



# THE CHALLENGE OF YOUTH EMPLOYABILITY IN ARAB MEDITERRANEAN COUNTRIES

THE ROLE OF ACTIVE LABOUR MARKET  
PROGRAMMES

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# PREFACE

The European Training Foundation (ETF) has provided regular input to the European Commission (DG Employment) throughout the process of structured Euro-Mediterranean policy dialogue on employment. It has done so via three employability reports presented in 2007, 2009 and 2011 to the Euromed High-Level Working Groups on Employment and Labour in preparation for the ministerial conferences. In 2013, as part of this process, the ETF launched another round of analysis on employment policies pursued by Arab Mediterranean countries (AMCs). The focus of these country reports has moved on from the analysis of labour market trends and challenges to the mapping of existing employment policies and active labour market programmes (ALMPs). This report aims at further promoting the exchange of experiences between countries in the region, and fostering evidence-based policy making. It was presented at the Policy Leaders' Forum for Ministers from AMCs on 20 November 2014 in Turin.

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



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# INTRODUCTION

Four years after the political uprisings in the Arab Mediterranean countries (AMCs), the situation in the region remains highly volatile as widespread security concerns, such as political instability and conflict, affect countries in varying degrees.

Instability and political turbulence also contributed to a decline in economic activity and made it difficult for governments to introduce far-reaching and comprehensive economic and labour market reforms. This in turn intensified disillusionment among the population as a whole and young people in particular. Compared to other age groups, Arab youth are still strongly disadvantaged in the labour markets. They are underrepresented in the labour force, face high unemployment rates and work in lower quality jobs. To maintain social stability and mitigate youth frustration, youth employment was placed at the top of the political agenda immediately after the uprisings in 2011. Emergency initiatives emphasising the relevance of job quality and equality were adopted by several new governments.

These emergency initiatives were heavily based on active labour market programmes (ALMPs). They aimed to address inefficiencies in the education and training system and reduce skill mismatch; provide subsidised employment; and support youth entrepreneurship. However, less attention was given to sustainable job creation policies, education and lifelong learning policies and social security systems. Comprehensive and well-balanced employment policies that promote better employment prospects for young people are still to be elaborated. Combined with political instability, this has had an impact on the outcome of the recently introduced ALMPs and emergency initiatives, which in some cases have failed to produce long-term effects on labour markets. Overall, it is difficult to assess the effectiveness of measures as there are very few evaluations of ALMPs in AMCs.

In an effort to help AMCs exchange experiences and facilitate evidence-based policy making, the European

Training Foundation (ETF) carried out a series of country analyses of ALMPs in eight countries in 2013 and 2014<sup>2</sup>. The information obtained serves as the primary source material for this regional report<sup>3</sup>. References to the country notes are included in the text where detailed examples can be found. As the country notes are based on national statistical data sources, which in some cases are limited, comparability is less straightforward. Another limitation is the different terminology used across the countries, which also complicates general comparisons. The comprehensiveness of background information also varies significantly, mostly due to the limited availability of evaluation studies.

The two key constraints on employment in the AMCs are (i) insufficient labour demand, i.e. a lack of job creation; and (ii) skills mismatch as a result of failures in the education system, i.e. employability<sup>4</sup>. This report focuses on the second issue and in particular on the potential of ALMPs to increase youth employability. It provides an overview of ALMPs in eight AMCs and examines constraints and opportunities for their development and implementation. The report is divided into four sections. The first section presents an initial overview of AMCs' labour markets, providing a summary of the economic and demographic context and a brief analysis of the main labour market trends and challenges. The second section describes ALMPs that are specifically targeted at young people. Active labour market programmes are classified into five measures: intermediation services, training programmes, employment incentive programmes, public works programmes and support for entrepreneurship. A short general description of each measure is provided. This is followed by an analysis of ALMPs that are currently implemented in AMCs. Some initiatives that seem to have had positive results are highlighted. The third section analyses the main institutional and operational constraints that affect the quality of ALMPs. The fourth and final section suggests some policy recommendations to improve the effectiveness and delivery of ALMPs as a response to youth labour market challenges.

<sup>2</sup> Algeria, Egypt, Jordan, Lebanon, Libya, Morocco, Palestine and Tunisia.

<sup>3</sup> This report complements an analysis published by the European Training Foundation (Martin and Bardak, 2012).

<sup>4</sup> Employability is defined as the combination of factors which enable individuals to progress towards getting into employment, staying in employment and progressing during their career. It is a complex concept and a transversal issue, encompassing all initial education and knowledge, skills, experiences and intercultural competences required to succeed in the labour market (ETF, 2014a).



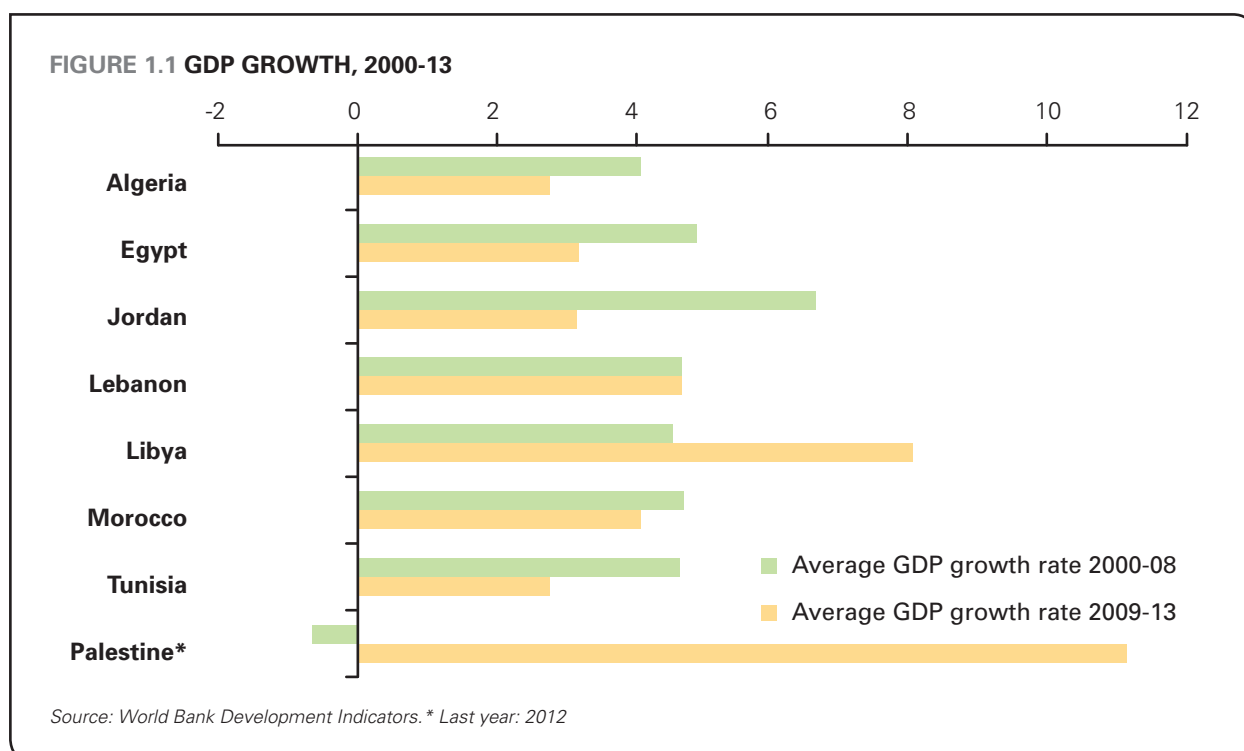
# 1. THE CHALLENGE OF YOUTH EMPLOYABILITY: AN OUTCOME OF SOCIOECONOMIC, DEMOGRAPHIC AND LABOUR MARKET DEVELOPMENTS

## 1.1. ECONOMIC CONTEXT

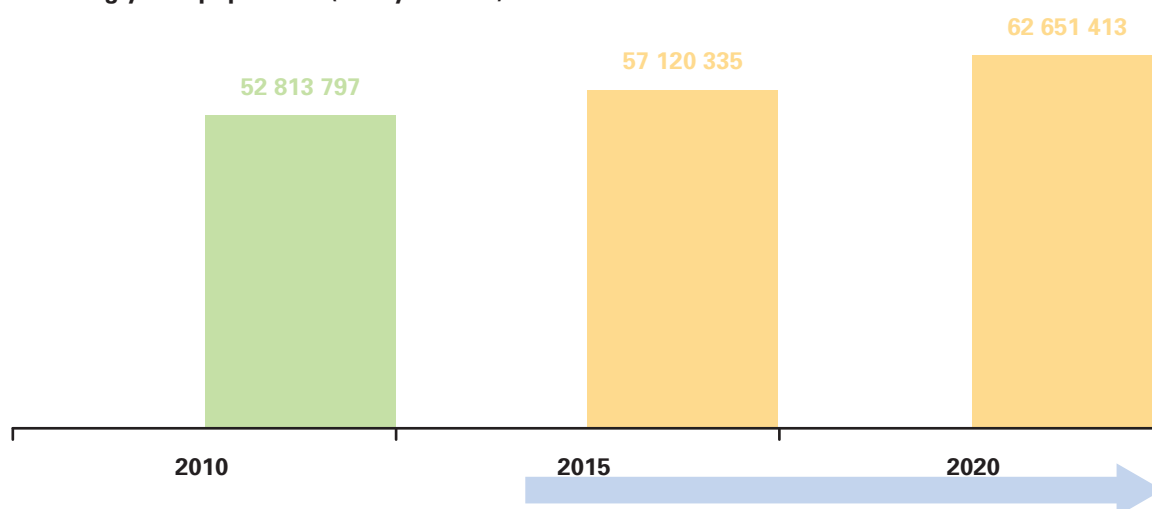
Although AMCs differ significantly in socioeconomic characteristics, institutional development and natural resources they share important similarities in economic performance. In the late 1980s and early 1990s, a number of AMCs embarked on economic and policy reform programmes. While the programmes varied significantly, they included structural reforms such as reducing subsidies and public spending, liberalising trade, encouraging investment and strengthening the institutional foundations of a market-led economy. As a result, the real gross domestic product (GDP) growth rate reached rather high levels in most AMCs, averaging 5 % a year between 2000 and 2008. However, the global economic crisis and recent social and political events in the region significantly undermined this economic growth<sup>5</sup> which in turn had a negative impact on employment (see **FIGURE 1.1**).

In general, low economic growth, which is manifested in low economic activity and low investment, leads to low overall job creation. Even during quite substantial periods of economic growth, job creation performance was rather weak in AMCs and the number of jobs created was not sufficient to absorb the increasing number of new entrants into the labour market. Moreover, most of the jobs were created in relatively low-value-added or informal sectors, and public sector employment continued to account for a substantial share of the jobs. For example, during a period of economic growth between 2004 and 2008 in Jordan, almost 42 % of jobs created were in the public sector (ETF, 2014c).

Labour markets in AMCs are therefore still influenced by the legacy of a large public sector. On average, the public sector accounts for 30 % of the economy, although significant discrepancies exist between countries. While public sector employment accounts



5 Morocco has retained its pre-crisis growth rates.

**FIGURE 1.2 TOTAL YOUTH POPULATION (0-15) IN THE AMCS****Growing youth population (0-14 years old)**

Source: UNDP, *World Population Prospects, the 2012 revision*.  
 Countries: Jordan, Lebanon, Palestine, Algeria, Egypt, Libya, Morocco and Tunisia.

for around 8 % in Morocco, for example, the Libyan economy maintains some of the highest levels of public sector employment in the world: up to 70 % of all salaried workers are employed in the public sector (ETF, 2014d). However, this labour market model has been put out of equilibrium, as the public sector is becoming increasingly incapable of absorbing growing numbers of educated workers<sup>6</sup>. Thus, several countries have recently started to slow down public sector hiring considerably. In October 2012, Jordan froze civil service employment; it was partially resumed in 2013 to allow limited recruitment in the health and education sectors. Similarly, the Palestinian National Development Plan 2011–2013 limited public sector employment to a net increase of 3 000 jobs per year. This mainly affects the education and health sectors (ETF, 2014e).

The significant role of the public sector has affected labour market outcomes by diverting resources away from a potentially more dynamic private sector. Much of the private sector in AMCs is dominated by small and medium-sized enterprises (SMEs) that lack the ability to grow and create quality employment. Obstacles include the red tape and bureaucracy involved in setting up a company; rigid employment protection regulations and discretionary enforcement; low skill levels among entrepreneurs; and poor access to credit.

Although SMEs create a significant number of jobs, most of them are in the informal sector. Thus, the prevalence of informal employment is another defining feature of AMCs' labour markets. The informal sector is mainly subsistence-oriented with low-skilled workers and low productivity. The characteristics of the sector – easy access, low capital requirements, a low level of formal education and freedom from complex procedural

control – make it a dynamic and heterogeneous sector that provides employment for a large segment of the population, especially for individuals who have dropped out of education (ETF, 2014d).

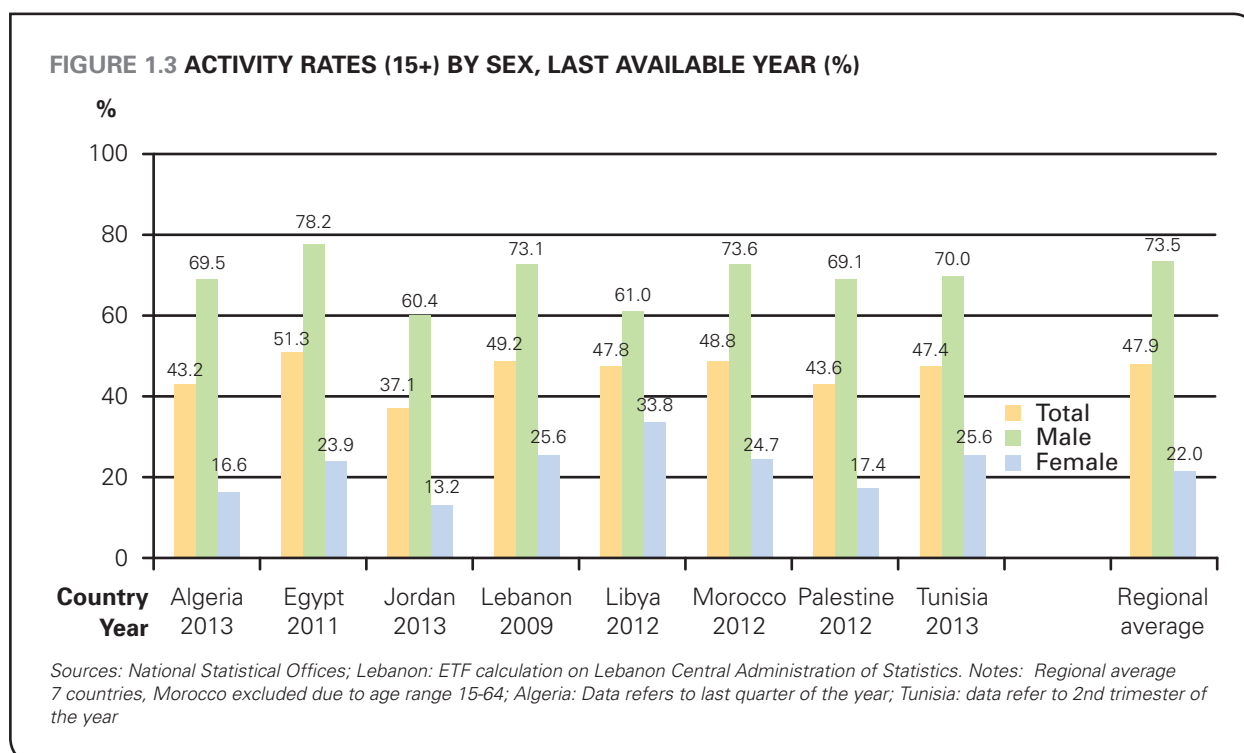
There is a close correlation between being a young/first jobseeker and having an informal job as large part of employed youth in the region work in informal, poor-quality jobs at subsistence wages and without any prospects for advancement (ETF 2012a). From the short-term perspective, informal employment may be seen as a solution for youth unemployment as it provides employment opportunities. From the long-term perspective, however, it may have a negative impact on youth employability, as skills deteriorate and many young people are discouraged from participating in the labour market.

## 1.2. DEMOGRAPHIC CONTEXT

Population growth in AMCs is among the highest in the world. High rates of population growth during the 1980s and 1990s have led to large numbers of young people entering the labour market in recent years. They face the challenge of a lack of suitable jobs and high unemployment. The youth bulge in AMCs means that almost 30 % of the population of these countries are between the ages of 15 and 30, and another 30 % is between 0 and 14 years. Population prospects confirm the pressure of the youth population in the future (see **FIGURE 1.2**): in 2020 there will be more than 60 million young people between the ages of 0 and 14.

AMCs will therefore need more than 1 500 000 additional jobs a year over the coming 10 years to provide employment opportunities for new labour

<sup>6</sup> Immediately after the Arab Spring, some AMCs used public sector hiring as a measure to reduce youth unemployment.



market entrants (European Commission, 2010). In a nutshell, AMCs currently face a double-edged economic and demographic challenge. On the one hand, the youth bulge places a heavy burden on job creation. On the other hand, a large and growing youth population can become a productive asset – a demographic gift – provided there is economic growth and job creation.

Another important demographic trend relates to migration flows as international migration is increasingly changing the size and composition of the labour force in several AMCs. In fact, all eight countries exhibit significant emigration to Europe and North America, and large labour migration to the countries of the Gulf Cooperation Council (GCC). In many countries, emigration acts as a safety valve for the excess labour supply resulting from the mismatch between domestic labour demand and jobseekers' expectations in terms of quality or type of employment. Lebanon, for example, faces particularly high rates of highly educated emigrants.

The labour markets of AMCs are also increasingly shaped by the presence and inflow of labour immigrants. AMCs host more than 1 million legal immigrants<sup>7</sup> of working age (2 % of current employment) and an undetermined number of irregular or unregistered labour immigrants (which could exceed 2 million) (European Commission, 2010). The immigration provides local employers with cheap labour, as a large proportion of the jobs created in AMCs are taken by migrant workers, at wages and conditions incompatible with the expectations of the national labour force.

The number of immigrants is amplified considerably by the massive influx of refugees across the region as a result of the conflict in Syria. Jordan and Lebanon are countries where unprecedented numbers of refugees may have the most destabilising consequences. Lebanon hosts the largest number of Syrian refugees in both absolute terms and relative to population shares: an estimated 1.5 million refugees represent 34 % of Lebanon's pre crisis population. This unprecedented number of refugees, combined with internal political and economic challenges, has contributed to increased instability throughout Lebanon. Refugees are competing with Lebanese citizens for jobs, access to public services and infrastructure and, in particular, for already scarce and fragile natural resources, such as land, water and forests. The situation threatens the country's delicate sectarian balance, institutional and political stability, and regional peace and security (FAO, 2014).

### 1.3. LABOUR MARKET CONTEXT AND SKILLS SUPPLY

Low activity rates are a defining characteristic of labour markets in AMCs. They range from 51.3 % in Egypt to as low as 37.1 % in Jordan (see **FIGURE 1.3**) and are significantly lower than in other regions.

Figure 1.3 also reveals that there is a huge discrepancy between male and female activity. The differences are particularly striking in Algeria, Jordan and Palestine. In Jordan, the labour force participation rate among male workers is 60.4 %; for female workers the figure is 13.2 %. In Palestine, the labour force participation rate among male workers is 69.1 %; for female workers the figure is 17.4 %. Although female participation in the

<sup>7</sup> This figure does not include refugees.

labour force in AMCs has increased in recent decades, it has been very slow. Moreover, women who work are often concentrated in specific occupations. For example in Egypt, 54 % of female workers work in civil service jobs, whereas less than 10 % work in the private formal sector.

Besides the low activity rates, AMCs are experiencing high unemployment rates that particularly affect young people. The share of youth (aged 15 to 24) in total unemployment is at least double the total rate. The unemployment situation for young people is particularly worrying in Libya (48.7 %), Palestine (43.9 %) and Tunisia (42.3 %) (see **FIGURE 1.4**). Moreover, the majority of unemployed people (up to 80 % in some countries, such as Egypt) are looking for their first job and have no previous work experience (ETF, 2012a). Also the number of long-term unemployed is increasing. The combination of long-term unemployment and first-time jobseekers, especially among young graduates, underlines the structural unemployment crisis that aggravates the vulnerability of youth.

Unemployment rates are much higher among women than among men, reaching more than 50 % in some countries (see Figure 1.4). Young Arab women are confronted with a triple burden: gender, skills mismatch and age. An important factor that fosters high unemployment rates among women is the type of skills that they acquire – they are often not encouraged to choose degrees that are required by the private sector. The reluctance of the private sector to hire women may also hinder women's ability to find suitable employment in the private sector (ETF, 2011).

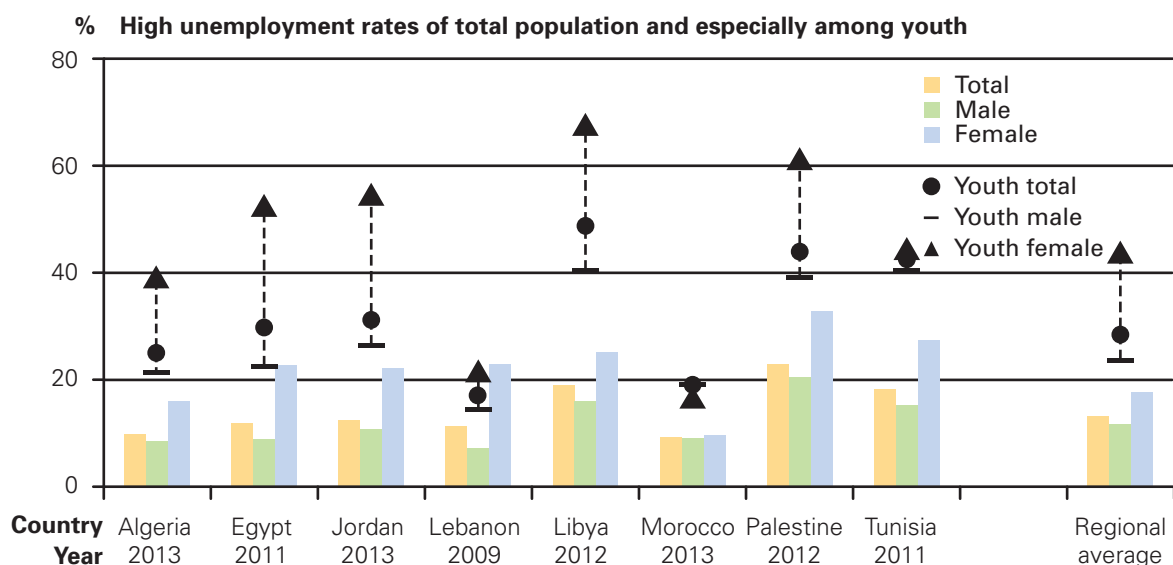
Another striking distortion in the labour markets in AMCs is the inverse correlation between education and employment: as increased levels of education tend to lead to higher unemployment rates. Unemployment rates are highest for female university graduates (Martin and Bardak, 2012). Thus, although young people and their families are investing heavily in education and training, most young people cannot get back the appropriate individual returns from such investment. In a nutshell, a high level of youth unemployment represents a waste of potential human resources. Moreover, it increases the social exclusion that makes societies more vulnerable to civil disorder and political upheaval.

### NEETs

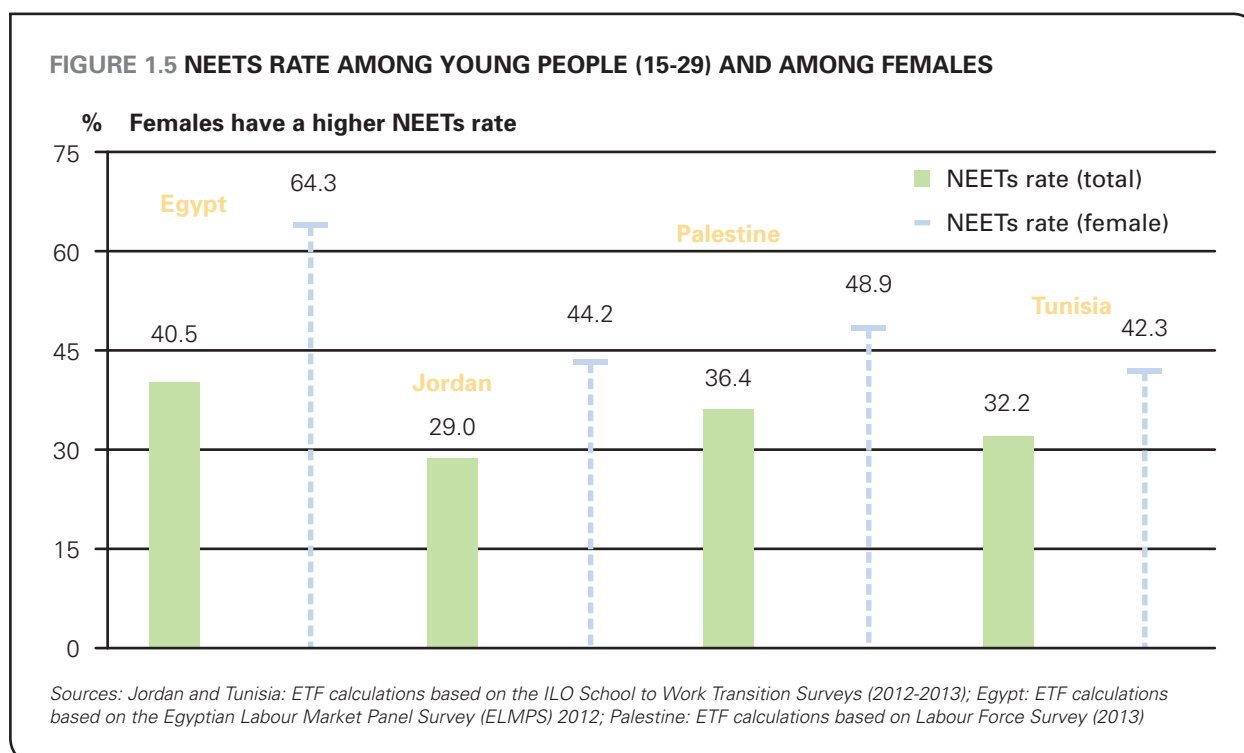
A particularly worrying challenge in the field of youth employability is the growing number of young people who are not in education, employment or training (NEETs). Little attention has been paid to this cohort in most AMCs and there is a scarcity of relevant data. A recent ETF study found that that the NEETs in the 15 to 29 age group might account for around 32 % of young people in Tunisia, 36 % in Palestine, 29 % in Jordan and 40 % in Egypt (see **FIGURE 1.5**). The rate is much higher for young women and it increases significantly with age. The study also revealed that young people with higher education are less likely to become NEETs than those with lower education (ETF, 2014j). The most notable risk factors for the prevalence of NEETs are:

- low educational attainment (early school leavers), e.g. in Algeria, Egypt and Morocco, between two-thirds and half of students drop out or leave

**FIGURE 1.4 UNEMPLOYMENT RATES IN TOTAL POPULATION (15+) AND YOUTH POPULATION (15-24)**



Sources: National Statistical Offices; Libya: ILOSTAT; Tunisia: ETF calculations based on National Institute of Statistics; Lebanon: ETF calculation on Lebanon Central Administration of Statistics; Notes: Age range of adults for Algeria 16-59, for Egypt 15-64; both excluded from regional average of adults. Youth age range for Algeria 16-24 and for Palestine 20-24, both excluded from regional average of youth



school immediately after they complete compulsory education (Martin and Bardak, 2012);

- gender – being female is a risk factor itself;
- low employability and/or lack of necessary skills;
- institutional, logistical and transitional barriers to employment;
- poor socio-economic family background;
- disability;
- immigration and ethnic background (ETF, 2014j).

The large number of NEETs represents one of the most serious social problems in AMCs as the exclusion of young people from the labour market contributes to high levels of poverty and lost opportunities for economic growth. Moreover, prolonged unemployment or inactivity in early life can permanently impair employability, future earnings and access to quality jobs. Poor employment prospects increase discouragement, which could be the reason for inactivity. Results from a recent youth survey in Morocco showed that about 60 % of all inactive young men and about 23 % of all inactive young women were actually discouraged workers (World Bank, 2013).

### Educational attainment

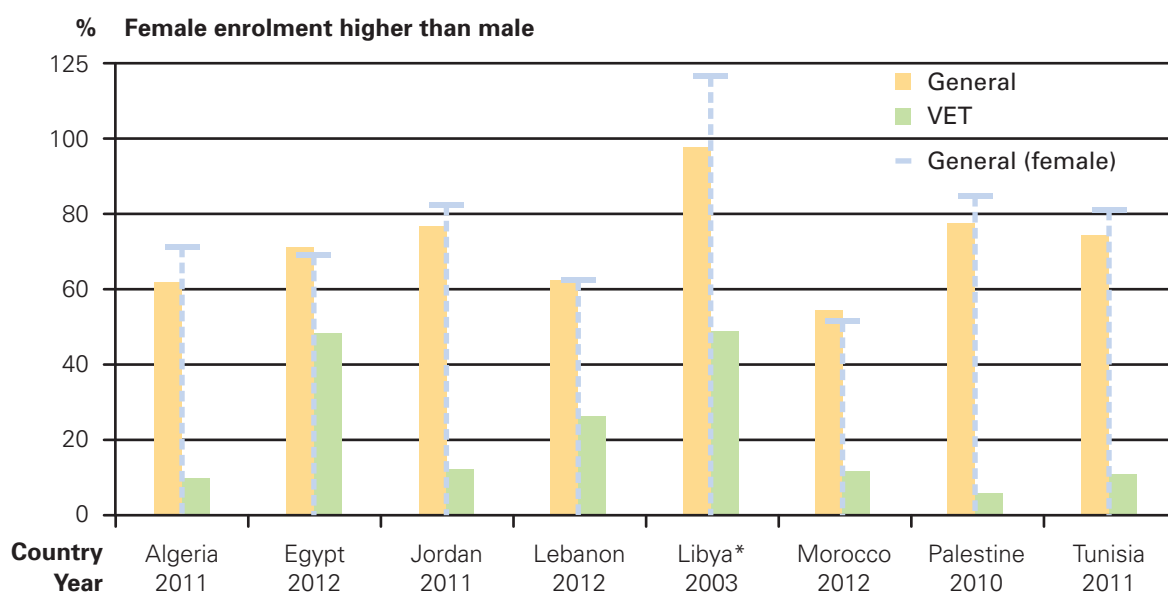
Youth employability problems often begin with poor education systems, as the quality of the labour force is strongly influenced by the quality of primary and secondary basic education and by the opportunity to acquire high-quality vocational education and training (VET). AMCs have invested significantly in their education systems in recent years (on average 5 % of GDP) and considerably improved access to education (ETF, 2014a). Primary education is almost universal and the enrolment rates of girls have increased significantly, although they still lag behind in rural areas, particularly in Egypt and Morocco.

Despite these successes, a number of problems persist. Up to 10 % of primary school pupils drop out of school (ETF, 2014a). This negative tendency has resulted in the existence of a potential supply of illiterate or very poorly educated workers. Illiteracy remains a serious problem among the adult population in Morocco and Egypt and to a lesser extent in Algeria and Tunisia (Martin and Bardak, 2012). In Morocco, 44 % of the adult population, typically women, are illiterate; the figure is 70 % for rural women (ETF, 2014i).

While enrolment in lower secondary education has become compulsory and almost universal, upper secondary enrolment rates continue to be relatively low (see **FIGURE 1.6**), and females have higher enrolment rates than males. As the education systems in AMCs are essentially based on prioritising general education at the expense of VET, the share of upper secondary students attending VET programmes is small. In Maghreb<sup>8</sup> countries, only 10 % of students go to a VET school; the figure for Palestine is 6 %. Only in Egypt are 54 % of students enrolled in VET, although mostly as a second education choice after having been tracked out of general education (ETF, 2013b). At the same time, enrolment rates at university level have increased rapidly. Around one-third of young people enter university; the percentage is significantly higher in Lebanon (53 %) and significantly lower in Morocco (13 %) (ETF, 2014a).

<sup>8</sup> Algeria, Libya, Morocco and Tunisia.

**FIGURE 1.6 GROSS ENROLMENT RATES IN UPPER SECONDARY GENERAL EDUCATION (TOTAL AND FEMALE) AND PERCENTAGE OF VET STUDENTS IN UPPER SECONDARY EDUCATION**



Source: UIS-UNESCO. Note: \*Libyan figures are UIS estimates

### Skills gaps and skills mismatch

Youth unemployment in AMCs is strongly related to wider problems involving weak labour markets with too few and too poor employment opportunities. The situation is aggravated by a poor overall investment climate, a limited and tightly controlled private sector and a lack of growth. Moreover, skills mismatch on youth labour markets is also becoming a persistent and growing trend.

Data from employment agencies throughout the region suggests that thousands of vacancies are not being filled, despite the existence of thousands of individuals who are both willing and able to work (Angel-Urdinola et al., 2013). The growing number of 'educated unemployed' clearly underlines the weak links between the education and training system and the labour market. For example, in Jordan, around 20 000 new university graduates enter the ranks of the unemployed or economically inactive every year (ETF, 2014c).

Entrepreneurs also regularly cite the lack of suitable skills as a major constraint to business operation and firm growth. Skills mismatch is identified as a particular constraint to business development in Egypt (50 % of all firms interviewed), Lebanon (38 %), Algeria (37 %), Jordan (33 %), and Morocco (31 %) (Martin and Bardak, 2012). Moreover, employers in AMCs not only express their dissatisfaction with deficiencies in the relevant experience and technical skills of new graduates, but also with their lack of soft skills, such as interpersonal skills and personal habits.

Despite the relatively good progress in quantitative achievements, the low quality of education is widely seen as one of the reasons for the youth employability problems caused by the inability of education and training systems to produce employable graduates. The relevance of graduates' skills is also crucial to youth employability. Skills demands are changing rapidly due to the globalisation of the economy and technological innovation, which in turn speeds up organisational changes in businesses. However, the education and training systems in AMCs are not yet able to fully respond to these rapidly evolving needs of the labour market.

Low levels of qualifications and enrolment in VET, the strong gender segregation in VET occupations and a preference for humanities subjects in higher education still pose a major challenge to the employability of large numbers of young people and make transition to the labour market more difficult (ETF, 2012a). Traditionally, VET was seen in AMCs as a secondary channel for low achievers and young people who had dropped out of the general education system. It had a poor social image, deeply rooted in the culture of the countries. However, interest in improving quality and access to VET has increased progressively in AMCs in recent years.

Following the Arab Spring, several countries (Egypt, Jordan, Morocco and Tunisia) prioritised VET, putting it at the top of their political agendas. There is a growing awareness that VET can be an important transition channel between the education system and the labour market. Several countries have initiated significant VET



system reforms to make the VET system more flexible, allow extensive access to it and create links with general education and the working world. For example, in Jordan, many initiatives have been introduced to improve the VET system. However, they have not yet resulted in any tangible positive outcomes and further actions are needed.

The other common problem in AMCs relates to young people's attitudes towards work and their expectations for a professional career. Many young people refuse to take up manual jobs and opt for voluntary unemployment if they can afford it. A growing body of research suggests that the main roots of youth economic exclusion are found in the formal and informal

institutions that govern the education, employment, marriage and housing markets, and in the incentives that such institutions impose on the choices and behaviours of young people, their parents, their educators and their potential employers (World Economic Forum, 2012). For example, the lure of government employment shapes educational choices, with students pursuing degrees that may provide jobs in the public sector rather than investing in degrees or work experience that prepare them for private sector employment or entrepreneurship. A recent tracer study in Tunisia found that almost 50 % of graduates in the humanities and law had still not found a job 3.5 years after graduation (World Bank, 2013).



## 2. POTENTIAL OF ACTIVE LABOUR MARKET PROGRAMMES TO INCREASE YOUTH EMPLOYABILITY

### The role of ALMPs in skills development

High-quality and inclusive education and training systems that endow all young people with key competences and technical skills and enable them to compete in labour markets are a key element of skills development strategies. In this context, initial vocational training and higher education need to ensure that young people entering the labour market are well prepared to address the skills needs of the economy and labour market. At the same time, continuing vocational training is necessary in changing and often volatile labour markets to ensure opportunities for both jobseekers and employees to obtain the necessary upgrading of their skills. In this context, ALMPs have a key role to play in addressing skills gaps and skills mismatch. Their role becomes even more important in contexts in which the initial education and training system presents inefficiencies.

ALMPs are defined as labour market policy interventions that the state uses to actively increase the employment probability of jobseekers and decrease aggregate unemployment (Kluve, 2014). The overall aim of ALMPs is to promote efficient functioning of the labour market and effective use of human resources to facilitate economic growth by increasing the employability of jobseekers and decreasing aggregate unemployment. In AMCs with high levels of unemployment, skills gaps and skills mismatch exist and information about job opportunities is asymmetric. In such cases, the ALMPs may become important tools for enhancing improvements in labour market performance and can greatly facilitate young people's entry into the labour market.

Although skills development and matching is an important aspect of ALMPs, their overall aim is broader. On the one hand, from an economic perspective, ALMPs may be used as measures to correct labour market failures, including the lack of information flow between jobseekers and employers, by improving the efficiency of job matching. ALMPs can also aim to compensate for the low level of labour demand by enhancing workers' skills and productivity and fostering job creation. On the other hand, ALMPs can have a significant social and political impact. They can facilitate more balanced social development and social integration when targeted at the most vulnerable groups, such as young people and women. They can also be designed to help create more job opportunities in disadvantaged areas facing higher rates of unemployment.

However, in addition to direct positive effects, such as the increased employability of participants, ALMPs may have several potential indirect negative effects. These include:

- displacement or crowding out effects (firms with subsidised workers can expand in the market at the expense of unsubsidised firms);
- deadweight effects (the worker would have been hired even without the subsidy);
- substitution effects (jobs created for a certain category of worker replace jobs for other categories because relative wage costs have changed) (Kluve, 2014).

To ensure they have a positive impact on labour market performance ALMPs therefore need to be well designed, targeted and implemented. The choice of programme type should depend on the needs of the labour market and the focus on achieving certain objectives.

### Labour market policies in AMCs

The countries differ both in the scope and nature of their efforts to formulate labour market policy. Algeria, Palestine, Jordan and Tunisia have developed their employment strategies. Adoption of the strategy is still pending in Egypt and the development of a national employment strategy is on the agenda in Morocco. No strategy exists in Lebanon or Libya. In general, employment strategies in AMCs place an overwhelming emphasis on ALMPs and much less emphasis on policies for job creation, education and training, and social security (ETF, 2013a). In addition to general employment strategies, some countries have also developed specific plans and/or programmes to tackle youth unemployment. For example, Egypt has worked closely with different stakeholders, including social partners, youth organisations and donors, to develop its Youth Employment National Action Plan for 2010–15. Its main objectives are to increase youth employability, foster vocational education and training, encourage enterprise development and promote labour market policies. Lebanon also has a comprehensive youth policy.

ALMPs are at different stages of development in AMCs. For example, ALMPs are at the core of Algeria's employment policy and a variety of youth programmes have been implemented since 1989. These programmes

have undergone three historical phases<sup>9</sup> and in 2008 a third generation of more mature active labour market programmes was launched (ETF, 2014b). In contrast to Algeria the Jordan's government only recently began to take serious steps towards formulating a comprehensive approach to youth employability using labour market programmes. In a nutshell, almost all AMCs experienced a proliferation of youth-targeted active labour market programmes in the aftermath of the Arab Spring (for more information on programmes implemented in AMCs see Annex I).

In this context, given that AMCs are still in the process of designing employment policies, setting up more extensive public employment services and implementing ALMPs, an ideal opportunity exists for learning from the international experience (for information on European Union (EU) measures see Annex II).

## 2.1. PROVISION OF ALMPs

In general, public employment services are the institutions that are responsible for the provision of ALMPs. They are legally charged with implementing (and sometimes designing) labour market policies under the political responsibility of the ministry of labour or equivalent. Hence they play a key role among the employment service providers. They typically provide labour market information; offer job search assistance and placement services; administer unemployment insurance benefits; and manage various active labour market programmes (Cedefop et al., 2014).

AMCs have a wide range of systems, models and experiences in providing ALMPs. All of the countries have established public employment services. In Egypt, Jordan, Libya and Palestine, this is a function of the relevant labour ministry, through its departments or offices. In Algeria, Lebanon, Morocco and Tunisia, ALMPs are provided by an autonomous public agency supervised by the labour ministry. Public institutions with a specific mission to target youth employability have been set up in some AMCs. For example, in Algeria, the National Youth Employment Support Agency (ANSEJ) provides micro enterprise programmes to young entrepreneurs. The common feature of public employment services in AMCs is that they have to operate in a very difficult environment of demand-deficient labour markets and high informal employment. This limits the coverage of their services significantly as they are often not able to reach out to informal workers and facilitate their access to the formal job search systems. ALMPs therefore serve only a small fraction of potential beneficiaries, typically only registered unemployed people.

In addition to public employment services, other players may be involved in the provision of ALMPs. These include private employment agencies, often functioning as temporary work agencies or job brokers; private training centres; and non-governmental organisations (NGOs) that often provide services to jobseekers needing more intensive or specific professional support (vulnerable groups). The role of private service providers and NGOs in the labour market differs significantly among AMCs. The public sector is the main provider of ALMPs in Tunisia, Morocco and Algeria. In countries like Egypt, Jordan, Lebanon and Palestine, NGOs and the private sector play an important role in the implementation of labour market programmes. In Palestine, more than 2 000 NGOs are active in the labour market. In Egypt, NGOs implement around 86 % of labour market programmes. In Jordan, a considerable number of the programmes funded by E-TVET Fund, which were worth about USD 165 million between 2005 and 2011, were implemented in cooperation with the private sector.

Another common feature of AMCs is that for many years, particularly in the period after the Arab Spring, they have hosted a relatively large community of international donors (including the EU) that have played an important role in the development, funding and provision of ALMPs. Donors have been involved in implementing a broad range of activities at national, regional, local and pilot level. These contributions have helped greatly to strengthen labour market policy and fight unemployment in most AMCs. However, donor priorities and agendas change at times, subjecting recipient countries' policies and strategies to such alterations. For example, the West Bank receives most of its funds from the EU, USA and other Western European countries, while the Gaza Strip receives most of its funds from Gulf countries like Qatar, Saudi Arabia and UAE. The lack of coordination or cooperation undermines the consistency and coherence of public policies, leading to the fragmentation and duplication of activities (ETF, 2014e).

Many stakeholders in AMCs have repeatedly raised the issue of poor or non-existent coordination between different donors and their initiatives, which has led to the duplication of efforts and replication of projects, as well as the implementation of a large number of programmes with negligible effect.

## 2.2. ALMP TARGET GROUPS

Several AMCs focus their ALMPs specifically on young people and various youth-oriented labour market programmes are carried out in the region. For example, 60 % of Egyptian ALMPs identify young people exclusively as a target group (ETF, 2014g). One of the main youth target groups are high-skilled unemployed individuals, notably university graduates who are first-time jobseekers. Thus, about half of publicly provided ALMPs in Egypt, Jordan, Lebanon, Morocco and Tunisia target highly skilled people who constitute

<sup>9</sup> Between 1989 and 1996, the programmes were intended to respond to the demands of young people, to support economic reforms and to overcome the effects of the structural adjustment programme. Between 1997 and 2007, the programmes were reviewed with the aim of promoting employment and fighting unemployment. In 2008, a national employment policy was drafted with the objective of reducing unemployment to below 9 % by 2013 with the creation of three million new jobs.

a small proportion of unemployed youth (Angel-Urdinola et al, 2013). Moreover, they mainly cover urban areas. For example, the comprehensive database of labour interventions by the Youth Employment Network in Egypt indicates that only 10 % of interventions are focused on rural areas (ETF, 2014g).

Most ALMPs are open to both men and women. However, a World Bank study found that many programmes are not designed to accommodate the needs of female participants – only 18 % of programmes are designed to specifically target females. This results in a low female take-up, partly due to lack of schedule flexibility and childcare constraints (World Bank, 2013). Certain cultural restrictions, such as the requirement to have a female teacher and/or to set up classes for women only, may also constrain women from participating in employment programmes.

## 2.3. ACTIVE LABOUR MARKET PROGRAMMES

### Intermediation services

Intermediation services are one of the core labour market interventions that aim to enhance job search efficiency and matching quality. They include various measures, such as registration of jobseekers; job search training; counselling and career guidance services for jobseekers; and job brokerage services for employers, which are carried out mainly by public employment services. Counselling and career guidance services (including job clubs and job vacancy fairs) are particularly important for easing youth transition from school to work as they help young people to obtain information about education, training and alternative job opportunities.

Public intermediation services in AMCs are still in the process of development and their capacity and efficiency vary significantly from country to country. While the process for integrating information on job openings and jobseekers and maintaining databases is still manual in some countries (e.g. Libya), others have already developed job banks that can be accessed electronically, using home computers or computers in local employment offices or other public premises. Egypt, Jordan, Morocco and Tunisia provide online services, including electronic matching platforms.

#### EXAMPLE

*Masr Works* is an employability portal that supports young Egyptian people in the transition to work. The portal includes resources ranging from job and internship offers to online career guidance. The portal also provides extensive training options for different skills, such as IT skills, soft skills, entrepreneurial skills and language skills (ETF, 2014g).

In general, most public employment services in AMCs have a passive approach to job matching. They wait for employers to post vacancies and do not actively market their services or build links with the local employer community. Although the registration of vacancies is mandatory in some countries<sup>10</sup>, the public employment services are only able to handle a limited share of vacancies. This is due partly to the existence of a large informal sector. Moreover, registered vacancies tend to be largely for unskilled or semiskilled workers, with low wages; in public sector jobs; or jobs with harmful working conditions (World Bank, 2012).

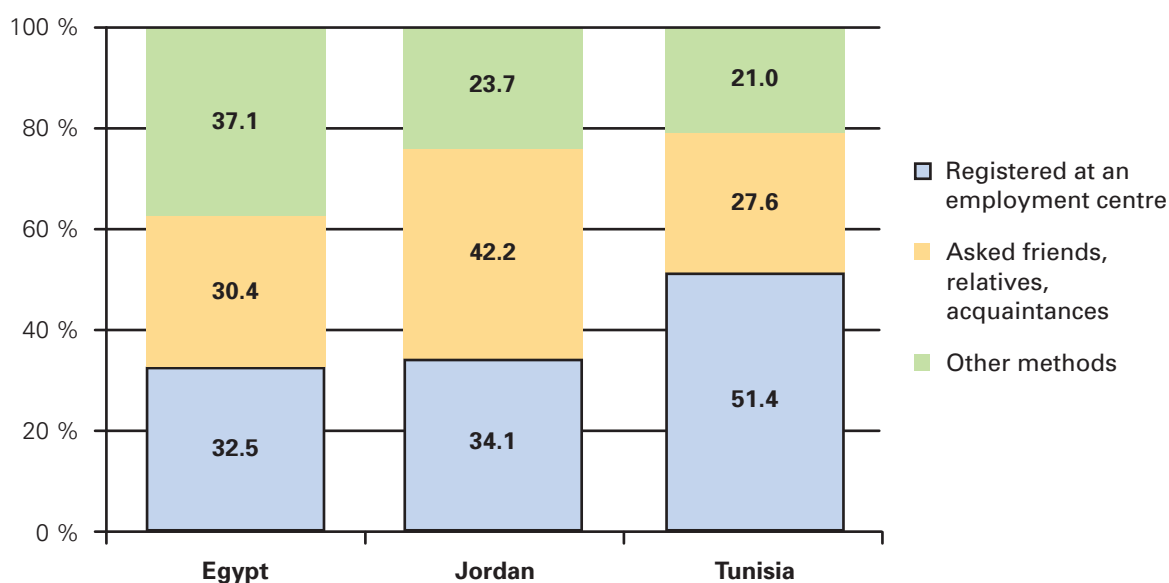
One of the main reasons for the low registration of vacancies is that employers prefer to hire on a referral from someone they trust or to use other recruitment channels such as advertising or private employment agencies. This applies especially to SMEs and the informal sector. For example, recommendations are widely used when hiring in Egypt. A letter of recommendation, rather than the applicant's ability or aptitude, is considered a priority factor by companies. According to an attitude survey of university students and companies conducted by the Japan International Cooperation Agency in Cairo and Alexandria in Egypt in 2012, the highest percentage of respondents cited 'lack of recommendation' as a reason for the rejection of a job applicant by companies. Half of respondents gave this reason (Murata, 2014). In practice, therefore, the processes through which individuals obtain jobs that offer protection and employment stability often does not reflect 'effort' or 'merit' (as proxied by education and experience) but instead reflects 'circumstances' over which the individual has little control, such as gender, location, family connections, and parents' education (World Bank 2013).

The number of jobseekers looking for a job through public employment services is rather low in many AMCs. In Egypt and Jordan, only one-third of unemployed people search for jobs using public employment services; just over 50 % of young people in Tunisia use this method (see **FIGURE 2.1**). Asking friends and relatives is a popular job search method.

Another common problem in AMCs is that ALMPs focus strongly on relatively expensive training programmes and employment incentives rather than on more cost-effective career guidance and counselling services. ETF studies indicate that no AMC has an adequate career information system in place, and in many cases where such information does exist, it is fragmented (ETF, 2012a). This lack of career guidance and counselling services is an important structural constraint for efficient school-to-work transition in the AMCs.

A recent positive trend in some AMCs is the increasing number of initiatives to improve and expand public intermediation services and a growing awareness of the need for career guidance and counselling services.

<sup>10</sup> In Algeria all private employers are required by law to inform the National Employment Agency (ANEM) about their vacancies.

**FIGURE 2.1 JOB SEARCH METHODS USED BY UNEMPLOYED YOUNG PEOPLE**

Source: ILO School to Work Transition Surveys 2012-13

#### EXAMPLE

Some countries like Jordan and Palestine have started to reform their employment offices by transforming them into one-stop shops, offering a comprehensive package of career guidance, vocational training-related services, job search and job application support. In other countries, donor-led programmes focus strongly on this issue. For example, the Egyptian Education and Employment Alliance programme established several career development centres on the campuses of a number of Egyptian public universities and created one-stop shops in several national youth centres in different villages across Egypt.

Historically, the public employment services in the region have had a monopoly on the provision of labour intermediation services and private intermediation is still forbidden in Tunisia. In recent years, however, there has been a shift towards a more cooperative approach with private organisations. The state monopoly on labour intermediation was abolished in Morocco, allowing private employment agencies to act alongside the National Agency for Employment and Skills Promotion (ANAPEC). Licensed private employment agencies are also active in Egypt and Jordan.

#### Training programmes

The main objectives of training programmes are to increase the employability and productivity of jobseekers and to combat skills shortages in specific sectors and occupations. Training programmes can provide a wide

range of skills, from basic skills such as literacy or computer skills to vocational skills. In the short term, these programmes may have negative effects (lock-in effects), as training takes time. However, due to the accumulation of human capital, the long-term effects are positive and likely to be sizeable. Negative effects will occur if the training contents are obsolete or useless (Kluge, 2014).

Therefore, to be effective, training must respond to the labour market demands that require an understanding of skills needs in the context of the country's economic development perspective. International evidence indicates that training appears to have a positive impact on labour market outcomes when offered as part of a comprehensive package. In other words, programmes are organised with flexible schedules, are based on public-private partnerships (i.e. demand-driven), are combined with internships and practical experience as well as in-class training, and provide a mix of soft and hard skills (Angel-Urdinola et al, 2010).

Training programmes are the most widely used active labour market measure in AMCs, which is partly due to a weak VET system. VET tends to be low quality and supply-driven. Many training centres provide predesigned training courses that do not necessarily meet the needs of the private sector. ALMPs are therefore an important tool to fill this gap and to upgrade the skills of workers to address the mismatch between the skills offered by jobseekers and labour market needs. ALMPs give jobseekers an opportunity to attend different non-academic vocational training programmes that are provided through apprenticeships, training in specialised training centres and at work sites.

However, the efficiency and quality of many vocational training programmes are low, partly because of the poor

### INTERMEDIATION SERVICE PROVIDERS

<b>Algeria</b>	<ul style="list-style-type: none"> <li>■ National Employment Agency (ANEM): 7 central departments, 11 regional centres, 48 wilaya offices, 167 local offices</li> </ul>
<b>Egypt</b>	<ul style="list-style-type: none"> <li>■ Ministry of Manpower and Migration: 300 job service centres</li> <li>■ Ministry of Manpower and Migration/International Labour Organisation (ILO): Youth for Employment project – pilot youth units, building career counselling capacity</li> <li>■ Masr Works employability portal</li> <li>■ Licensed recruitment agencies</li> </ul>
<b>Jordan</b>	<ul style="list-style-type: none"> <li>■ Ministry of Labour: 21 public employment offices</li> <li>■ Licensed recruitment agencies</li> </ul>
<b>Lebanon</b>	<ul style="list-style-type: none"> <li>■ National Employment Office: 3 offices. By law, the National Employment Office is the only labour intermediation service provider. However, several private recruitment agencies are working illegally in this field.</li> </ul>
<b>Libya</b>	<ul style="list-style-type: none"> <li>■ Ministry of Labour and Rehabilitation: 72 labour offices</li> <li>■ Small professional employment services have started to develop</li> <li>■ Web-based employment services</li> </ul>
<b>Morocco</b>	<ul style="list-style-type: none"> <li>■ National Agency for Employment and Skills Promotion (ANAPEC): 74 offices</li> <li>■ Private recruitment agencies</li> <li>■ Temporary employment agencies</li> </ul>
<b>Palestine</b>	<ul style="list-style-type: none"> <li>■ Ministry of Labour: 16 employment offices in the West Bank and 5 offices in the Gaza Strip</li> <li>■ Online portal: Jobs.ps.Ltd</li> </ul>
<b>Tunisia</b>	<ul style="list-style-type: none"> <li>■ National Agency for Employment and Independent Work (ANETI): 91 employment offices. By law, this is the only institution allowed to provide labour intermediation services</li> </ul>

quality of trainers. Most training programmes focus on the provision of hard skills. Very few offer soft skills training despite the fact that employers in most AMCs often express their concern about the lack of generic or soft skills and are increasingly prioritising behavioural over technical skills. However, the recent positive trends in this area are welcome as comprehensive youth-oriented training programmes start to emerge in some AMCs.

stipends or social security waivers and reductions in labour taxes. These programmes can be particularly helpful for young people, as many employers assume that young workers are less productive and are reluctant to hire them if they don't have experience. This is particularly the case for females who are often regarded as less committed to staying employed.

#### EXAMPLE

The Education for Employment Foundation (EFE), which operates in Egypt, Jordan, Palestine and Morocco, works with companies and industries to assess demand for skills and to provide the corresponding tailored in-class and on-the-job training programmes for young people. The foundation has been successful in providing jobseekers with skills relevant to labour market needs and placing unemployed young people in jobs and internships: 85 % of programme graduates were placed in Jordan and 86 % were placed in Morocco (Masood, 2012).

#### EXAMPLE

In Morocco, the *Idmaj* youth wage subsidy programme had a positive impact on beneficiaries by facilitating their labour market entry. An analysis of the programme shows that almost two-thirds of its participants were employed and registered as members of the social security scheme (ETF, 2014i).

However, several questions arise regarding the effectiveness of these programmes and their impact on labour market performance. Particular issues of concern are their ability to produce any positive employment effects in the long run and an inherent risk of labour market distortions, such as substitution, displacement or deadweight loss effects, which increase the larger the scale of the intervention. Employment incentive programmes may therefore suit specific target groups in well-defined contexts (sectors, regions), but do not seem to be a good option for large-scale public policy (Kluge, 2014). They are more effective when combined

### Employment incentive programmes

Employment incentive programmes facilitate the hiring of new workers. They are provided mainly through financial incentives, such as direct wage subsidies/

**TRAINING PROGRAMMES/EMPLOYMENT INCENTIVES**

<b>Algeria</b>	<ul style="list-style-type: none"> <li>■ Vocational integration assistance mechanism for young people (DAIP): four programmes CID, CIP, CFI and CTA</li> <li>■ Social inclusion programmes to fight youth unemployment (PID, AIG and DAIS)</li> </ul>
<b>Egypt</b>	<ul style="list-style-type: none"> <li>■ National Programme for Training for Employment</li> <li>■ Job placement training programme, school-to-market programme</li> <li>■ Merchandiser training programme</li> <li>■ Egypt@Work programme</li> </ul>
<b>Jordan</b>	<ul style="list-style-type: none"> <li>■ Programmes that include training and retraining, including on-the-job and dual system training, internships, employment subsidies paid to employers to help cover wages and social contributions</li> <li>■ Satellite Units Programme</li> <li>■ National Campaign for Employment</li> <li>■ Employment subsidy programmes</li> </ul>
<b>Morocco</b>	<ul style="list-style-type: none"> <li>■ <i>Idmaj</i> (first-time recruitment contract)</li> <li>■ <i>Taehil</i> (training contract)</li> <li>■ Support for training in emerging sectors</li> </ul>
<b>Tunisia</b>	<ul style="list-style-type: none"> <li>■ Employability improvement cheque</li> <li>■ Employment support cheque</li> <li>■ Programme to foster employment</li> </ul>

with other programmes, such as on-the-job training, counselling and job search assistance, thus contributing to knowledge accumulation for young people through the employability phase and capacity building for companies.

A variety of employment incentives are widely used in AMCs and many of them are linked to training programmes. They play a more prominent role in Algeria, Jordan, Morocco and Tunisia compared to other Arab Mediterranean countries.

Despite the growing popularity of employment incentive programmes, they are often criticised by different stakeholders for being inefficient and not creating new jobs cost-effectively. Moreover, wage subsidy programmes are accused of being prone to abuse by both individual beneficiaries and companies and of benefiting employers more than employees (ETF, 2014f). This criticism is supported by the findings of some recent studies. In 2012, a World Bank quantitative study of Jordan's job vouchers pilot scheme for women found that wage subsidies and soft skills training did not appear to have had a significant impact on generating sustained employment for young, relatively well-educated women, as most of the jobs disappeared when the subsidies expired (World Bank, 2012b).

**Public works programmes**

Public works programmes are implemented both as safety net interventions and ALMPs. They provide

direct and temporary employment opportunities at a low wage. These jobs mostly comprise labour-intensive infrastructure projects, such as road construction and maintenance, as well as community activities and civic projects. Normally, they serve as a short-term bridge between more permanent jobs, especially in environments where jobs are scarce. At the same time, public works programmes can be designed to achieve objectives beyond the temporary income generation activities. The so-called 'public works plus' model includes skills training as a core component of the programme to encourage workers – particularly young people and women – to acquire skills needed to gain permanent employment or become self-employed. A review of public works projects in several countries over the past 20 years found that a number of design features are critical to their effectiveness: they need to have clear objectives, they should create valuable public goods and they should have predictable funding (Del Ninno et al., 2009).

Governments in some AMCs are increasingly recognising the importance of investment in infrastructure, including labour-based public works, as part of their strategy to promote employment among low-income and low-skilled individuals. Public works programmes are high on the economic agenda in Algeria, Egypt and Morocco. The latter has a long tradition of using public works programmes, while Algeria and Egypt introduced them relatively recently in the 1990s.



**EXAMPLE**

Egypt has implemented large public works programmes (*Shoroukh*, public works and community development programmes) through the Social Fund for Development (SFD). This is part of the government's safety net and poverty reduction strategy to create income-generating opportunities in rural areas. The SFD recently initiated two new public works programmes: the Emergency Labour Intensive Investment Programme (ELIP) funded by a World Bank loan of USD 200 million and the Emergency Employment Investment Programme (EEIP) funded by an EU grant of EUR 70 million.

The public works programmes in these countries have benefited a significant share of the population by providing safety nets to the most disadvantaged groups, including young people. However, due to their temporary nature, the number of permanent jobs created by these programmes has been relatively small. Moreover, the training component of public works programmes is lacking or is rather limited. Most of the public works programmes also tend to target only male workers. It is important therefore to find ways to link the short-term strategy of job creation and income support with the longer-term objective of youth employability.

**Support for entrepreneurship**

Entrepreneurship promotion ranges from measures that entail financial and advisory assistance to microcredit programmes for starting up small businesses. In a context of poor economic growth and general frustration with the ineffectiveness of traditional approaches to job creation, entrepreneurship is widely considered as a possible response to some of the main labour market challenges and a key to addressing youth unemployment. For example, the recent World Bank study found that entrepreneurship programmes have a positive effect on beneficiaries' attitudes towards self-employment (World Bank, 2013). This is an important finding for AMCs given that individuals in these countries are often reluctant to become entrepreneurs if they have other options. This is due partly to low prestige, prospects for public sector employment and other general social factors. Youth entrepreneurship training is therefore frequently suggested as a policy that has the potential to help young people gain skills and create their own jobs.

To have a real impact on employment creation, entrepreneurship promotion programmes should be

comprehensive and provide a combination of different measures, such as entrepreneurial training, coaching and mentoring, access to credit and/or guaranty funds, as well as the opportunity to network with other new entrepreneurs. Moreover, these measures need to be better adapted to young people to ensure that their unique attributes, such as their adeptness in acquiring digital skills, are better employed for creating successful businesses. Specific measures are also needed to stimulate the engagement of women in entrepreneurial activity and to overcome the challenges that restrict women's involvement. Such challenges include cultural traditions and prejudice, lack of education and training opportunities, business support systems, access to capital and access to networks (ETF, 2013c).

Many AMCs place a great emphasis on developing and implementing different programmes aimed at promoting entrepreneurship. They are provided by a broad set of institutions including national employment agencies, specialised agencies, social funds, microcredit institutions and donors.

Most entrepreneurship promotion programmes in AMCs target low-skilled, unemployed individuals and benefit relatively few people. Their main component is often training and very few programmes address other key constraints facing potential entrepreneurs, such as access to credit and the need for personalised coaching. They usually have a limited impact on job creation, as established businesses tend to remain small. For example, in Tunisia, most beneficiaries who have received entrepreneurship training have not launched their SMEs as planned because they have not been able to obtain credit (ETF, 2014f).

At the same time, a recent study of a new entrepreneurship training programme and personalised coaching for university students in Tunisia showed that this programme fostered business skills, expanded networks and affected a range of behavioural skills. It also heightened graduates' optimism about the future (Kluve, 2014). Several promising youth-oriented entrepreneurship promotion programmes have recently been implemented in the region.

**EXAMPLE**

The *Souk At-Tanmia* (development market) programme in Tunisia supports innovative activities by providing access to funding. It deploys a set of follow-up mechanisms to enhance the economic impact of projects and to guarantee transparency in the use of funds (ETF, 2014f).



# 3. MAIN OBSTACLES TO MORE EFFECTIVE ACTIVE LABOUR MARKET PROGRAMMES

Fragmented government policies, a lack of coordination between different institutions and a lack of joint governance over all public actions in the labour market have led to ineffective and disrupted youth-oriented labour market programmes in AMCs. This section will analyse the main institutional and operational constraints that have a negative impact on the quality and efficiency of ALMPs.

## 3.1. WEAK LABOUR MARKET INFORMATION SYSTEMS

Mechanisms that forecast future labour market and skills needs are key to setting up effective ALMPs. A sound and regular flow of national and regional labour market information is a prerequisite for a constructive, informed and transparent debate on employment at different policy levels. This information is necessary to follow how the labour market is developing in general. It is also needed to identify target groups that are experiencing more difficulties in entering the labour market and sectors with an unmet demand for skilled workers. Moreover, the relative absence of statistics makes the monitoring and evaluation of policies and programmes difficult and can produce misleading results.

Although a variety of initiatives and projects, often supported by international donors, have been conducted in several countries, the weakness of labour market information systems hampers a proper analysis of labour markets. It is also a serious impediment to the creation of effective ALMPs and the development of more demand-driven education and training systems. In general, AMCs face the problem of inaccessibility, unreliability and inconsistency of data, although some kind of labour market information system exists in all AMCs. Labour force surveys are now conducted in most AMCs on a more or less regular basis, except in Lebanon and Libya where they tend to be conducted on an ad hoc basis. Even when these surveys have been conducted, the information generated is not always made public or shared with data users. For example, in Algeria, access to labour force survey micro-data is strictly forbidden (ETF, 2014b).

A common challenge in AMCs is that the large informal sector poses a particular problem with regard to data collection and its accuracy. It is difficult to enumerate and assess informal companies and jobs that may strongly influence labour market data when informal activities reach sizeable proportions. Only

a few countries have incorporated special informal employment modules into their labour force and establishment surveys (e.g. Egypt). Others have conducted informal economy surveys sporadically (e.g. Palestine) or only recently (e.g. Jordan). Relatively little is therefore known about the informal sectors in AMCs (ILO, 2009).

## 3.2. LIMITED ADMINISTRATIVE CAPACITY OF PUBLIC EMPLOYMENT SERVICES

An important factor contributing to the success of ALMPs is the institutional capacity of the public employment agencies to provide services, including the network of offices and the legal framework within which they operate. The number and ratio of clients to staff and the professionalism of the staff are also factors in their success. Public employment services in AMCs often lack funding for their ordinary operations and are faced increasingly with cuts in their budgets. As a result, they are often understaffed and heavily constrained by a fragmented network of regional offices that are unable to provide a comprehensive and proportionate coverage of services, particularly in rural and remote areas. Furthermore, the offices work mainly on a standalone basis and tend not to interact or exchange information with one another. This limits labour force mobility significantly, as jobseekers are not referred to potentially suitable jobs in other regions.

The functions they provide are often dated and limited both in number and scope. Lebanon and Libya are typical examples where the role of the public employment services has remained residual, partly as a result of their limited financial and institutional capacity. Thus, the Libyan Ministry of Labour and Rehabilitation – the leading government agency in the provision of public employment services – is currently acting more as a ministry of foreign labour, assigning permits to employers for foreign workers to come and work in Libya (ETF, 2014d). Moreover, the public employment agencies often tend to be bureaucratic and fail to respond to the needs of jobseekers and employers.

Several AMCs, often with the support of international organisations, have started to reform and strengthen their public employment services. In practice, however, many donor-driven projects do not have a sustainable impact. An evaluation of the Egyptian Labour Market

Service Reform Project, funded by the Canadian International Development Agency, found that even though the project was very relevant to national and local priorities, its impact was limited. In particular, it had little effect on the quality and efficiency of service delivery (Angel-Urdinola et al, 2013). It is crucial therefore that any capacity building activity is a country-led and country-owned process of change. Donor support should shift away from general approaches that lack a strategic focus, such as training and technical assistance, to more comprehensive approaches that address broader institutional constraints that country stakeholders face in achieving the development goals of their ALMPs.

### 3.3. SYSTEM AND PROGRAMME FRAGMENTATION

The provision of ALMPs in AMC is often the remit of a range of different institutions and organisations, such as ministries and agencies. NGOs and the private sector are also involved in some countries. This leads to system fragmentation. For example, in Egypt, 19 governmental institutions, various private sector organisations and several NGOs are associated with ALMPs and employment promotion programmes (Ministry of Manpower and Migration, 2012). To address this fragmentation, the Egyptian Forum for Youth Employment Promotion was launched in early 2014. Its aim is to design evidence-based policy recommendations and coordinate efforts to address youth employment. The forum brings together 30 high-level decision makers involved in youth employment policies in Egypt. Members of the forum represent the government, the private sector, civil society, trade unions and development partners.

These various institutions and organisations often deliver independent and uncoordinated programmes that target the same groups, leading to fragmentation, duplication and inefficiencies. Due to poor coordination many of the programmes are redundant and provide incentives for individuals to move from one programme to another, thereby promoting welfare dependency. For example, in Tunisia, an evaluation of the *AMAL* (hope) programme (a wage subsidy programme for young graduates) showed that it had very poor quantitative and qualitative results. It also had a negative impact in that it discouraged beneficiaries from looking for work – they preferred to wait to be placed in the public sector rather than seeking work in the private sector or creating their own company. Consequently, it was terminated and replaced by a new programme (ETF, 2014f).

### 3.4. POOR PROGRAMME TARGETING

Young people are not a homogeneous group, and different youth sub-groups face varying constraints that hinder their entry into the labour market. Some young people have given up looking for work because the prospects of finding a job are slim. Others, including many university graduates, consider the available jobs to be of a low quality and below their skill level. It is crucial therefore to tailor the programmes to the particular needs of these divergent groups and to analyse the employment and participation barriers that they face. Given the current fiscal constraints in most AMCs, it is particularly important to focus resources on the most vulnerable groups.

However, due to weak institutional capacity, limited access to data and a lack of information, ALMPs are not well targeted. Programmes are mainly based on a one-size-fits-all logic that does not take into account the diversity of the different beneficiary profiles. The programmes are often ad hoc and target large groups, such as first-time jobseekers. Some countries also practise ‘creaming’ whereby programmes are targeted to the most qualified applicants. Very few programmes specifically target vulnerable groups, such as young women (particularly rural women), school dropouts and unskilled workers. Consequently, ALMPs often benefit individuals who would have obtained jobs without any intervention, leading to deadweight losses.

### 3.5. LACK OF EVALUATION AND MONITORING SYSTEMS

Results-based evaluation and monitoring systems are crucial to improve the governance and effectiveness of ALMPs and to ensure efficient use of public resources. To enable early intervention with corrective and countering actions, every ALMP should have an in-built evaluation and monitoring system with clear indicators to ensure accountability. Evaluation and monitoring systems may be used as tools to verify both whether the programmes are implemented correctly and whether these are the right programmes to be implemented. Moreover, they allow implementing organisations to increase their credibility and sustainability.

However, due to a lack of capacity (and funding), ALMPs are not properly evaluated or monitored in AMCs. Most of the existing monitoring systems in AMCs are not results-based and mainly provide data on the number of beneficiaries of different programmes, i.e. outputs. Data on programme outcomes, such as insertion rates and

wages after programme completion, are not available in most cases. An assessment of the effectiveness of services provided is largely lacking. In Tunisia, the National Observatory for Employment and Qualifications (ONEQ) and the National Agency for Employment and Independent Work (ANETI) regularly collect and issue statistics concerning ALMPs. This enables outputs to be evaluated. However, these statistics do not reflect many important indicators: the quality of jobs found; whether jobs match labour market needs and employee expectations; whether employment is sustainable; and whether placements are genuinely effective (ETF, 2014f). Consequently, this lack of evidence creates a significant knowledge gap that precludes the design of new and effective programmes and the suspension of ineffective ones.

### 3.6. WEAK COOPERATION WITH EMPLOYERS

To effectively promote youth employability, it is particularly important that ALMPs are designed and oriented to meet labour market needs. This requires a participatory approach and can only succeed if employers are actively involved. Firstly, an important dimension of the employers' involvement is their participation in the implementation of ALMPs as providers or sponsors of measures. This is particularly important when it comes to organising apprenticeships or internships and work-based learning experiences, as

work experience can have a particularly positive impact on youth employability and can provide an initial link between young people and the labour market. However, the majority of companies in AMCs are SMEs that have a very limited capacity to deliver training. The role of employers is typically restricted to delivering on-the-job training.

Secondly, employers' involvement is an important precondition for developing demand-driven training programmes. At national or regional level, partnerships are crucial to improve matching between supply and demand. This requires involvement and action on the part of all stakeholders – public employment services, education and training providers and employers. Educational and training systems in AMCs often lack information about current labour market needs. Employers may be unable or unwilling to play their role in a demand-driven skills development system. This miscommunication is particularly harmful for the VET system, where employers have a crucial role in ensuring that skills acquired through that system are relevant for the labour market.

However, AMCs have recently become more convinced of the importance of greater and more in-depth involvement of employers in VET design and delivery. While there are a multitude of initiatives to enhance this involvement, they function mainly as projects, and mechanisms for the systematic involvement of the private sector are not yet in place in most AMCs (ETF, 2013b).



# CONCLUSIONS AND RECOMMENDATIONS

Political stability and security are crucial to economic growth and effective labour market functioning. The labour markets in AMCs currently face serious challenges, such as low overall job creation, high youth unemployment rates, skills mismatch, high rates of informal employment and stagnant labour mobility. Increasing political instability exacerbates these challenges. ALMPs alone cannot address systemic issues of youth unemployment. They should not be seen as a solution to the structural constraints, such as stagnant labour demand, low productivity and low competitiveness, inherent in the labour markets in AMCs.

In most countries, improving youth employment outcomes will require reforms ranging from business and labour regulation that fosters labour market flexibility to economic diversification and industrial and trade policies. It will also require comprehensive educational policies covering the full educational cycle: from early childhood interventions through the entire period of compulsory schooling to the vocational education and training system. In this context, ALMPs can be used as additional measures to reduce labour market segmentation and enhance youth employability.

In recent years, AMCs have invested substantially in the development of ALMPs. A broad range of programmes have proliferated throughout the region. These programmes certainly ease some of the labour market pressures and address the aspirations of people. Some progress has been achieved, despite the fact that they are short-term solutions and lack sustainability due to the high costs involved and the limited institutional capacity for implementation. Nevertheless, a number of persistent, more structural problems undermine youth employability and longer-term solutions require deeper reforms. Although the implementation of these programmes should tolerate a margin of error in some AMCs where ALMPs are a rather recent phenomenon, an effort is also needed to address the existing weaknesses and increase the effectiveness of programmes.

There is no one holistic solution and no policy or programme can be transferred from one country to another without adaptation. However, mutual learning may contribute to the design of more effective ALMPs and policy makers may be inspired by good practice experiences. An exchange of information among AMCs that are starting to accumulate more and more experience therefore becomes particularly important. In this context, enhanced cooperation at regional level and a revival of the high-level Euro-Mediterranean dialogue on employment is a necessity. The opportunities offered

by the Union for the Mediterranean and Med4Jobs are highly valuable and should be further enhanced.

However, national differences have an important impact on the design and implementation of programmes and any reform of ALMPs must be considered in the context of the labour market and national institutional framework of each particular country. This report proposes some general recommendations to enhance youth employability that may be applicable in all AMCs. It identifies three key policy directions to address the main challenges discussed in this paper.

## 1. Stagnant labour demand – more investment and support for entrepreneurship and self-employment are needed

- Improve the business environment to support private sector-led development and growth, reduce state intervention limiting private activities, simplify procedures and open one-stop shops for business start-ups. Particular attention should be given to creating a supporting business environment for SMEs to grow.
- Enhance comprehensive entrepreneurship and self-employment support programmes. Their size and scope should be increased within the overall resources allocated to ALMPs and their implementation modalities must be improved. To achieve more sustainable results, the support programmes should be targeted at the groups that have a greater potential for entrepreneurial success, such as highly skilled young people.
- Develop entrepreneurship programmes that provide comprehensive support and offer a wide range of measures, such as entrepreneurial skills training, access to capital and long-term mentoring for the new entrepreneurs.
- Facilitate entrepreneurial learning at an early level by including it in school curricula. High achievers, in particular, should be encouraged to become entrepreneurs as a matter of choice rather than necessity.

## 2. Skills gaps and skills mismatch – more mechanisms are required to make the transition from school to work easier for young people

- Strengthen labour market information systems to identify current and future skills needs and ensure greater transparency and dissemination of data at national and local level. Timely and relevant labour market information systems can contribute to the development of appropriate education and training programmes that can provide the necessary skills.

- Promote quicker transition from education to work by providing high-quality, targeted services to young people and women. First, create appropriate career guidance systems at all levels and across all types of education, including VET. To be most effective, career guidance needs to start at an early age, and to be embedded in the curriculum. Second, develop more effective placement and labour intermediation services that would enhance merit-based and competitive recruitment mechanisms as an alternative to the use of informal networks.
  - Improve the image of VET as an effective transition channel between the education system and the labour market to encourage more young people to opt for technical and vocational qualifications. This must be approached from three angles. First, strengthen policies to prevent young people from dropping out of school and increase the number who stay in the education system until they have obtained suitable levels of labour market-related training. Second, improve the quality of VET by revising curricula, training trainers, creating pathways between general and vocational education and increasing collaboration with employers. Training programmes need to be more responsive to labour market needs at both national and regional level. They should be flexible, diversified and customised to address the divergent needs of the most vulnerable groups of young people. Third, develop tools to classify qualifications and set up procedures for recognising skills and qualifications and evaluating non-formal learning.
  - Ensure more effective involvement of the social partners in the design and delivery of training; in particular, encourage the active cooperation of employers.
- should aim at reducing the barriers to female labour market participation and assisting them to enter the labour market. Third, extend the coverage of the programmes to include young people in both urban and rural areas. Fourth, address the needs of vulnerable groups of young people engaged in the informal sector and develop mechanisms to upgrade their professional skills.
- Develop results-based evaluation and monitoring systems to improve the effectiveness of ALMPs. To achieve this, every programme should have an in-built evaluation and monitoring system with clear indicators to ensure accountability over results. Thus, once each ALMP measure has been implemented, implementers and policy makers will be aware of the results and the impact of the programme. This information can then feed into the design of the next cycle of ALMPs.
  - Strengthen cooperation with employers by developing participatory approaches. Employers should be consulted when developing policy measures to ensure that they meet labour market needs. Employers' involvement is pivotal to the development of education and training programmes and the effective organisation of apprenticeships and work-based learning experiences.

### **3. Effectiveness and efficiency of ALMPs – enhanced governance and better targeting of ALMPs is necessary for the efficient use of limited public funds**

- Strengthen public employment services to ensure more efficient service delivery. Prioritise the effectiveness of core functions, such as job search assistance, placement and labour intermediation services. This would need a comprehensive reform of public administration, increased budget allocations, higher staffing levels and better working conditions for civil servants. It would also need capacity development and regular staff training.
- Target ALMPs at the most vulnerable groups. This involves four steps. First, identify the risk factors and reasons for the growing numbers of NEETs; define the sub-groups and design specific policy measures targeting each group. Policy interventions should include preventive, reintegration and/or compensation measures. Second, develop gender-sensitive programmes as a policy response to discrimination against women in the labour market. The programmes



# ANNEXES

## ANNEX 1. OVERVIEW OF ACTIVE LABOUR MARKET PROGRAMMES IN ARAB MEDITERRANEAN COUNTRIES<sup>11</sup>

Country	Type	Programmes	Providers
<b>Algeria</b>	Intermediation		<ul style="list-style-type: none"> <li>■ National Employment Agency (ANEM): 7 central departments, 11 regional centres, 48 wilaya offices, 167 local offices</li> </ul>
	Training and employment incentives	<ul style="list-style-type: none"> <li>■ Vocational integration assistance mechanism for young people (DAIP) consisting of four programmes: CID, CIP, CFI and CTA</li> <li>■ Social inclusion programmes to fight youth unemployment (PID, AIG and DAIS)</li> </ul>	<ul style="list-style-type: none"> <li>■ ANEM</li> <li>■ Ministry of National Solidarity, Social Development Agency (SDA)</li> </ul>
	Entrepreneurship	<ul style="list-style-type: none"> <li>■ Advice, training, project funding, monitoring of micro businesses created by young people</li> <li>■ Micro enterprise support programme</li> <li>■ Microcredit for poor people</li> </ul>	<ul style="list-style-type: none"> <li>■ National Youth Employment Support Agency (ANSEJ)</li> <li>■ National Unemployment Insurance Fund (CNAC)</li> <li>■ National Agency for Management of Microcredit (ANGEM)</li> </ul>
	Public works	<ul style="list-style-type: none"> <li>■ Pro-poor employment programmes (CPE, ESIL, TUP-HIMO, IAIG)</li> </ul>	<ul style="list-style-type: none"> <li>■ SDA</li> </ul>
<b>Egypt</b>	Intermediation	<ul style="list-style-type: none"> <li>■ Youth for Employment project – pilot youth units, building career counselling capacity</li> </ul>	<ul style="list-style-type: none"> <li>■ Ministry of Manpower and Migration: 300 job service centres</li> <li>■ Ministry of Manpower and Migration/ International Labour Organisation</li> <li>■ <i>Masr Works</i> employability portal</li> <li>■ Licensed recruitment agencies</li> </ul>
	Training and employment incentives	<ul style="list-style-type: none"> <li>■ National Programme for Training for Employment</li> <li>■ Job placement training programme, school-to-market programme, merchandiser training programme</li> <li>■ Egypt@Work programme</li> </ul>	<ul style="list-style-type: none"> <li>■ Industrial Training Council (ITC)</li> <li>■ Education for Employment (EFE)</li> <li>■ Nahdel El Mahroussa</li> </ul>
	Entrepreneurship	<ul style="list-style-type: none"> <li>■ The Community Development Programme (training, microcredit activities)</li> <li>■ Small Enterprise Development Organisation</li> </ul>	<ul style="list-style-type: none"> <li>■ Social Fund for Development (SFD)</li> </ul>
	Public works	<ul style="list-style-type: none"> <li>■ <i>Shoroukh</i> programme</li> <li>■ Emergency Labour Intensive Investment Programme (ELIP), costing USD 200 million</li> <li>■ Emergency Employment Investment Programme (EEIP), costing EUR 70 million</li> </ul>	<ul style="list-style-type: none"> <li>■ SFD through the Organisation for Reconstruction and Development of the Egyptian Village</li> <li>■ World Bank</li> <li>■ European Union</li> </ul>

<sup>11</sup> This overview does not include an exhaustive list of ALMPs, rather it provides examples of programmes.

Country	Type	Programmes	Providers
Jordan	Intermediation	<ul style="list-style-type: none"> <li>■ National Electronic Employment System online platform (www.nees.jo)</li> </ul>	<ul style="list-style-type: none"> <li>■ Ministry of Labour: 21 public employment offices</li> <li>■ Licensed recruitment agencies</li> </ul>
	Training and employment incentives	<ul style="list-style-type: none"> <li>■ Programmes that include training and retraining, on-the-job training and dual system: internships: employment subsidies paid to employers for wages and social contributions</li> <li>■ Satellite Units Programme</li> <li>■ National Campaign for Employment</li> <li>■ Employment subsidy programmes</li> </ul>	<ul style="list-style-type: none"> <li>■ National Employment and Training Company</li> <li>■ Vocational Training Corporation</li> <li>■ Ministry of Labour</li> </ul>
	Entrepreneurship	<ul style="list-style-type: none"> <li>■ Programmes to support micro-enterprises (lending and training services)</li> </ul>	<ul style="list-style-type: none"> <li>■ Development and Employment Fund</li> </ul>
Lebanon	Intermediation	<ul style="list-style-type: none"> <li>■ Electronic Labour Exchange: free online job matching service</li> </ul>	<ul style="list-style-type: none"> <li>■ National Employment Office (NEO): 3 offices. By law, NEO is the only labour intermediation service provider. However, several private recruitment agencies are illegally working in this field.</li> </ul>
	Training	<ul style="list-style-type: none"> <li>■ An accelerated vocational training programme</li> <li>■ Subsidised vocational training for people with disabilities</li> <li>■ Short-term vocational training</li> </ul>	<ul style="list-style-type: none"> <li>■ Funded by NEO, provided by NGOs and private institutions</li> <li>■ Vocational Training Centre</li> <li>■ Social Development Centres of Ministry of Social Affairs</li> </ul>
	Entrepreneurship	<ul style="list-style-type: none"> <li>■ Integrated SME Support Programme (ISSP)</li> </ul>	<ul style="list-style-type: none"> <li>■ Ministry of Economy and Trade</li> <li>■ <i>Kafalat</i> (a Lebanese financial company)</li> </ul>
Libya	Intermediation		<ul style="list-style-type: none"> <li>■ Ministry of Labour and Rehabilitation: 72 labour offices</li> <li>■ Small professional employment services have started to develop</li> <li>■ Web-based employment services</li> </ul>
	Training	<ul style="list-style-type: none"> <li>■ Programmes for <i>thumar</i> (demilitarised fighters): <i>IFAD</i> (sending), <i>KADER</i> (able)</li> </ul>	<ul style="list-style-type: none"> <li>■ Warriors Affairs Commission (WAC)</li> </ul>
	Entrepreneurship	<ul style="list-style-type: none"> <li>■ Programme for demilitarised fighters (<i>thumar</i>): Tamouh</li> <li>■ SME programme</li> </ul>	<ul style="list-style-type: none"> <li>■ Warrior Affairs Commission (WAC)</li> <li>■ National Small and Medium Enterprise Programme</li> </ul>
Morocco	Intermediation		<ul style="list-style-type: none"> <li>■ National Agency for Employment and Skills Promotion (ANAPEC): 74 offices</li> <li>■ Private recruitment agencies</li> <li>■ Temporary employment agencies</li> </ul>
	Training and employment incentives	<ul style="list-style-type: none"> <li>■ <i>Idmaj</i> – first-time recruitment contract</li> <li>■ <i>Taehil</i> – training contract</li> <li>■ Support for training in emerging sectors</li> </ul>	<ul style="list-style-type: none"> <li>■ ANAPEC</li> </ul>
	Entrepreneurship	<ul style="list-style-type: none"> <li>■ <i>Moukawalati</i> – support scheme for small business creation</li> </ul>	<ul style="list-style-type: none"> <li>■ ANAPEC</li> </ul>
	Public works	<ul style="list-style-type: none"> <li>■ Intensive public works programme</li> </ul>	<ul style="list-style-type: none"> <li>■ Promotion nationale</li> </ul>

Country	Type	Programmes	Providers
Palestine	Intermediation		<ul style="list-style-type: none"> <li>■ Ministry of Labour: 16 employment offices in the West Bank and 5 offices in the Gaza Strip</li> <li>■ Online portal: Jobs.ps.Ltd</li> </ul>
	Training	<ul style="list-style-type: none"> <li>■ Various donor-sponsored professional training and career development programmes</li> </ul>	<ul style="list-style-type: none"> <li>■ NGOs: more than 2 000 organisations active in the labour market, such as Sharek Youth Forum, Education for Employment Foundation, Welfare Association</li> </ul>
	Entrepreneurship	<ul style="list-style-type: none"> <li>■ Donor-sponsored entrepreneurship promotion programmes</li> </ul>	<ul style="list-style-type: none"> <li>■ Palestinian Fund for Employment and Social Protection</li> <li>■ NGOs</li> </ul>
Tunisia	Intermediation		<ul style="list-style-type: none"> <li>■ National Agency for Employment and Independent Work (ANETI): 91 employment offices. By law, this is the only institution allowed to provide labour intermediation services.</li> </ul>
	Training and employment incentives	<ul style="list-style-type: none"> <li>■ Employability improvement cheque</li> <li>■ Employment support cheque</li> <li>■ Programme to foster employment</li> <li>■ Donor-sponsored programmes</li> </ul>	<ul style="list-style-type: none"> <li>■ ANETI</li> <li>■ NGOs</li> </ul>
	Entrepreneurship	<ul style="list-style-type: none"> <li>■ Support for small business entrepreneurs</li> <li>■ Donor-sponsored programmes</li> </ul>	<ul style="list-style-type: none"> <li>■ ANETI</li> <li>■ NGOs</li> </ul>
	Public works	<ul style="list-style-type: none"> <li>■ Local community partnerships to foster employment</li> </ul>	<ul style="list-style-type: none"> <li>■ ANETI</li> </ul>

## ANNEX 2. EU MEASURES TO TACKLE YOUTH UNEMPLOYMENT

Since the onset of the global economic crisis, youth employment prospects have continuously worsened throughout the world – in developed, transition and developing countries alike. Like the Arab Mediterranean countries, the European Union is also preoccupied with mitigating the impact of the economic crisis on youth employment. The Europe 2020 growth and jobs strategy (European Commission, 2010) places special emphasis on three interrelated priorities that can deliver high levels of employment, productivity and social cohesion: growth needs to be smart (knowledge-based), sustainable (environmentally friendly) and inclusive (employment, and social and territorial cohesion).

Education and training is considered to be one of the key policy tools for reaching these objectives. The six Europe 2020 headline targets refer to ambitious achievements in the field of education, employment and social cohesion<sup>12</sup>. As part of the comprehensive Europe 2020 priorities, the agenda for new skills and jobs focuses on four key priorities for full employment:

- improved functioning of labour markets through flexicurity;
- a more skilled workforce;
- improved job quality and working conditions;
- stronger policies to promote job creation.

The EU Youth Strategy 2010–18 (European Commission, 2009) has two overall objectives: to provide more and equal opportunities for young people in education and in the job market and to encourage young people to actively participate in society. The EU is working to reduce youth unemployment and to increase the youth employment rate in line with the wider Europe 2020 target of achieving a 75 % employment rate for the working age population (20 to 64 years).

### Key measures

- **Youth Guarantee** (2013) seeks to ensure that young people up to the age of 25 in the Member States receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed. The Youth Guarantee is a new concept and in many Member States it requires the implementation of significant structural reforms to tackle youth unemployment. Public employment services must be strengthened,

<sup>12</sup> The share of early school leavers should be under 10 % of those aged 18 to 24 with at most lower secondary education and not in further education or training. At least 40 % of people aged 30 to 34 should have a tertiary degree. Lifelong learning should be improved with at least 15 % of people aged 25 to 64 participating in education and training. The strategy is also aiming for a participation rate of at least 95 % in education by children aged four and older. Attention must be paid to the OECD PISA results and the aim is for less than 15 % of pupils with lowest performance on the reading scale. An employment rate of at least 75 % is aimed for among those aged 20 to 64.

education and training systems must be reformed, partnerships for reaching out to inactive young people not registered with an employment service must be reinforced, and the delivery of quality offers must be improved (Council of the European Union, 2013).

- **Youth Employment Initiative** (2013) reinforces and accelerates measures outlined in the Youth Employment Package (European Commission, 2013). It aims to support young people not in education, employment or training in regions with a youth unemployment rate above 25 %. The initiative will be programmed as part of the European Social Fund.
- **European Alliance for Apprenticeships** (2013) aims to improve the quality and supply of apprenticeships across the EU and change mind-sets towards apprenticeship-type learning. Many Member States include apprenticeship reform in the context of delivering the Youth Guarantee. EU funding and technical expertise are available to help Member States improve their systems.
- **Quality Framework for Traineeships** (2014) will be an important reference for determining good-quality traineeships under the Youth Guarantee.
- **EURES** and **Your first EURES Job** are tools available to Member States to boost mobility and help employers to offer jobs. The EURES portal gives access to over 1.4 million job vacancies and nearly 31 000 registered employers to find talented mobile jobseekers. Your first EURES Job aims to test the effectiveness of tailored services combined with financial support to help young people aged 18 to 30 to find a job in any of the 28 Member States (with a minimum six-month contract). It provides information, a job search function, recruitment and job placement support. It finances language courses or other training needs and travel expenses for young job applicants (for job interviews and job settlement in other EU countries). It also provides a contribution to an integration programme if an SME recruits an employee.
- **EU Skills Panorama** is an EU-wide tool that gathers information on skills needs, forecasting and developments in the labour market.

# ACRONYMS AND ABBREVIATIONS

<b>ALMP</b>	Active labour market programme
<b>AMC</b>	Arab Mediterranean country
<b>ANAPEP</b>	Agence nationale de promotion de l'emploi et des compétences (National Agency for Employment and Skills Promotion)
<b>ANEM</b>	Agence nationale de l'emploi (National Employment Agency)
<b>ANETI</b>	Agence nationale pour l'emploi et le travail indépendant
<b>ANGEM</b>	Agence nationale de gestion du micro crédit (National Agency for Management of Microcredit)
<b>ANSEJ</b>	Agence nationale de soutien à l'emploi des jeunes (National Youth Employment Support Agency)
<b>Cedefop</b>	European Centre for the Development of Vocational Training
<b>CFI</b>	Contrat de formation-insertion (training insertion contract)
<b>CID</b>	Contrat d'insertion des diplômés (graduate integration contract)
<b>CIP</b>	Contrat d'insertion professionnelle (professional integration contract)
<b>CNAC</b>	Caisse nationale d'assurance chômage (National Unemployment Insurance Fund)
<b>CPE</b>	Contrat de pré-emploi (pre-employment programme)
<b>CTA</b>	Contrat de travail aidé (subsidised work contract)
<b>DAIP</b>	Dispositif d'aide à l'insertion professionnelle (professional insertion measures programme)
<b>DAIS</b>	Dispositif d'aide à l'insertion sociale (social inclusion programme)
<b>EEIP</b>	Emergency Employment Investment Programme
<b>EFE</b>	Education for Employment Foundation
<b>ELIP</b>	Emergency Labour Intensive Investment Programme
<b>ESIL</b>	Emploi salarié d'initiative locale (a local initiative for wage workers)
<b>ETF</b>	European Training Foundation
<b>E-TVET</b>	Employment, technical and vocational education and training
<b>EU</b>	European Union
<b>EURES</b>	European Employment Services
<b>FAO</b>	Food and Agriculture Organisation of the United Nations
<b>GCC</b>	Gulf Cooperation Council
<b>GDP</b>	Gross domestic product
<b>ILO</b>	International Labour Organisation
<b>ILOSTAT</b>	ILO database
<b>ISSP</b>	Integrated SME Support Programme
<b>ITC</b>	Industrial Training Council
<b>NEET</b>	(Young people) Not in education, employment or training
<b>NEO</b>	National Employment Office
<b>NGO</b>	Non-governmental organisation
<b>PES</b>	Public employment services
<b>PID</b>	Programme d'intégration des diplômés (insertion programme for graduates)
<b>SDA</b>	Social Development Agency
<b>SFD</b>	Social Fund for Development
<b>SME</b>	Small and medium-sized enterprise
<b>UAE</b>	United Arab Emirates
<b>UNDP</b>	United Nations Development Programme
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>USA</b>	United States of America
<b>VET</b>	Vocational education and training
<b>WAC</b>	Warriors Affairs Commission



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