SOUTHERN AND EASTERN MEDITERRANEAN

ETF 2014 OPERATIONS: CONTEXT AND ACTIVITIES

March 2014
The Southern and Eastern Mediterranean region is characterised by political instability and an extremely young population. The uprisings in 2011 and the ongoing unrest were caused by inefficient governance systems, weak economic competitiveness, high unemployment, low social equity and a lack of social stability.

The policies and measures implemented – or neglected – now will determine the labour market performance and development prospects of the vast majority of the population for decades to come. Therefore, the strategic development of human capital is a top policy priority and is recognised in the political agendas of all the countries of the region.

Notwithstanding diversity, the region’s countries share a number of common features:

- demographic pressure,
- economic vulnerability,
- very low activity rates,
- low return on education and training, and
- inefficient governance.

A YOUNG POPULATION

Over 60% of the population of the Arab Mediterranean countries (Algeria, Egypt, Jordan, Lebanon, Libya, Morocco, Palestine¹, Syria and Tunisia) is under 30 years old (UN Population Division). This exerts pressure on education and training systems and labour markets. If current trends continue, by 2020 the number of young people in the region will be close to 100 million.

₁ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the EU Member States on this issue.

**ECONOMIC VULNERABILITY**

There are some features shared by these countries that make their economies particularly vulnerable. Micro and small enterprises dominate and these tend to have lower levels of productivity, find it hard to compete internationally and face difficulties in securing sufficient financial investment and the required skills for growth.

The region is also fairly dependent on economic sectors such as tourism, construction and agriculture that are very sensitive to external factors such as weather, political stability etc. These and other prevalent sectors such as textiles, tend to be unproductive and highly vulnerable to global competition.

**ACTIVITY RATES**

The region is characterised by socio-economic irregularities that represent serious challenges for development. There are highly segmented labour markets that reduce policy impact and the most urgent challenge remains youth unemployment that also requires more balanced employment policies.

**JOBS AND GROWTH**

The region tops the world’s youth unemployment statistics with peaks above 25%, in spite of the very low activity rates. On average less than half of the working age population is economically active in the region, and one in three people are actually employed. This is mainly due to the low participation of women in the labour market, leading to a low offer of labour supply in a context of increasing numbers of working age adults, but labour markets still suffer from high youth unemployment. The past decade brought “jobless” growth with most jobs created in the informal sector.

Limited job opportunities in the private sector and shrinking public sectors have made the employment situation of university graduates even worse (so called educated unemployment). Employers complain about the mismatch between their skills needs and education content which is overly-academic and humanities-based, with little emphasis on soft skills and key competences. High social expectations from young people about jobs and poor job-matching services aggravate the skills mismatch.

This youth employment gap leads to a waste of education investment and de-valorisation of scarce national human resources. Ultimately this undermines social stability.

The region has an entrepreneurial spirit with a high proportion of the working age population declaring a preference for starting an entrepreneurial activity (15% compared to 6% in the European Union (EU)). Nevertheless, education and training systems are not well-equipped for providing entrepreneurial learning and skills. Access to training, particularly that suited to the specificities of micro and small companies, is urgently needed.

**ACTIVITY RATES BY SEX (15+), LATEST AVAILABLE YEAR**

![Graph showing activity rates by sex for selected countries, with data from National Statistical Offices, KILM-ILO, Eurostat, and ETF calculations based on INS, 2nd trimester of year.](image-url)
GENDER

Most women are not active in the labour markets (see graph on p. 3). On average one woman in five is economically active (and one in six is employed), the world’s lowest rate. This is the main reason for the overall low labour activity rates (40-50%) (Union for the Mediterranean – Regional Employability Review, ETF, 2012).

Despite decreasing gender discrimination in the education system, women are treated unequally in the labour market. Even though there has been a trend towards a slow but sustained increase in female activity in most of the countries (around 0.5% annually), the situation has been adversely affected by recent events.

EQUALITY

Social and economic gaps between rich and poor persist, as do those between people living in towns and in the countryside. What is particularly worrying is the imbalance in job opportunities according to age and gender and the disparities between regions and territories within national boundaries.

SKILLS-HUNGRY MICRO AND SMALL ENTERPRISES

In addition to skills mismatches, another key constraint to employment is insufficient labour demand, in particular for qualified labour. Micro and small enterprises make up the lion’s share of job creation. Although it is estimated that 60-70% of jobs are created in micro enterprises, both formal and informal, meaning that these kinds of business make a significant contribution to sustainable growth and employment, there are many obstacles to enterprise creation and growth.

MIGRATION AND SKILLS

Migration features high on the Euro-Mediterranean cooperation agenda. It is a complex phenomenon in the region, with Maghreb mainly sending emigrants to Europe and Mashrek to the Gulf states. On the one hand, for an individual, emigration is an alternative to informal low quality jobs at home. On the other, some countries are badly affected by the loss of qualified workers (e.g. Lebanon and Jordan), while others welcome skilled and unskilled immigrants (i.e. Jordan, Lebanon, Libya and Algeria) from neighbouring countries and Asia.

It should be noted that South-South movements are also significant, with Mashrek hosting millions of refugees (Palestinians, Iraqis and Syrians) and Maghreb hosting an increasing number of sub-Saharan immigrants.

The skills dimension of migration is crucial. It is essential to efficiently match supply and demand, enhance access to information, and make professional qualifications portable if all parties are to reap the benefits of increased labour mobility. A Mobility Partnership was signed between the EU and Morocco on 7 June 2013. A similar dialogue was launched with Tunisia on 3 March 2014. Discussions may lead to similar Mobility Partnerships. The European Training Foundation (ETF) considers EU migration dialogue and Mobility Partnerships as good opportunities to work together to improve the outcomes of migration for all involved and to further improve skills development policies.

WORKING POOR

At least one third of the youth population – mostly unskilled or low-skilled – work in informal, poor quality jobs earning subsistence wages. They have little technical, entrepreneurial or life skills, which could give some prospects for improvement. They are at risk of social exclusion.
RETURN ON EDUCATION
The weak correlation between educational attainment and labour market performance is another specific feature of the region. The low return on education derives from certain conditions of the education and training systems:

- fragmented institutional settings with responsibility for education and training policy divided between different ministries and little structured involvement of external stakeholders in governance;
- fragmented architecture of education and training sub-systems leading to a disconnection between education and training, or between education and training and labour, or both;
- poorly-defined vocational education and training (VET) with a poor image, low status, lack of relevance to the labour market, questionable quality and rare possibilities to progress to higher education. Moreover, young people who failed in the general education system are over-represented in initial VET. These reasons combine to make VET an unattractive option for young people who have other options;
- low quality and relevance of the content of skills development provided to young and adult learners in the region for their socio-economic needs as well as those of enterprises.

VET QUALITY
Initial VET is insufficiently attractive for learners and employers. The labour market relevance of initial VET can only be assured if employers and other economy stakeholders play an active role at different stages of the VET policy cycle. In parallel, robust mechanisms to continuously improve the quality of VET inputs, processes, outcomes and outputs are needed at system and provision levels.

GOVERNANCE
Efficient governance remains a key challenge in terms of the need for increased participation and public accountability. Any improvement in the governance of VET systems depends on four main factors:

- increased involvement of social partners at all stages of the policy cycle;
- decentralisation and/or greater flexibility in training provision to allow VET providers to be more reactive to the labour market and to better contribute to local development;
- setting up and enforcing mechanisms of accountability; and,
- sustainable and transparent financing.
A SELECTION OF ETF ACTIVITIES IN THE SOUTHERN AND EASTERN MEDITERRANEAN REGION

TUNISIA
The ETF continues to support the regional governance of VET and employment in Médenine. In 2014 the project will ensure that the lessons learned from the pilot are properly consolidated and converted into clear policy messages. The tools and methodologies developed over the past two years will be made available to other regions in the country and taken up at national level.

The diagnostic on entrepreneurship learning in vocational education and training carried out in 2013 with OECD and GIZ will be disseminated. It will provide a basis for the government to design a national cross-ministerial strategy on this topic.

The ETF will also support the implementation of the mobility partnership on issues linked to skills and migration.

LIBYA
Having already contributed to formulating an EU project to modernise TVET, the ETF will continue to support the EU in the implementation of the project. Support to Libyan counterparts in designing a vision and a TVET strategy as well as monitoring its implementation will shape ETF activities in the country for 2014 and beyond.

Building on the Torino Process analysis that will be finalised and validated in summer, the ETF will facilitate and support national policy leaders and stakeholders to define a ‘Vision for skills 2020’, with priorities and a roadmap. To do this, the ETF and the Libyan authorities will use the foresight methodology developed under the FRAME project for South Eastern Europe and Turkey. The methodology requires a participatory approach to ensure policy coherence and policy relevance to the emerging socio-economic challenges. The quality of the foresight process is as important as the result and should encourage the adoption of a future-oriented mind-set among all stakeholders.

ALGERIA
The ETF supports the exchange of good practice by enabling the participation of Algerian stakeholders in regional projects and events. For the first time, Algeria will participate in the Torino Process to provide an evidence-based nationally-owned assessment of the TVET sector.

MOROCCO
The ETF will continue to work on three main streams of action: supporting the national qualifications framework, reinforcing the governance of the VET system and supporting the EU Delegation. In particular, the ETF will work with the Moroccan authorities to establish a coordination body for the national qualifications framework.

With regard to multilevel governance, stakeholders in the Tanger-Tétouan region will develop an analysis of the supply and demand of skills and needs for better matching and improved VET quality, map stakeholder skills and develop a network that will become the basis for an observatory function at regional level. The ETF will continue to provide inputs to the EU Delegation in the design of new interventions in the field of VET and will contribute to implementing and monitoring the mobility partnership on issues linked to skills and migration.
EGYPT

The ETF provides support to government’s policy dialogue and choices during the on-going complex political transition. It does this through the Torino Process and analyses carried out jointly with other international organisations such as the OECD and the World Bank. It provides evidence-based analysis of the TVET sector and policy advice. In addition, the ETF continues to support EU interventions in the country during the launch phase of TVET II.

LEBANON

The ETF/ILO/UNESCO project on entrepreneurial learning continues in 2014 with the validation of revised curricula, consolidation of modules, raising awareness of entrepreneurship as a key competence and a roll-out map for introducing entrepreneurship in secondary VET. In 2014, considering the importance of informal and non-formal learning, the ETF will carry out an inventory of the main stakeholders and initiatives in the field.

In the field of qualifications, the ETF will raise awareness of learning outcomes-based qualifications (with possible pilots on specific sectors). The ETF will continue to support the EU Delegation on implementing and defining new actions in VET and employment.

PALESTINE

In 2014, the ETF will start a new project to support the implementation of the Palestinian national qualifications framework. The project will focus specifically on competence-based qualifications in initial training and new forms of continuing education based on initial VET modules. The involvement of business representatives in the assessment process will be analysed. The ETF initiative will possibly support skills’ development in Area C (underdeveloped rural areas under the civil control of Israel), by piloting continuing training in relevant qualification and economic sectors.

The ETF supports the EU Delegation in the design of a new intervention to increase the relevance of VET, building on the successful results of the previous VET project with a strong territorial dimension.

ISRAEL

The ETF supports the exchange of good practice in VET by enabling the participation of Israeli counterparts in technical regional and international events in areas highlighted as priorities for the country. As a follow-up to the active participation in the VET for social inclusion project with South Eastern Europe and Turkey, Israel continues to play an active role in the area of social inclusion for a more cohesive society.

JORDAN

Support is provided to relevant E-TVET stakeholders and decision makers for the assessment of TVET sector reforms (Torino Process) and the evaluation of policy options in the field of female employability (PRIME – Projecting the reform impact in VET). Jordanian stakeholders identify and evaluate the policy options with ETF support by developing an in-depth picture of the current situation and analysing alternatives for action. In addition, the ETF supports the EU Delegation in the programming of a new EU-supported E-TVET sector programme in line with the new national E-TVET strategy and on-going policy dialogue on skills and migration.

SYRIA

ETF activities in Syria are currently suspended due to the political situation.
ETF PRIORITIES AND ACTION IN EDUCATION AND TRAINING

Southern and Eastern Mediterranean countries face a big challenge to improve the return on their VET systems within the difficult context of high demographic pressure, very low activity rates and vulnerable economies which lag behind in job creation. ETF action focuses on the overarching system level through:

- VET policy analysis: through the Torino Process, the ETF engages broad stakeholder groups in joint analyses of current VET policies. The analyses emphasise the gathering of evidence on how they contribute to goals set in each country and whether they are ready to meet the changing needs for skills and qualifications. Policy analysis findings inform the policy making agenda, assisted in some cases by the ETF directly or with proposals for EU programming.

- designing large scale EU interventions: with a firm basis in these policy analyses, a key aspect of the ETF’s work in the region is to identify and formulate large scale EU interventions which support the development of VET systems.

In the Southern and Eastern Mediterranean region, the ETF aims to improve the capacity of stakeholders to strengthen comprehensive VET policy design, which will be implemented and monitored through evidence-based policy analysis. In 2014, the focus will be on governance at national level as well as on consolidation of national qualifications framework developments.

In line with the ETF mid-term perspective, ETF interventions at regional level will focus on:

- qualifications and mobility: qualifications frameworks are a key priority for improving the internal efficiency of qualifications systems and so the attractiveness and relevance of the qualifications;

- governance;

- youth employability: the ETF will complete the review of employment policies, in particular active labour market policies, to feed into the regional policy debate in the framework of the Union for the Mediterranean or high level policy forums;

- entrepreneurial learning and skills for SMEs: based on the results of the 2013 assessment of the Euro-Mediterranean Charter for Enterprise, regional exchanges on good practice on entrepreneurial learning and skills development will be organised.
As part of the EU agenda, the ETF facilitates regional policy dialogue in VET in support of sustainable development focusing on economic, territorial and social cohesion.

**EURO-MEDITERRANEAN QUALIFICATIONS**

This project aims at developing a regional (cross-country) approach to sectoral qualifications, supporting their comparison and analysis across the participating countries to increase mutual understanding and in the long-term providing tools to support the mobility of workers/learners as well as feeding national debates on current and future qualification system reforms. Egypt, Jordan, Morocco and Tunisia participate in the project and three EU Member States – France, Italy and Spain – lend their support to the project. In December 2013, the first phase of the project came to an end and the second phase, planned to last four years, started in January 2014.

The project now seeks to enlarge the scope of comparison and analysis to increase mutual understanding, transparency and build mutual trust across countries as the basis for continuing and consolidating a productive dialogue on qualifications.

This will be done by applying a methodology to compare elements of qualifications systems linked to the qualifications already selected in the two economic sectors of the project – tourism and construction – as well as through the continued comparison of profiles. Sectoral qualifications will be related and compared to the existing common profiles to identify gaps and areas that could initiate further work at national level to enhance the quality and relevance of qualifications.

Capacity building activities, including peer learning activities, will continue throughout the four years of the project. These activities will focus on qualifications-related issues, in particular to enhance the understanding of the principles of the European Qualifications Framework (EQF) and starting with a peer learning activity addressing learning outcome-based qualifications in the sectors. Dialogue will be sought with the EQF Advisory Group.

**REGIONAL DIALOGUE ON SME DEVELOPMENT AND EMPLOYABILITY**

The ETF supports the EU in its policy dialogue with the region on issues linked to entrepreneurial learning and skills for SME development. This is done in the framework of the Euro-Mediterranean Charter for Enterprise and involves all countries in the region.

In cooperation with the European Commission (DGs Enterprise and Development), the OECD, the EIB and the partner countries, the ETF will help disseminate the findings of the second assessment of the two human capital dimensions of the Charter linked to entrepreneurial learning and skills for SMEs which took place in 2013. The results informed policy discussions at the Euromed ministerial meeting in February 2014 and national events. The ETF supports actions in countries where entrepreneurial learning is a priority (Tunisia and Lebanon). Good practices will be shared among the countries in regional events as part of ETF capacity building support. The ETF will work closely with the EU-funded project implemented by GIZ to support capacity building at national and regional level as well as with the Union for the Mediterranean Secretariat on issues linked to skills for micro and SMEs creation and growth.

As part of its support to the Euro-Mediterranean policy dialogue on employment, the ETF will finalise the analysis on measures to support youth employability covering the remaining four countries (other five done in 2013) and prepare a cross-country analysis that will serve as inputs for EU bilateral and regional dialogue. The ETF works closely with the Union for the Mediterranean Secretariat in the framework of the Mediterranean Initiative for Jobs and on female employability.

The ETF will also support DG Education and Culture in the second meeting of the policy dialogue on issues linked to youth employability and skills matching.
POLICY LEADERS’ FORUM ON YOUTH EMPLOYABILITY: FROM POLICY FORMULATION TO RESULTS

The third Policy Leaders’ Forum (PLF) will be held in Turin, Italy, on 20 November 2014. It will continue the VET policy dialogue launched in 2012-13, through two similar events – the 2012 Policy Leaders’ Forum (Amman, Jordan) and the 2013 Policy Leaders’ Forum (Marseille, France) – and maintain the focus on youth employability as the key priority for VET policy makers. As 2014 also coincides with the biennial Torino Process, the PLF represents an opportunity for VET policy leaders to discuss progress in implementation which has taken place since 2012 based on the preliminary analytical findings. In addition to the broad, holistic analysis of the Torino Process, the dialogue will also be informed by the in-depth review of progress in employment policy across the region through the employability reviews. Policy leaders from the region will be encouraged to share experiences and perspectives on policy progress in the countries in particular with regard to promotion of youth employability. The key issues of debate will be to share concrete evidence on progress and in particular focus on policies which deliver results. The 2014 PLF will also represent an innovation from the perspective of participatory public management. While governments generally have a clear responsibility for policy initiation and implementation, a critical success factor for effective policy is the perception of young people. The PLF will also be an opportunity for the ETF to share recent initiatives to support policy makers in the region to bridge the gap between policy analysis and implementation such as the Governance for Employability (GEMM) project and the assessment of the Euro-Mediterranean Charter for Enterprise in the region.

GOVERNANCE FOR EMPLOYABILITY

In February 2013, the ETF embarked on the implementation of the EU-funded project “Governance for employability in the Mediterranean” (GEMM). The project lasts three years and focuses on improving the governance of VET systems in all countries of the region (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Tunisia)*. It engages actors at national and sub-national level by encouraging cooperation between government, trade unions, employers’ representatives and civil society. The project aims to maximise institutional capacities and contributes to increasing ownership among stakeholders of on-going VET reforms. The project has the following components:

- at national level, building the capacities of government actors and civil society, including employer and employee organisations, to work in partnership to increase the relevance and quality of VET systems. Based on the results of the mapping of multi-governance at national level carried out in 2013 (with a focus on planning, quality assurance and financing of VET), a two-year capacity building programme will be designed and implementation will start.
- at the local level (sub-national), enhancing local youth and female employability by: (i) increasing the capacities of local actors; (ii) increasing the ability and competences of VET stakeholders to better respond to local labour market needs; and (iii) improving governance. The implementation of the project foresees a selected number of pilot projects in each country as well as capacity building actions at regional (cross-country) level. The pilot project outcomes and lessons learned will be discussed between participating countries during the regional events. The first regional conference took place in March 2014.

* EU cooperation with Syria is currently suspended.
TORINO PROCESS 2014

Southern and Eastern Mediterranean countries face a big challenge to improve the return on investment in their VET systems in difficult circumstances marked by high demographic pressure, low activity rates and vulnerable economies which lag behind in job creation. In this context, the ETF supports policy learning and policy making in its partner countries through different corporate initiatives.

- The Torino Process is a participatory process that leads to an evidence-based analysis of VET policies in each ETF partner country. The purpose is to build consensus on the possible ways forward in VET policy and system development, determining the state of the art and vision of VET in a given country and the progress in VET reform implementation. Other objectives include developing awareness and capacity in the countries for evidence-based policy making, creating opportunities for mutual policy learning and informing the ETF, the EU and other donor interventions in VET reform in the partner countries. The 2014 Torino Process will be the third edition (after 2010 and 2012) and it will be implemented by the majority of the countries in the region. The country analysis will be completed by a report covering the whole region, which will be discussed at a (ministerial level) Policy Leaders’ Forum to take place in Turin in November 2014. Both country and regional reports will feed back into a cross-country policy analysis that will be presented at an international conference at high policy level in Turin in June 2015.

- A new ETF initiative called PRIME (Projecting the Reform Impact in VET) will support selected partner countries to make informed choices for policy action. In the case of the Southern and Eastern Mediterranean, PRIME implementation will start in Jordan. On the basis of the analysis carried out through the Torino Process, PRIME will support the identification of alternatives for policy action for an agreed

GIVING YOUNG MEDITERRANEAN LEADERS A VOICE

Reflecting on the achievements of the first years of the Young Mediterranean Leaders (YML) initiative – first launched in 2012 by the ETF together with the European Group for Public administration (EGPA) – in 2014 the ETF plans to offer more opportunities to the YMLs to become more engaged in the ETF activities, either at country or regional level. They will contribute to the implementation of the 2014 Torino Process in their countries, mainly by initiating youth focus groups to collect qualitative information on employability and VET and to discuss the results of findings of the Torino Process study. YMLs will be also invited to the ETF regional and corporate conferences in 2014, allowing them to play an active role by bringing in young people’s ideas to the table and taking part in discussions.
Further information on ETF activities can be found on the website:
www.etf.europa.eu

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