collective commitment to expand the existing work-based learning initiatives which have proved successful (such as the Mubarak-Kohl initiative in the Ministry of Education and Technical Education, the Alternance scheme in the Productivity and Vocational Training Department, and the continuous apprenticeship programme organised by the Ministry of Manpower and Migration).

⁵⁹ Interview with an expert from Algeria.

⁶⁰ More detailed information on policies and programmes implemented in Egypt is included in Chapter 2.

Education is a priority in the Egypt Vision 2030, and the government has recently accorded more importance to the VET sector through the implementation of a new strategy 'Technical Education 2.0'. Egypt's VET sector is highly fragmented due to the multiplicity of involved stakeholders and insufficient coordination between them. Efforts to support the development of a standard curriculum (e.g. an initiative launched by the Deputy Minister of Technical and Vocational Education and Training (TVET) and the Workforce Improvement and Skills Enhancement (WISE) project implemented by USAID) have produced limited results (ETF, 2017a). A key measure to reform the sector is the establishment of the Egyptian TVET Quality Assurance and Accreditation National Authority, which was approved in September 2020. The Authority aims to improve the quality of the TVET system so that it can produce a skilled and trained technical workforce that meets the requirements of the labour market. It will be responsible for developing quality assurance policies and strategies for VET provision, in addition to a national system for quality assurance and accreditation of educational and training institutions and programmes, covering quality concepts and standards, teaching and learning methods, and assessment procedures, as well as following up on their implementation.

Other donor-supported initiatives and programmes (such as the Egyptian Forum for Youth Employment Promotion [Egypt YEP] and Tawgih) have sought to enhance youth employment promotion by providing labour market information at both the national and regional levels; institutionalising early-stage career guidance and counselling; and undertaking public works programmes. The absence of a well-established labour market information system to enable the identification and anticipation of skills, and hence informed decision making regarding youth employment, has been a challenge for the government in addressing the mismatch between the skills taught and those needed in the labour market. The fragmentation of the system, however, has hindered a thoroughly systemic approach to the subject. In 2016, different national and international actors initiated a discussion on institutionalising regional labour market monitoring in order to address this fragmentation and enhance the complementarity of various efforts. Nonetheless, more collaboration among various VET entities is still needed to identify and agree on a national host for a national labour market information system.

Work at the local level is supported by GIZ in tandem with Egyptian Observatory for Education, Training and Employment, which follows a regional approach through the establishment of Regional Labour Market Observatories which were piloted in two regions (6th of October City and Sadat City). The Regional Labour Market Observatories are composed of seconded staff from the public and private sector, civil society and academia, with the goal of producing regional labour market information through a participatory process and propose employment-related interventions for their respective regions.

Special measures and programmes targeting vulnerable groups include promoting VET access and participation for special social groups (women, youth and children at risk, people living in remote areas and people with disabilities), as well as integrating students with disabilities into the mainstream and providing incentives to teachers working in integration schools. Other programmes include the National Programme for Training for Employment and the Female Social and Economic Empowerment Programme, whose main beneficiaries are women and people with disabilities. The launch, in 2017, of the National Strategy for the Empowerment of Egyptian Women 2030 was a key milestone, as it aims to develop women's abilities to enhance their employment options, expand their participation in the workforce, support their entrepreneurship, and achieve equal opportunities in terms of employment across all sectors.

Israel

Compulsory military service takes up a huge share of the youth policy in Israel. According to research, whether or not one has served in the military in Israel can greatly influence one's social as well as career chances later in life. Israelis who are of Arab origin are excluded from military service, which translates into greater difficulties in finding jobs. The inclusiveness of its youth policies has been and remains an issue in the country (Brakel, 2008).

Israel has no national youth policy as such, despite consecutive efforts from recent governments to create one. This is due to frequently changing administrations, overlapping responsibilities of government bodies, and other political reasons. Several different ministries are concerned with youth policy but there is no coordinating body to lead their efforts. Therefore, youth policy in Israel is overseen by a number of different government agencies, depending on the issue at hand⁶¹. For example, with sectoral strategies attempting to substitute for a unified approach, the Ministry of Education has taken measures to improve the situation of youth.

Israel offers a well-developed infrastructure for the participation of young people in public life, with numerous students' movements and councils operating across the country at local, regional and national levels.

The education system in Israel is fragmented and not fully inclusive, with major variances seen in outcomes between different ethnic groups in the country (ETF, 2019b). Israel officially launched the national qualifications framework in 2018, aimed at further improving the relevance, quality and availability of skills for the Israeli labour market. Moreover, in 2017, a new strategic plan was launched to strengthen professional technological education in Israel from 2017 to 2022, with the goal of increasing the attractiveness of TVET through improving the quality of its educational offer and ensuring that it is provided in close cooperation with industry. Thus, Israeli 'policy' focuses on TVET as a tool to increase the supply of qualified labour across different sectors. Moreover, and given Israel's high-tech economy, the country follows a broad approach to technological education.

On the employment front, Israel is actively pursuing ALMPs in an effort to get unemployed people back to work. The Israeli Employment service is under the supervision of the Ministry of Labour and the Supreme Service Authority, which is responsible for 72 employment offices throughout the country (Ibid.).

The country is also looking to further tackle any existing skills mismatch through forecasting. The Israel Labour Market and Skills Forecast for 2040 was developed to identify disappearing as well as emerging professions, thereby putting Israel at the forefront of anticipating skills requirements for the future.

With regard to innovation and entrepreneurship, Israel excels. In fact, the country is perceived by the international community as one of the world leaders in innovation, and it consistently ranks among the top countries globally in terms of fostering an environment that enables innovation and entrepreneurship⁶².

⁶¹ Youth work and inclusion in Israel: www.salto-youth.net/downloads/4-17-2944/youth_in_israel.pdf

⁶² See the box titled 'Israel: the start-up nation of the world' in Chapter 1.

Israel also has a specific policy measure addressing NEETS, dubbed the Afikim programme. This programme aims to integrate NEETs into employment by guiding young people through an 18-month entry-level integration path to help them acquire a vocation and subsequently find a job.

Jordan⁶³

In light of the chronic unemployment situation facing Jordanians, and especially young Jordanians, the government has constantly striven to support the employability of young people in its strategies and plans. Key policy priorities in this area include developing educational provision for young people so that their skills better match labour market requirements, including improving the life skills or soft skills of young jobseekers, encouraging youth entrepreneurship, and facilitating the overall transition from education to work.

The country's priorities are reflected in a number of national strategy documents and plans. The most relevant policies in addressing youth unemployment are the National Strategy for Financial Inclusion (2018–20), the National Strategy for Youth (2019–25) and the National Employment Strategy (2011–20). The National Strategy for Financial Inclusion aims to increase the share of financing (the percentage of loans provided by banks and MFIs to micro, small and medium enterprises) from 8.5% to 15% by 2020 and pays specific attention to households with the lowest incomes, women, young people and refugees. The National Strategy for Youth emphasises the role of young people in entrepreneurship and aims to develop the working environment for young people through supporting such enterprises. Similarly, the National Employment Strategy focuses on improving education outcomes and ALMPs, in addition to encouraging entrepreneurship through the expansion of vocational and soft skills, as well as through specific entrepreneurial training and the provision of wage subsidies or grants for aspiring entrepreneurs.

Considerable efforts have been put into developing the education system in Jordan, supported by a multitude of international development organisations and donors. One of the major initiatives was the Education Reform for the Knowledge Economy programme, which was implemented over two phases (2003–09 and 2009–16). The programme covered a number of different education levels, focusing on Jordan's school system, and included policy support and education infrastructure.

More recently, the Jordanian government launched the National Human Development Strategy (2016–25). The strategy is quite comprehensive and addresses the education system across all levels, from early childhood development to university education and TVET. The main objectives of the strategy include:

- guaranteeing all children access to quality early childhood learning and development experiences that promote primary school readiness, healthy lives and future well-being;
- ensuring that all children complete equitable and high-quality primary and secondary education, leading to relevant and effective learning outcomes;
- substantially increasing the number of young people and adults who have the relevant technical and vocational skills for employment, decent jobs and entrepreneurship;
- providing fair access to affordable, relevant and high-quality university education opportunities.

One of the main outcomes of this strategy so far has been the formation of the National Centre for Curricula Development, which has recently been developing new maths and science syllabi in

⁶³ More detailed information on policies and programmes implemented in Egypt is included in Chapter 2.

cooperation with local experts and according to international standards. New schools have also been built under this strategy to accommodate the increasing number of students, and teachers have undertaken training in up-to-date teaching methods. In addition, work is underway to expand kindergarten provision, which would also contribute to advancing the economic participation of women. With regard to universities, legislative and institutional amendments have been put in place to enhance good governance.

Moreover, a comprehensive reform to the ETVET Fund system has also been one of the main outcomes of the strategy implementation so far. This wide-ranging reform process aims to reinforce the private sector's role in developing training programmes that respond to labour market needs, as well as removing the obstacles facing young people seeking employment or self-employment. The TVET reform process has resulted in a major outcome: the establishment of the Vocational and Technical Skills Development Commission as a new entity whose goal is to enhance the labour market through organising the vocational training sector. This Commission is intended to be the legal and technical body for the vocational education sector, under a new law that gives it the authority to replace all other vocational education institutions in the course of rehabilitating vocational schools and institutes. The new Commission is the result of merging the former ETVET Fund with the Accreditation and Quality Control Centre, with a remit to supervise the implementation of vocational education programmes and develop sector skills. A Vocational and Technical Skills Development Council has been formed as part of the Commission, tasked with formulating policies and strategies in developing the sector on a national level. Several Sector Skills Councils have already been established for a number of sectors, involving representatives from both the public and private sectors.

In terms of career guidance, the King Abdullah Fund for Development, a royal NGO, has begun establishing Career Guidance and Alumni offices across the Kingdom to provide counselling services to university students to help them understand their fields of specialisations and set them on the right career path. Actin in partnership with Jordanian universities, the Career Guidance and Alumni offices aim to equip students with the appropriate knowledge for selecting a suitable specialisation and making the right choices regarding their career path. A total of 27 offices have been established in various Jordanian public and private universities. The offices also aim at strengthening partnerships between the public and private sectors, universities, NGOs and international organisations.

The government has also been focusing on boosting its support to youth entrepreneurship through a variety of financing programmes. The Development and Employment Fund has been provided with a considerable budget over the past five years to scale up its loan-giving programmes to aspiring entrepreneurs. But according to analysis carried out as part of the National Strategy for Social Protection, the framework of their programmes is largely ineffective, with a substantial share of beneficiaries defaulting on their loans. According to the data, the average cost of jobs generated from projects financed by the Fund amounted to JOD 2 890 per job in 2017. A total of 48 000 jobs were created by these projects in that year.

Jordan has also developed a well-functioning microfinance framework. The Jordan Microfinance Network was established in 2007 under the Ministry of Industry to represent the microfinance institutions and disseminate information on their performance. The Network has grown to nine MFI members, most of which focus on low-income households, women and licensed or unlicensed home-based micro and small businesses. In 2018, the Network's nine members cumulatively had 465 717 active clients, 69% of whom were based outside the capital, and 43% of whom were young people aged between 18 and 30.

Most of Jordan's ALMPs focus on skills training and employment service interventions. The Jordanian government and NGO sector are the two main implementers of ALMPs. A recent study (ILO/IFAD, 2017) that mapped 36 donor-funded programmes at a cost of JOD 223 million showed that there are benefits to soft skills training in terms of boosting the confidence of young jobseekers and providing them with the soft skills required to enhance performance in the workplace. However, the main drawbacks of such programmes include a lack of follow up, monitoring and evaluation, as well as graduates of such programmes taking up unsustainable jobs. This is especially true for programmes that provide trainees with incentives or compensation for their attendance, as well as for those schemes that pay part of the employee's wages as an incentive for employers. These specific approaches have proven to yield non-sustainable employment and actually increase the structural problems facing the labour market.

In 2019, the government prepared and launched a Jordan Renaissance Plan 2019–20, containing priority actions across different areas aimed at realising the targets of the overarching vision and strategies. As part of the Plan, the government committed to providing an additional 30 000 decent work opportunities for Jordanians annually in both 2019 and 2020. Moreover, the government launched the 'National Service' programme, which aims to equip young Jordanians with the right skills and competences for the labour market. This programme focuses on developing young people's soft skills and providing links with private sector job opportunities.

Lebanon

Lebanon does not have a specific employment strategy to improve the performance of the labour market. Nevertheless, the country developed a National Education Strategy Framework and a related Education Sector Development Plan covering the period from 2010 to 2015. This was not followed by a new strategy to cover 2016 and beyond. Instead, the country focused its efforts on improving the TVET framework and was able to endorse the National Strategic Framework for Technical Vocational Education and Training 2018–22, aimed at providing young people with the skills and competences required to access decent work opportunities.

While there is a National Employment Office in Lebanon, the services it provides are limited and it lacks the capacity to perform the tasks allocated to it. Moreover, while some training programmes do exist, public training provision is fragmented and poorly regulated, with no harmonisation of curricula and delivery schemes. The key focus of the government is on supporting entrepreneurship, in which area there are a number of programmes in operation.

This scattered youth policy and lack of institutional setting is partly the result of a difficult socio-economic and political context, which has intensified following the 2012 refugee crisis. No programmes have been established by the authorities to accompany and facilitate young people's transition into work, and there are no councils that represent Lebanese young people. However, there are over a hundred non-governmental associations that work in the field of youth, with most being driven and funded by religious communities. The NGO community is much more active and dynamic in Lebanon, and, given the lack of youth policy and support, international cooperation programmes are seen to be strategically important.

A National Youth Policy document was endorsed by the Lebanese authorities in 2012 to guide policy making in this regard (Youth Forum for Youth Policy and YAP, 2012). The document contained recommendations on youth policy in five sectors, namely: demographic properties and emigration; education and culture; social integration and political participation; employment and economic

participation; and health. The document also identified a number of legal, political and cultural factors that hinder youth empowerment, social integration and political participation. Further, it proposed specific legal amendments to laws that restrict young people's participation in socio-political and economic processes.

As one of the main actors that collaborated to produce the National Youth Policy document, the Youth Forum for Youth Policy plays a major role in this area. It was also entrusted with monitoring the implementation of the youth policy recommendations contained in the document, and drafted a technical and legal review in support of implementation. Unfortunately, the recommendations of this forum have often been sidelined in light of various national events, such as the 2015 garbage crisis. Moreover, the conflict spillovers from Syria have contributed to downgrading youth-related matters in terms of agenda setting.

Recent research indicates that Lebanon's youth policy framework is characterised by a gap between policy rhetoric and implementation (Fakhoury, 2016). Even several years after its endorsement, the policy had not yet moved to the implementation stage. Again, political life in Lebanon has been gripped by a series of governmental deadlocks following the Syrian crisis in 2011, which is a main factor behind the policy not being translated into action. Institutional gridlock has thwarted the prioritisation of youth-related policy issues, especially with regard to young people's integration into the labour market.

A programme focusing on youth employment titled New Entrants to Work was launched in 2012, aiming to improve the employment prospects of first-time jobseekers. More recently, Lebanon endorsed a National Jobs Programme – a USD 1.3 billion programme that targets the creation of 100 000 jobs over the medium term. This initiative is designed to support sustainable, quality job creation through private sector expansion, while at the same time ensuring that the disadvantaged part of the population in the country have improved access to jobs and earnings opportunities. The programme is based on three main pillars for action: enhancing the environment for private investment; catalysing job creation through trade and investment; and connecting young people and women to jobs.

Morocco

The Morocco National Employment Strategy 2015–25, the National Strategy for Vocational Training 2021 and the National Integrated Youth Policy 2015–30 are linked to a global focus aiming to recognise the problems young people face and to understand the complexity of contemporary issues pertinent to youth. The National Employment Strategy 2015–25 seeks to promote the social inclusion of women as well as the integration of young people into the professions. The National Integrated Youth Policy 2015–30, on the other hand, is not a sectoral strategy, rather it takes an integrated and coordinated approach. It involves all government sectors with the aim of ensuring that there is convergence in the actions targeting young people in all domains (education, employment, housing, health, culture, etc.) (Kamal, 2016).

ALMPs in Morocco are generally implemented through targeted programmes with specific objectives where the Ministry of Labour and Professional Insertion provides an analysis of the programmes based on their quantitative objectives.

There are two type of ALMPs in Morocco, namely:

1. initiatives that improve young people's employability through access to their first professional experience (the 'contract insertion' entry into the workforce) and skills training;
2. plans that encourage the hiring of graduate jobseekers, or those with integration difficulties, within the framework of neighbourhood associations and social and educational services via lump-sum grants (through the Moubadara (Initiative) programme).

The government adopted a strategy to promote private sector demand for labour through the promotion of self-employment, the creation of microenterprises and the integration of tertiary graduates into salaried employment by way of company internships. Self-employment for college graduates is primarily promoted by the 'Moukawalati' programme which grants loans to young entrepreneurs. Internships are also provided through the 'Indmaj' programme, which seeks to make offering work to young graduates more attractive by reducing wage costs and introducing greater flexibility for employers (World Bank, 2012).

In 2015, the National Agency for the Promotion of Employment and Skills (Anapec – Agence nationale de promotion de l'emploi et des compétences) launched its 2020 vision, which aims at doubling the number of agencies in its network to provide better support for young graduates, especially those in long-term unemployment, and expand its services to women and non-graduates. In January 2018, Anapec, with the support of GIZ, launched four mobile employment agencies (known as 'anajit') in four pilot provinces. However, it appears that only 1% of all the registered jobseekers in Morocco have found a job through Anapec. In addition, it has been reported that there is limited awareness about the existence of Anapec among jobseekers. The lack of a performance-based evaluation system makes it difficult to assess whether ALMPs are effective in terms of their medium- or long-term impact (ETF, 2019f).

The Vision for Education 2030 and the National Strategy for Vocational Training 2021 (adopted in 2016) are the key policy documents on education. The Vision aims to ensure fairness, equality of opportunity and good quality education for all. The VET strategy seeks to improve the 'quality [of] VET for all and throughout life, to support development, to increase the value of human capital and boost competitiveness'. In April 2019, the government produced a new VET roadmap including concrete actions to increase the proportion of work-based learning and the establishment of 'cities of trades and skills' (Cités des métiers et des compétences). These measures are intended to ensure the availability of specialised training provision corresponding to local needs in each region. The Law on Continuing Vocational Education (Law No 60-17), which was enacted in 2019, regulates continuing training for employees in the private enterprises, as well as for certain categories of worker in the public sector. The Law provides for a new governance arrangement (co-decision making between government and social partners) and the establishment of minimum training periods for all employees.

The VET public authority delegates the management of VET centres in priority economic sectors to the private sector, using output-based contracts. There are currently 13 such centres, in the economic sectors of textiles, aeronautics, automobiles and renewable energy. Morocco has also made significant progress on its NQF. Specifically, institutional arrangements have been set up for NQF governance and a pilot procedure for levelling qualifications has been initiated.

Morocco established a national career guidance portal in 2014. This follows on from the education and careers guidance concept produced by the VET and education departments with the involvement of stakeholders including training providers, socio-economic partners and civil society. The portal

enables young people to submit applications online and to check up on their applications remotely (ETF, 2019f). Morocco receives significant support from donors in the areas of raising employability, enhancing the quality of education and training, and improving the social and economic integration of young people. The EU is one of the country's largest donors, providing support to both the education and training sectors and employment through a Sector Reform Performance Contract (budget support) and technical cooperation modalities. In addition, other donors, including the World Bank, the French Development Agency and GIZ, are currently supporting the government in carrying out projects aimed at creating jobs, enhancing youth skills and entrepreneurship, and promoting women's empowerment and participation at both the national and regional level.

Palestine

The geographic but also the social, political and economic separation between different areas thwarts and complicates development interventions in Palestine. According to a report by the United Nations Population Fund, every population group in the country, especially young people, has been negatively impacted by the difficult political context of the region, which impacts on citizens' freedom of movement, rights, economic development and political freedoms (UNFPA, 2017). As a result, institutional ineffectiveness and internal political divides dominate the policy-making and implementation landscape.

The relevant policies governing Palestinian youth are guided by the National Policy Agenda 2017–22 (State of Palestine, 2016), which strives for economic independence and stresses the importance of education to economic growth and sustainable development, including a focus on job creation. Under the Agenda, the priority on 'Economic Independence' seeks a balance between measures that will create jobs and measures that lay the groundwork for a competitive independent economy. In addition, another priority on 'Social Justice and Rule of Law' seeks to remove barriers and empower Palestinian women and young people.

This overarching policy document aims to improve the quality of education in the country, giving specific attention to strengthening the TVET sector and aligning it with labour market needs. The policy document has been translated into a Labour Market Sector Strategy (2017–22), an Education Sector Strategic Plan 2017–22 and a National TVET Strategy (2010). However, major efforts to increase access to higher levels of education have had a limited effect on employment, leading to a perceived mismatch between education outputs and labour market needs.

Furthermore, with the support of the ILO, Palestinian authorities recently launched the Palestinian Decent Work Programme (2018–22) containing three priorities: (i) enhancing employment and livelihood opportunities for Palestinian women and men; (ii) strengthening labour governance and the realisation of fundamental principles; and (iii) bolstering rights at work through freedom of association, strengthened collective bargaining and improved social dialogue mechanisms.

Some measures that have been implemented over the past few years by the Palestinian authorities include training programmes, engaging with employers, job fairs and the establishment of an employment council that supports entrepreneurship. An employment fund has also been set up that provides facilitated funding through banks for young people with potential business ideas. However, the entrepreneurship culture among young people is very limited, which means that many such financing programmes ultimately have little impact in this area.

According to the ILO, ALMPs in Palestine are characterised by a set of problems that include a lack of sustainability, weak accountability, fragmentation, a limited capacity for planning and delivering results, and difficulties in achieving scale or reaching out to the most vulnerable. The fragmentation of youth labour policies has been frequently cited throughout the literature⁶⁴ as one of the main shortcomings in Palestinian policy making.

A new intervention that aims to be different, and which builds on the above described agenda and strategies, was launched in 2019 with a budget of EUR 4 million and the overall objective of increasing youth resilience in Palestine (Enabel, 2019). The specific goal of this initiative is to ease the transition of young people into employment and self-employment through enhancing their skills and competences. The project seeks to achieve this through (i) increasing labour market opportunities for young people by supporting the skills development demanded by the labour market; and (ii) ensuring that young people have the opportunity to gain the key competences of entrepreneurship. Technical skills training will be provided, on the one hand, and entrepreneurship key competences, life skills and digital expertise, on the other hand. The areas of intervention include the West Bank, Gaza and East Jerusalem.

Tunisia

Government policies in Tunisia have sought to reduce the persistently high youth unemployment rate, mainly by developing skills for sectors experiencing labour shortages, improving vocational training, promoting small businesses and implementing ALMP measures. In May 2019, Tunisia launched the process for the development of a new employment strategy (2020–30) through discussions between the Ministry of Vocational Training and Employment (MFPE), social partners and the ILO.

The VET system in the country faces various challenges, including a lack of harmonisation in terms of management⁶⁵, no clear vision for reform and a weak capacity to adapt training to the qualitative and quantitative needs of the economy, not to mention the needs of individuals. The MFPE launched an ambitious VET reform strategy for 2016–20 to address these challenges. The VET reform 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 its attractiveness; 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.

Building on previous experience gained by the ETF and other development partners, Tunisia began the implementation of the EU-funded IRADA programme⁶⁶ in 2018. The ETF, together with the National Observatory for Employment and Qualifications (ONEQ – Observatoire national de l'emploi et

⁶⁴ For example, see Bailey and Murray (2009).

⁶⁵ 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), the Ministry of Tourism (8 centres), the Ministry of Agriculture (39 centres), the 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 such centres, while ONEQ refers to 189 accredited and 935 non-accredited centres for 2016/17). There are also a number of centres responsible for instructor training and training of engineers (CENAFFIF), continuous education, and agricultural pedagogy and other disciplines (ILO/Ministry of Industry and Commerce, 2016).

⁶⁶ EU Regional Initiative to Support Sustainable Economic Development.

des qualifications) which supports decision making in the area of employment and skills, piloted the Torino Process assessment in eight governorates in 2019. Through providing technical assistance, IRADA is revamping the national qualifications framework.

A number of uncoordinated initiatives also aim at boosting the relevance of training and increasing employability. For example, the African Development Bank is funding a project focused on upgrading people's technical, technological and digital skills. GIZ (and other agencies) support a number of centres of excellence through sectoral associations. In collaboration with the EU, the French Development Agency (Agence française de développement [AFD]) is providing assistance to VET centres and a number of employment pools around the country to support training and work placements. The ILO is implementing a number of projects seeking to enhance VET and employment. UK Aid, through UNICEF, is supporting the enhancement of second chance education. With support from the Swiss Agency for Development and Cooperation, the NGO Swiss Contact is implementing a programme to improve the employability of young people and the quality, relevance and attractiveness of continuing vocational education and training. A joint project between the MFPE and ETF, which ran from 2015 to 2017 aimed to provide an analysis of how entrepreneurship is taught in vocational training. This project comprised the following three phases: (i) the development of an entrepreneurial learning model; (ii) a limited-scale trial of an entrepreneurial learning model in the context of pilot projects; and (iii) countrywide application of the entrepreneurial learning model.

The multitude of existing initiatives and programmes prompted the MFPE to map out ongoing donor support programmes to improve coordination among them and maximise the impact of these interventions. This exercise could be further expanded into a number of other areas, for example: tracking the efficient use of financial and human resources; helping to identify funding gaps; facilitating a division of labour among technical and financial partners; and providing a clear roadmap to support systemic VET reform.

Given the importance of migration for Tunisia – in terms of the loss of human capital, remittances' contribution to the economy and diplomatic relations with neighbouring countries – migration policies have focused on reducing illegal migration, improving links with the Tunisian diaspora to make better use of the skills acquired by returning migrants, and strengthening legal migration through bilateral agreements with neighbouring countries that are recipients of Tunisian migrants. Tunisia has developed a National Migration Strategy to comprehensively manage migration issues. The implementation of this strategy is supported by the EU-funded ProGreS Migration project launched in March 2019. In addition to supporting implementation of the strategy, the project also intends to enhance job creation and investment by mobilising the diaspora, assisting the re-integration of Tunisian migrants through business incubation and supporting the local management of migration.

Tunisia has a long experience with ALMPs which expands over four decades. A number of new initiatives were introduced – through the National Agency for Employment and Self-employment (ANETI – Agence nationale pour l'emploi et le travail indépendant) – following the revolution in 2011 (ANETI, 2012). Interventions have mainly focused on: (i) training; (ii) employment subsidies; (iii) support for employment and reintegration into the labour market; and (iv) the promotion of entrepreneurship. More than two-thirds of ALMP beneficiaries are young women. ALMPs have also integrated entrepreneurship into the higher education curricula, which covers general skills (management, marketing and accounting, etc.) and the development of entrepreneurial culture and ideation, along with a module on starting and growing a business (ETF, 2019g).

ANNEX 2. METHODOLOGICAL NOTE

This study was conducted with use of several research methods, namely:

- **desk research** (see References);
- **exploratory interviews** with policy experts in the SEMED countries, selected and invited with the assistance of the ETF; overall number of interviews conducted with experts: 22, broken down as follows: Algeria – 3, Egypt – 3, Israel – 3, Jordan – 3, Lebanon – 1, Morocco – 3, Palestine – 4, Tunisia – 2 (see the interview guide below);
- **quantitative analysis** of the available data (described in more detail in the following section). The quantitative approach was based on national LFS data and ETF KIESE data;
- a **survey** of young people (a mixed qualitative-quantitative approach survey, conducted with 100 young people in each case country);
- **case studies** for two selected countries integrating all the above methods (presented in Chapter 2 above). The two case studies were developed to gain a better understanding of the situation of young people in Egypt and Jordan and to provide new evidence about their status in the labour market – whether in employment or NEETs. Carrying out investigations on both groups of young people is important to paint a picture of their condition in the two countries and can also help policy makers and practitioners to target policies and interventions more accurately. Additionally, the two case studies aim at providing insights about the youth situation through the lens of their own perceptions, as understanding their concerns, aspirations and expectations are key factors in predicting their future paths.

Quantitative approach

The main objective of this step of the analysis was to paint a picture of the situation of young people in the labour market using a quantitative method. The analysis answers the following research questions:

1. How has the activity status of young people been changing over the last years?
2. What is the employment level of various subgroups of young people (by gender and education)?
3. What is the situation of employed youth?
4. What changes have there been in the levels of young people who are not in education, employment or training (NEETs)?
5. What are the main groups of NEETs, and what are their characteristics?
6. Which groups are unemployed and what are the main job search methods used?

All these questions are answered for the most recent period under review, i.e. 2016, with additional assessments of trends and main changes compared to previous years (since 2010). The analyses are based on microdata from the LFS covering four periods (2010, 2012, 2014 and 2016), downloaded from the Economic Research Forum (ERF) Microdata Catalogue⁶⁷. In order to present the most recent insights, some key data were retrieved from the KIESE database, compiled by the ETF. The data refers to 2018 and includes aggregated indicators for countries (with the only division by gender). All other disaggregated data is based on the LFS.

⁶⁷ www.erfdataportal.com/index.php/catalog

In the case of Egypt, the national LFS is a quarterly survey collected by the Central Agency for Public Mobilisation and Statistics (CAPMAS), using a self-weighted, two-stage stratified cluster sample. The sample size for each quarter is 22 896 households. In the case of Jordan, the Employment and Unemployment Survey is a quarterly survey collected by the Department of Statistics using a stratified multi-stage cluster sampling design. The empirical framework relies on univariate and multivariate statistical methods widely adopted by the existing literature and research projects in this area. Firstly, in addition to the standard descriptive statistics, a bivariate analysis was applied to assess the existence of a relationship between any two variables, for example employment type and gender, and whether this relationship is statistically significant. The following variables as characteristics of respondents were used: gender, age group (15–19, 20–24, 25–29), education level of the respondent (below primary, primary, secondary general, secondary vocational, tertiary), education level of the household head (no education, below secondary, secondary and above), marital status (married, including divorced and widowed, never married), household size (fewer than 4, 4–5, 6–7, 8–9, 10 and more household members), place of residence (rural/urban), and, only for Jordan, citizenship status (being a citizen of Jordan or not).

Secondly, multivariate analysis was applied to examine the probability of certain labour market outcomes as a function of the socio-economic predicting variables. To this end, in accordance with the dichotomous nature of the dependent variables (coded as ‘1’ for a particular employment status, e.g. being employed, anything else being ‘0’) and with the existing research projects in this area⁶⁸, a logistic (or logit) binary model has been used. The choice of the explanatory variables was guided by insights gleaned from existing literature (MacDonald, 2019; Eurofound, 2017), conditional upon the availability of such variables in the dataset. The selected socio-economic and demographic predictors include gender, age group, education level of the respondent and of the head of the household, marital status and place of residence (rural/urban).

The interpretation of the logit models’ results points to the importance of each individual predictor – measured by odds ratio⁶⁹ – as compared to the reference category. In this report, the reference category consists of the group of young people with the lowest probability of having a particular labour market status. For example, when analysing the probability of being employed, primary education is the reference category and all other educational levels are compared to primary, whereas in the analysis of being unemployed, secondary education becomes the reference category. This approach eases the interpretation of the odds ratio as the probability is always above 0, but it requires checking the reference category each time as it may vary between each regression.

Lastly, for the purpose of identifying the characteristics of a typical NEET, a two-step cluster segmentation was deployed. This is a statistical method used to identify the existence of any homogenous group within one population, with the use of more than one variable. This approach is

⁶⁸ For example, in the European Working Conditions Survey logistic regression is applied to assess the association between job quality indices and health and well-being (Eurofound, 2017, p. 41). In various OECD working papers, regressions were applied for the assessment of the relationship between employment outcome and personal abilities (Saint-Martin et al., 2018, p. 43) or to examine an individual worker's likelihood of being underemployed, given the combined suite of the person's characteristics (MacDonald, 2019).

⁶⁹ Odds ratios are calculated as the probability of a particular employment status (coded as ‘1’) divided by the inverse of this probability. Odds ratios are standardised, meaning they can be directly compared between different independent variables in one model. An odds ratio greater than 1 estimates that the probability of an event (in our analysis, for example, being employed or unemployed) is greater for one group of young people than the same probability for another group, called the reference category. An odds ratio below 1 suggests lower probability for the analysed group than the reference category.

usually applied for marketing purposes; however, labour market studies have increasingly resorted to it (e.g. Torres-Olave, 2019). The advantage of this method is that there is no need to define a priori the number of groups – they will occur as a result of this analysis, identifying multidimensional NEETs profiles.

Mixed methods approach: survey with young people

In both countries, a survey was conducted with 100 young people in each location. The survey employed a mixed qualitative and quantitative research approach comprising face-to face interviews with respondents using a structured questionnaire. Prior to the fieldwork, a manual for the interviews was developed describing in detail how the information requested was to be gathered, including the number of interviews with young people in each category, as well as instructions for the interviewers on the way to ask questions and record responses. A pilot was conducted to test the length of the questionnaire and the clarity of the questions and responses. Interviews were conducted in the privacy of the respondent's home.

In Egypt, the survey sample comprised 100 young people – 48 in employment (including five working students), 50 NEETs and 2 students. This difference in employment status was intended to provide a full picture of the situation of young people in Egypt. The sample was stratified by gender (whereby 50% of the sample were women) and geographical location. Young people were selected from metropolitan areas (Cairo and Giza), Upper Egypt (Fayoum governorate, urban and rural) and Lower Egypt (Qalyoubia governorate, urban and rural).

Two duly trained interviewers collected the data from the designated areas in March 2020, using a mobile application (Census and Survey Processing System (CSPPro)).

In Jordan, the sample comprised Jordanian young people, men and women, aged 15 to 29, who were employed, or not in education, employment or training. The 100 interviewees were equally distributed between males (50) and females (50), and those who are employed (50) and not in education, employment or training (50). Moreover, the distribution of the respondents' age groups was the same for both genders.

Key challenges encountered in the survey in both countries are listed below.

- **Identification of respondents with the required profile:** As the sample was stratified by a number of variables (i.e. geographical area, sex and employment status – which included five sub-categories), it was challenging in some areas to arrange interviews with young people who had the required profile (who were also available at the time of the survey and willing to participate) as per the original planned sample. This required some minor adjustments in the numbers of sub-samples.
- **Bad previous experience of some respondents:** Some respondents were reluctant to take part in the survey because of previous occasions when they had participated in surveys and had been promised job opportunities or project funding, but these benefits had not materialised. Interviewers handled this challenge by explaining the purpose of the research transparently and highlighting the importance of respondents' views for formulating evidence-based recommendations for policies and interventions that could address the existing challenges that young people face.

Due to its limited sample size, the survey was not intended to be generalised but to provide an indication of the youth situation across various subgroups.

Questions for exploratory, semi-structured interviews with experts

- What are the main trends in the situation of young people in the region/country over the past five years or so? What have been the main drivers behind these trends? Further discuss to explore trends and specific drivers. Probe differences across:
 - gender,
 - geographical location,
 - education status.
- What youth subgroups are particularly vulnerable and at risk of being excluded from active engagement, in terms of geographic location and education (technical education graduate or less, university graduates, young people with disabilities and health conditions, NEETs, early school leavers, refugees, ethnic/religious minorities, those facing geographical obstacles, etc.)?
- Are there differences in focusing on youth issues in terms of gender or geographic location?
- What are the main barriers to young people actively participating in the labour market, or being employed? Probe factors including culture, transportation, skills and others.
- How do young people search for and find their first job? What are the primary economic sectors which employ youth?
- To what extent is the education system responsive to the labour needs of employers and the economic needs of the country? Probe on challenges facing graduates' transition from school to work. What is the average length of time between the respondent graduating and obtaining their first job (regardless of suitability to their qualifications and educational background)? What is the duration necessary for a graduate to obtain a job appropriate to their qualifications and skills?
- What role, if any, does the private sector play to support the integration of young people in the labour market? Is there any coordination between the public sector and the private sector to achieve this integration? If yes, what is the mechanism for this cooperation? Probe on available links with academia and training/internship programmes offered by employers.
- To what extent do you think that jobs generated in the region/country respond to the characteristics of decent work? To what extent is informality a problem? Probe on the extent to which decent work influences labour market outcomes.
- To what extent are migrant workers and/or refugees influencing the labour market outcomes of young people in the region/country? Probe on different migration flows across the region and their impact on labour markets.
- What policy measures are in place, if any, to support young people's transition to work (e.g. better preparing them before leaving formal education, developing additional skills after leaving formal education, supporting a first work experience, improving labour market access, etc.)? And how effective are they? What are the factors that facilitate a smooth transition from school to work? Probe on different possible measures, including job search support through public and private job offices, career advice and entrepreneurship assistance.
- What are the country's key policy documents with respect to young people? What main actors are in charge/involved?
- What is the level of entrepreneurship in the region/country (e.g. what is the role of entrepreneurs in job creation)? What support measures exist to support entrepreneurship? To what extent have they contributed to youth employment? Probe on different entrepreneurship-support tools in place or being planned.
- What programmes led/financed by international donors contribute to youth employment? How effective are they and why? What gaps or challenges exist?

- Is there any ongoing reflection going on in the country/region on what types of skills will be required for the future? How so?
- Are there any measures in place to engage young people in voluntary and civil work, or community and political participation? Are there channels and platforms available to them to voice their opinions and express their problems? To what extent are these channels effective?
- In some countries, recent statistics show a decline in unemployment and the youth labour force. How do you explain the reluctance of young people to seek jobs and their exiting the labour force? (This question is relevant to Egypt and might be relevant to other countries in the region.)

ABBREVIATIONS AND ACRONYMS

ADS	Agence de développement social (Social Development Agency) – Algeria
ALMPs	Active labour market policies
Anapec	Agence nationale de promotion de l'emploi et des compétences (National Agency for the Promotion of Employment and Skills) – Morocco
ANEM	Agence nationale de l'emploi (National Employment Agency) – Algeria
Covid-19	Coronavirus disease 2019
ETF	European Training Foundation
ETVET Fund	Employment and Technical and Vocational Education and Training Fund
EU	European Union
EUR	Euro (currency)
GDP	Gross domestic product
Gig economy	Part of the economy based on independent contractors and online platform workers
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ICT	Information and communications technology
ILO	International Labour Organisation
ISCED	International Standard Classification of Education
ISCO	International Standard Classification of Occupations
JOD	Jordanian dinar (currency)
KIESE	Key indicators on education, skills and employment
LFS	Labour force survey
MENA	Middle East and North Africa
MFI	Microfinance institution
MFPE	Ministère de la formation professionnelle et de l'emploi (Ministry of Vocational Training and Employment) – Tunisia
MoETE	Ministry of Education and Technical Education – Egypt
NEETs	(Young people) not in education, employment or training
NGO	Non-governmental organisation
NQF	National qualifications framework
SEMED	Southern and Eastern Mediterranean
SMEs	Small and medium-sized enterprises
TVET	Technical and vocational education and training
USAID	United States Agency for International Development
VET	Vocational education and training
WISE	Workforce Improvement and Skills Enhancement

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