

TRANSITION FROM EDUCATION TO WORK IN SYRIA

RESULTS OF THE YOUTH TRANSITION SURVEY 2009



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RESULTS OF THE YOUTH TRANSITION SURVEY 2009

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EXECUTIVE SUMMARY

This survey was requested by Syria in 2008 to support the Syrian government campaign against youth unemployment by providing an assessment of education system relevance to the labour market as a basis for policy recommendations. The technique used improved on previous transition studies (such as Alissa 2007) with the survey covering the experience of 3 847 young people, aged from 15 to 30, who had left education for the first time in the last five years. Data on the various pathways followed by participants in finding or not finding a first job was collected through retrospective interviews.

The survey was conducted by the Syrian Central Bureau of Statistics (CBS) in cooperation with the European Training Foundation (ETF) in November-December 2009. Interviews were carried out in seven representative Syrian governorates: Damascus, Rural Damascus, Aleppo, Homs, Latakia, Dier-ez-zor and Al-Sewida.

The analysis of the data collected reveals the following main findings.

1. Syria is characterized by an 'insider-outsider labour market'. This means that young people often encounter difficulties in finding employment, but once employment is found their situation becomes extremely stable: 27% of all school leavers are in a job after one month, and 50% after one year of job seeking and; 94% of employed respondents report that they still hold their first job. The key therefore lies in finding initial employment; a situation characteristic of many other countries in the wider Eastern Mediterranean region. This pattern is partly linked to labour market rigidity and partly to the fact that young people would rather wait for a job offer in a public sector that is still the preferred employer for higher education graduates and women in particular (Kabbani 2009).
2. Inactivity among women is increasing to high levels, particularly in the agricultural sector which in terms of output has declined around 20% (Aïta 2009). The unemployment rate for women in Syria stood at 20.9% in 2008, against an overall unemployment rate of 10.9%. This survey shows that on average only one quarter of women are in employment with an overall economic activity rate of 14.7% compared to 73.1% for men in 2008 (CBS). Most women work in agriculture, but there a large number of highly educated women are also employed in the public sector (Aïta 2009). The majority of inactive women attribute their employment status to their family commitments.
3. There is a high incidence of long-term unemployment among both men and women, among the youth population, in particular, and especially those with general secondary and higher education. Five years after leaving education for the first time, 71.8% of young men and 26.5% of young women were in employment. The share of those who have never worked at all is extremely high (Aïta 2009) and 25% of all respondents did not actively search for work. Active labour market programmes in Syria are limited in number with the Public Corporation for Employment and Enterprise Development (PCEED) providing only training for entrepreneurs and jobseekers. The number of vacancies varies strongly from one district to the next, with the best opportunities in Damascus and the worst in Al-Sweida.
4. The education system is characterized by high dropout rates. Overall dropout rates are reported at over 10% (UNDP 2005) and occur especially at the end of the basic education and secondary education. One reason for this is the need to earn income. Respondents report a low 'labour market utility' of their basic and secondary education but the analysis also reveals that low educated graduates and dropouts find jobs quickly in low quality employment. The qualifications acquired in school do not match employer requirements and, in fact, social networks prove to be a far more important pre-condition for employment than do qualifications.
5. The educational attainment levels of the population are low and have little relevance to work, particularly at the basic level. The survey findings confirm that most of the population has only basic education while a small number has higher education. Only 15% of first job entrants view formal education as useful. There are few secondary basic graduates in the formal sector (3.3%) and the self-employed tend to view their education as having been more useful than do the unregistered workers.
6. Secondary vocational and higher education pay off slightly better in terms of quality of jobs at labour market entry as 76.9% of higher education graduates find registered work and wages for university graduates are on average 107% higher than for those with primary education alone. Wages for vocational graduates are relatively high, but they work longer hours than general secondary education or higher education graduates.

7. Further education or training is limited on both supply and demand sides. This study shows that only 3.7% of all men and 5.1% of all women follow training courses after entering their first employment and the share is higher for the higher educated groups. Some adult training is offered by Ministries such as the Ministry of Industry, Ministry of Agriculture and Ministry of Building and Construction, and NGOs such as the Syria Trust for Development also provide second-chance and up-skilling opportunities for young people. Enterprise-based training is reported to take place on a wider scale than was initially expected and the private sector has more than 400 centres offering short-term training programmes (EU MVET Programme).
8. Another issue in the Syrian youth labour market is the high share of unregistered workers and/or workers without written employment contracts. This agrees with other assessments of the informal economy, which estimates that between 19% and 59% of all employment to be found in the informal economy (Aïta 2009). These informal jobs are reported to be of low quality and they are mainly filled by young people, most of whom are men. Half of all school leavers enter unregistered employment while only a quarter enter a registered job. However, 90% of job entrants in the private sector do not have a written contract.
9. Self-employment as a source of a first job has been a real success story in Syria. The highest wages and almost no risk of subsequent unemployment are found among self-employed workers. About 30% of the self-employed already have employees of their own. This trend is not new in Syria and it seems set to continue. Self-employment is more prevalent among men (27.7%) than women (9.2%).

The main findings can be used as a basis for the following policy recommendations.

1. **Introduce policy measures to reduce ‘insider-outsider problems’ in the Syrian labour market** – Youth employment opportunities could be increased by *weakening employment protection in the public sector and rationalising working conditions for employees on the basis of productivity considerations*. Public employment offers generous benefits with little concern for productivity, thus creating strong disincentives for graduates to work in the (private) productive sectors in a way that result in the poor use of human capital or wastage in unproductive work. In parallel, the private sector should be made more attractive to employees through the provision of social benefits. Measures such as this would prevent young people from regarding private sector jobs merely as temporary parking spaces before they move on to a post in the public sector. Moreover, a promising strategy to ease occupational mobility could be developed in incentives and support for investment in further training among private sector employers and young employees. The new labour law of April 2010 points in this direction. It allows companies to fire employees without justification with a penalty of two-month salary for every working year. Companies with 50+ employees are already required to spend the equivalent of 1% of their wage bill on training.
The strong reliance on personal networks in gaining entry to the labour market may be the main cause of the insider-outsider problem. Efforts should therefore focus on the creation of genuinely competitive hiring processes based on merit with the support of the public employment services (PES) as neutral brokers. Anti-nepotism processes must be put into place and there is a strong case for more effective job brokerage and competitive matching, preferably provided by PES, with a special focus on those sectors among the vulnerable youth and women who have no personal connections.
2. **Foster the labour market integration of inactive women** – Policy measures to change basic female attitudes towards work and family could be encouraged in tandem with measures to facilitate the combination of family and work as part of efforts to integrate inactive women. These should be implemented in addition to current initiatives such as the UNDP Programme for Women’s Empowerment and Poverty Alleviation running from 2008 to 2015.
3. **Combat the long-term unemployment of young people** – Integrating the long-term unemployed into the labour market would require initial efforts to encourage them into job seeking (Aïta 2009). Competitive elements in the overall matching process could be improved through a reformed and updated Public Employment System, as this currently only offers public sector posts. The Public employment agencies, once reformed, could play an important role in advising the young long-term unemployed to accept jobs in the private sector rather than waiting for well-paid, secure public sector jobs. All unemployed workers in general should be given better access to active labour market policies. Training measures and other active labour market measures must be established for this to happen.

4. **Increase the quality of basic and lower secondary education and continue the expansion of lower level education in order to reduce the number of dropouts** – Government investment to expand education coverage and access to schooling must continue and should be included in the up-coming Five Year Plan in line with Syria's commitment to achieving the UNDP Millennium Development Goals by 2015.
- 5+6. **Improve the quality of secondary vocational and post-secondary vocational training and ensure pathways to higher education** – The Government must continue to reform vocational education and training in accordance with the 10th Five Year Plan and increase the attractiveness of this sector for students, parents and the labour market (only 23% of students opted for VET in 2008). The TVET Council must play an important role in the reform and this entity would benefit from the presence of representatives from both public and private sectors on the Committee. Pathways from secondary vocational tracks into intermediate institutes and universities must be improved in order to avoid vocational education being viewed as a 'dead-end' in the education system.
7. **Expand and further develop opportunities for continuing training and up-skilling** – Further development is needed of the training offer provided for young people and adults in order to meet labour market demands and provide employers with skilled human resources. These initiatives should involve the formal education and private sectors as well as NGOs. These should be run in parallel with awareness-raising activities to stimulate citizen involvement in continuing training and to promote the concept of lifelong learning.
8. **Introduce policy measures to expand the formal economy and reduce informal sector activities** – Incentives should be given to private employers to convert informal jobs into formal posts in a way that will clearly pay off for the Syrian state and workers: while the Syrian state will profit from higher tax revenues, workers will benefit from higher gross wages and legal protection (Aïta 2009, Kabbani 2007). Since good quality job creation is the element most needed in the Syrian economy, development of a business-friendly environment (particularly focusing on the growth of SMEs) must be a priority. The transformation of micro and small enterprises into viable businesses through company growth is just as important as the business start-up level. The costs of setting up a business and/or growing business, in terms of time and money, should be lowered as matter of policy.
9. **Promote the role of self-employment and entrepreneurship** – Further promotion of self-employment and entrepreneurship could be an engine for new jobs. One potential political strategy could be to further *simplify the regulations imposed on private start-ups* and to provide *financial support* for young entrepreneurs or those who opt for self-employed status. There are still heavy burdens on business in Syria. Furthermore, public campaigns at schools and higher education institutions could *raise awareness of entrepreneurship through career guidance and counselling and promote the idea of self-employment* at an earlier stage prior to students leaving education.

1. INTRODUCTION

The transition from school to work is a central step in the course of an individual life that has long-lasting consequences on various life opportunities. Many problems occur at the interface between the education system and the labour market and these result in relatively high levels of youth unemployment in many countries despite the priority given to the successful integration of young people into the labour market on the political agenda.

In Syria, overall unemployment amounted to 10.9% of the active population in 2008 (CBS 2010), placing it around middle of the field when compared with other countries of the region such as Lebanon (8.1%), Egypt (8.7%) and Jordan (12.7%) (ETF 2009). As in most other countries, unemployment rates for youth are higher than for adults (O'Higgins 2003, Salehi-Isfahani and Dhillon 2008) and the high relative and absolute incidence of youth unemployment in Syria is well-reported (Aita 2005, Kabbani and Kothari 2005). The latest available Syrian Labour Force Survey figures (LFS 2008) also highlight this result. People aged 30-34 have almost the average unemployment rate (9.7%) but the figures for younger age groups are far higher: 20.3% for 15-17 year-olds, 22.4% for 18-19 year-olds, 23.1% for 20-24 year-olds and 9.7% for 25-29 year-olds in 2008 (CBS 2010, own calculations). As a consequence, the vast majority of the unemployed in Syria are unemployed youth. In 2008, young people aged 15-24 accounted for 31.9% of the unemployed who had previously held a job, but they made up 56.1% of those who had never worked before (CBS 2010; own calculations). High youth unemployment rates are primarily the result of young job seekers waiting for a better job or searching for work (Kabbani and Kamel 2007); this particularly applies to the higher educated youth sector where many individuals are waiting for scarce well-paid jobs in the public sector (Kabbani 2009, Kabbani and Al-Habash 2008).

In terms of international comparison, Syria is often reported among those countries with the highest relative youth unemployment rates, although adult unemployment rates are very low. For example, Kabbani and Kamel (2007) report that youth unemployment rates were more than six times higher than those of adults in Syria in 2002 and also much higher than those of other countries in the region (3.8 in Jordan in 2004, 4.7 in Lebanon in 2004 and 4.8 in Egypt in 2002)¹. This pattern of high relative incidence of youth unemployment is typical of the region and youth unemployment in European Neighbourhood countries south and southern European countries is reportedly very high compared to adult unemployment, with a gap far wider than the global average (Assad and Roudi-Fahimi 2007, Kabbani and Kothari 2005, Müller 2005). Kabbani and Kothari (2005) report that the world's highest youth unemployment rates (age 15-24) are seen in the Middle East and North Africa (MENA).

Unemployment is also highly prevalent among women. The ETF (2009) reports female unemployment of 20.9% in Syria in 2008 compared to 24.3% in Jordan and 19.3% in Egypt. Detailed analyses of Syrian LFS data show that female unemployment is especially pronounced among the young: 38% of women aged 15-17 are unemployed as are 49% of women aged 20-24 against male unemployment of 17.7% and 17% in the respective age groups. The high female youth unemployment is accompanied by a high share of labour market inactivity among young Syrian women. In 2008, 16.3% of women aged 20-24 were economically active compared with 70.3% of men aged 20-24 (CBS 2010). This pattern also reflects the overall gender imbalance in terms of economic inactivity in Syria, where the economic activity rate for women aged over 15 years was 14.7% against 73.1% for men in 2008 (CBS 2010). Despite declining fertility rates and the higher educational attainment of women, only a small fraction of Syrian women are actively engaged in the labour market. Previous research stated that most Syrian young women see their main goal in life as getting married and having a family (Kabbani and Kamel 2007). Furthermore, family refusal and social norms are important factors in explaining the high rates of female inactivity.

The family generally plays an important role in the transition from school to work in Syria. Social security systems for youth are largely absent or weak, whereby families are responsible for supporting their own young people who tend to depend on family resources. High housing prices and social norms led many young Syrians to stay at home with their parents until they established a solid

¹ However, exact international comparable data on youth unemployment rates are rare. The results are often contradictory and depend on the reference year. For example, the most recent available ILO data state that the ratio of youth unemployment to adult unemployment rate was 6.7 in 2002 but only 3.1 in 2003 in Syria (ILO 2010).

economic basis for the formation of their own household. The family support provided through social networking and financial backing allows young people to take more time finding desirable jobs (Kabbani and Kamel 2007). Young people lacking family connections are at a disadvantage when attempting to obtain employment, especially in the better jobs (Kabbani and Kamel 2007).

The high relative incidence of youth unemployment means an understanding of youth labour market integration is indispensable. Several *research questions* emerge for this analysis.

1. What are the general aggregate and individual patterns of school to work transition in Syria? Do young Syrians spend a long time looking for a job or do they land employment quickly? Can we identify individual characteristics and institutional settings that guarantee successful integration into the Syrian labour market?
2. What sort of quality of first employment is obtained at labour market entry in Syria? Which occupations, industries and employment arrangements are most common at the start of a career for a young Syrian? Do we observe differences across education groups and gender? Specifically, do the qualifications acquired in school match the education required by the employer? Is school education valuable and at all useful in the labour market? Do young Syrians have access to further education after leaving the formal education system for the first time?
3. Does mobility occur after young Syrians have found a first job? Do they quickly lose their first jobs or do we observe employment stability? Do young Syrians register occupational or wage mobility during their first months or years in the labour market? Are they discouraged from finding jobs or is the delay a voluntary choice?
4. Which sectors experience long-term unemployment after leaving education? Is unemployment a voluntary choice and why is it that many young Syrians do not find employment despite searching for a job? Why do some women engage so heavily in unpaid housework?

In the following pages, we will try to answer these and related questions through analysis of the data from the Syrian Youth Transitions Survey; a large-scale representative school-leaver survey conducted by the Syrian Central Bureau of Statistics with support from the ETF in 2009. The survey captures the process of leaving education and youth labour market integration within the 2004 to 2009 period. The survey design has the advantage of capturing important individual level dynamics in the processes of leaving education, searching for a job, finding a first job and experiencing career mobility. The target group of this survey was a random sample of individuals aged 15-30 who had left education for the first time in Syria in the five years preceding the survey.

This specific survey design complements previous studies on the school-to-work transition in Syria (Alissa 2007, Kabbani and Kamel 2007) as the existing evidence was based on LFS data and other cross-sectional information that did not capture several important features of the individual dynamics of school-to-work transition. Compared to the International Labour Organization (ILO) School-to-Work Transition Survey (SWTS) 2005 (Alissa 2007), the Syrian Youth Transitions Survey 2009 has the added value of a larger sample size, a broader definition of school leavers² and better capture of the dynamics of entering the labour market.

This report focuses on the role of education in the transition process from education to work. Previous research has shown that education is a central resource in successful integration into the labour market and access to privileged positions on an individual level (e.g. Müller 2005, Müller and Shavit 1998). However, the existing research for Syria stresses that skill mismatches in the labour market run high while returns to education are rather low and there are some incentives to dropping out of the Syrian education system (Huitfeldt and Kabbani 2007). Syria has experienced educational expansion during recent years, as have many other countries. Educational expansion occurred both at the lower education levels (particularly by expanding and enforcing compulsory education) and at secondary and tertiary levels (Kabbani and Saloum 2009). In view of the low returns to education and education expansion, the question arises as to whether education pays off at all in opportunities for youth labour market integration. If education is seen to boost opportunities, we need to identify which education qualifications guarantee the best opportunities at labour market entry in Syria.

Chapter 2 of the report highlights the crucial characteristics of the Syrian economy and institutional setting. Chapter 3 describes the basic features of the datasets and the methodology used in the

² The SWTS 2005 is restricted to youth aged 15-24 and thus over-samples youth in education and low-educated youth while missing many university graduates leaving the education system at a later age.

survey, while Chapter 4 discusses the aggregate and individual dynamics of leaving the education system and the timing of finding a first employment. In Chapter 5, we analyse the characteristics of the first employment after leaving education in terms of employment and occupation status, methods of finding the first job, wages, education mismatches and the likelihood of access to further education and training. Chapter 6 looks at early labour market careers by comparing the situation in the first job to the current labour market situation. In chapter 7, we analyse the characteristics of those young Syrians who did not find a first job and remained unemployed or engaged in unpaid housework and Chapter 8 provides a summary of the main findings and draws conclusions.

2. INSTITUTIONAL AND MACROECONOMIC CONTEXT IN SYRIA

This chapter describes the general characteristics of the Syrian economy and the institutional setting. The descriptive analysis focuses on those dimensions that have been shown to shape labour market integration opportunities for youth. Specifically, this chapter focuses on: economic development and economic reform processes (Section 2.1); the sectoral structure of the Syrian economy (especially the role of the public sector and the informal economy) (Section 2.2); employment protection, business regulations and the trust in state institutions (Section 2.3); demographic and migration pressures (Section 2.4); and wage levels and minimum wages (Section 2.5). The description is mainly restricted to the 2004 to 2009 period when the school leavers covered by the survey left the Syrian education system and tried to enter the labour market. The Syrian situation is compared to that of other countries in the region to gain an understanding of the position of Syria on the institutional and economic map of the Middle Eastern region.

2.1 ECONOMIC REFORM PROCESSES AND DEVELOPMENT

In recent years in particular, the Syrian government has initiated a series of reforms to move Syria from a public sector-led socialist economy towards a social market economy (see Aïta 2005 for details). Trade liberalization was initiated through actions such as joining regional free trade areas and the government also tried to reduce the role of the public sector and create a new dynamic for economic growth by removing barriers to the underdeveloped private sector for most industries and services (Aïta 2005). However, this state-controlled liberalization and privatization process always emphasized the social aspect of the reform process by strengthening social services and maintaining a central role for the state (Kabbani and Kamel 2007). Bibi and Nabli (2010) classify Syria as a resource-rich, labour-abundant transition economy.

During this research period, economic reforms in terms of state-controlled privatization and liberalization resulted in economic development. According to IMF data (2010), Syria experienced an increase in GDP per capita (on purchasing-power-parity PPP, in the current international dollar) from USD 3 370.52 in 2000 to USD 3 942.87 in 2004 and USD 4 857.58 in 2009. Nasser (2004) shows that capital accumulation and labour growth are the main contributors to economic growth in Syria, whereas total factor productivity plays a marginal role. In 2009, Syria was a lower middle-income country in the region, well ahead Yemen (USD 2 474.75) and Iraq (USD 3 587.59), slightly behind Jordan (USD 5 661.98) and Egypt (USD 6 147.12) and far behind many other Middle Eastern countries such as Iran (USD 11 201.91), Lebanon (USD 13 951.96) or Libya (USD 14 380.85).

According to the Human Development Index (UNDP 2010), HDI rose by 0.77% annually from 0.603 in 1980 to 0.742 in 2007, giving the country a ranking of 107th out of the 182 countries with data³. The yearly inflation rate (based on the average consumer price index [CPI]) remained at single digits between 2000 and 2008 with the exception of 2006, when it reached around 10%, and 2008, when it rose to 15%. All in all, consumer prices increased by 74% over the 2000-08 period (IMF 2010).

³ The Human Development Index (HDI) looks beyond GDP to a broader definition of well-being. The HDI provides a composite measure of three dimensions of human development: living a long and healthy life – measured by life expectancy (Syria's relative ranking was 57th in 2007); being educated – measured by adult literacy and gross enrolment in education (Syria's relative ranking 92nd and 121st respectively in 2007) and; having a decent standard of living – measured by purchasing power parity (PPP) income (Syria's relative ranking 112th in 2007) (UNDP 2010).

2.2 THE EMPLOYMENT STRUCTURE OF THE SYRIAN ECONOMY

Economic reforms and growth, globalization and technological change have been accompanied by a reallocation of labour across economic sectors. While 26.2% of all employees worked in the agricultural sector in 2003, this share had decreased to 16.8% by the end of 2008 (CBS, own calculations). The strong employment decrease in agriculture also had a strong impact on the share of unpaid family workers in the Syrian economy, many of whom had worked in the agricultural sector. The total share of unpaid family workers decreased from 11.5% in 2003 to 6.4% in 2008. This decrease was very pronounced among women, whose share of unpaid family work decreased from 31.0% in 2003 to 17.3% in 2008. Industrial employment in manufacturing and construction increased from 24.8% in 2003 to 30.3% in 2008. A slight rise of employment in the service sector was also observed: from 49% in 2003 to 52.9% in 2008. The increase was particularly pronounced in the storage, transport and communication sectors, where employment grew from 5.9% in 2003 to 7.4% in 2008. This data covers both the formal and informal sectors. The Syrian economy is still characterized by a high share of agricultural employment despite growing proportions of employees in the service sector.

There are also clear gender differences in the allocation of workers across economic sectors. Women dominate in the agricultural sector (25% compared to 15.5% for men in 2008) and the service sector (66% compared to 50.8% for men in 2008), whereas men dominate in industrial employment (33.8% compared to 9% for women in 2008) (CBS 2010, own calculations). Gender differences are also visible in terms of employment status. In 2008, 9.2% of all working men were employers compared to 2.2% of working women. Self-employment is more dominant among men (27.7%) than women (9.2%) and women are still very often employed as unpaid family workers (17.3%) against a rather lower figure of (6.4%) for men.

Despite state-controlled economic liberalization and privatization, the public sector continues to employ a large share of workers in Syria. More specifically, overall public sector employment has remained stable in recent years: 28.6% in 2008 against 27.2% in 2003 (CBS 2010, own calculations). Thus, the Syrian state also plays an important role at labour market entry: both as a leading youth employer and as the agency designing the institutional structure of the education system, labour market and economic system, and welfare system. Public sector jobs offer greater job security, higher benefits and wages, health care benefits and social security than private sector posts (Huitfeldt and Kabbani 2007). Public sector employment is particularly widespread among women: 54.6% of all employed women compared to 24.4% of all employed men worked in the public sector in 2008 (CBS 2010, own calculations). There is also a strong relationship between higher education and entry to the public sector in Syria. A hefty 65.4% of people with university education work in the public sector, while the share is only 12.2% for those with elementary or lower education. The incidence of public sector employment is highest among individuals with education at intermediate institute level (79%), as these intermediate institutes were primarily founded to train people for high-skilled public jobs. Almost all women with post-secondary qualifications enter public sector employment. In 2008, 80.2% of all female university degree holders and 91.2% of all female intermediate institute degree holders worked in the public sector. The popularity of the public sector (especially among higher educated individuals and women) combines with the increasing scarcity of public sector jobs to produce a relatively long job search period and high youth unemployment while Syrian youth queue for jobs in the public sector (Kabbani 2009, Kabbani and Al-Habash 2008).

A substantial number of young Syrian men are engaged in the informal sector. Aïta (2009) reports that 41% of the Syrian workforce was in informal jobs in 2007. The informal share was higher among men (42%) than women (28%) and Aïta (2009) relates this to the high share of public sector employment among women. Despite the ongoing liberalization and privatization reform processes, the formal private sector has lost jobs and most of the new jobs created between 2001 and 2007 were in the informal private economy (Aïta 2009).

2.3 EMPLOYMENT PROTECTION, BUSINESS REGULATIONS AND TRUST IN STATE INSTITUTIONS

The high incidence of informal sector employment is often related to the specific national institutional setting. Schneider and Ernste (2000) point out that informal activity is fostered by high taxes, complex tax structures and social security contributions, strict labour market regulation and inefficient state institutions, and low quality public services. Furthermore, in countries where formal institutions are weak or absent (rule of law, protection of private property etc.) the organisation of economic activities often takes place through the traditional social networks standing alongside the formal economy (Greif, 1989) in a way that helps explain the surprisingly strong job stability seen in Syria. According to the World Bank (2010) the total tax rate on profits paid by employers amounted to 42.9% of commercial profits in Syria in 2009; a rate higher than the MENA average of 32.9%. In fact, in this year, Syria had a similar total tax rate to Egypt (42.9%) and Turkey (44.5%) while total tax rates were much lower in Jordan (31.1%) and the Lebanon (30.2%).

Overregulation is another factor that increases labour costs (Gërkhani 2004). Regulations are usually designed to improve worker welfare and to place constraints on employer decisions on issues such as dismissal, working hours and other aspects of standards of decent work. However, employers may perceive regulations as costly state interventions, leading them to avoid the use of labour contracts, choosing instead to employ workers on an informal basis where formal employment protection regulations are non-existent (Ram et al. 2007, Schneider and Enste 2000). Syrian labour law regulations resulted in an employment rigidity index of 20 in 2009 (for details see, IBRD and World Bank 2010),⁴ an outcome less rigid than that of many of its neighbours Jordan (24), Lebanon (25), Egypt (27) and Turkey (35) (see Aïta 2008, for a detailed comparison of labour law regulations in the region). Syria stands out with a value of 50 in terms of difficulties of redundancy⁵ while there are only a few restrictions on hiring (10)⁶. Redundancy costs (80 weeks of salary)⁷ are very high in Syria compared to the MENA average. These costs are much lower in Jordan (4 weeks of salary) and the Lebanon (17 weeks of salary) but higher in Turkey (95 weeks of salary) and Egypt (132 weeks of salary). However, it is often argued that labour market rigidities are even lower in the Syrian private sector as the labour laws are not effectively enforced. Aïta (2009) reports the common practice of signing undated resignation letters alongside new labour contracts and a low degree of labour law enforcement by government authorities. However, employment protection is much stronger and more effectively enforced in the public sector (Kabbani and Kamel 2007).

In order to get some insight into the quality of public services and trust in state institutions, we use the 2008 indices of quality of governance (ranging from 0 [low] to 100 [high]) to compare government effectiveness, regulatory quality, rule of law and corruption in Syria and other countries in the region (Kaufmann et al. 2009). In effectiveness of government - measured by the quality of public services and the extent of bureaucracy - Syria (28.0) ranks behind Jordan (64.0), Egypt (43.1), and the Lebanon (31.3) but ahead of Libya (18.0) and Iran (24.6). The index of regulatory quality – measuring the degree of market-friendly policies and deregulation of private businesses – is lower in Syria (12.6) than in most other countries in the region (Egypt 49.3, Lebanon 48.3). The rule of law index, used as a measure of quality of contract enforcement, the police and the courts, gives a score of 34.4 for Syria; again at the lower end of the range in comparison with other countries of the region (Egypt 52.6, Jordan 64.1) but higher than the Lebanon (26.3). Finally, the Transparency International Corruption Perception Index (CPI 2010) reveals that Syria moved up from 147th out of 180 countries in 2008 to 126th in 2009; a position that effectively means high levels of corruption persist here.

⁴ The rigidity of employment index consists of three equally weighted sub-indices: difficulty of hiring, rigidity of hours and difficulty of redundancy, that range between 0 (no rigidities) and 100 (high rigidities).

⁵ The difficulty of redundancy index covers legal protections against dismissal of workers and procedural inconveniences of individual and collective dismissals (such as notification requirements, etc.)

⁶ The difficulty of hiring index summarizes the flexibility of contracts and the ratio of the minimum wage to the value added per worker.

⁷ The redundancy cost indicator covers the following dimensions: cost of advance notice requirements and severance payments and penalties.

2.4 STRUCTURAL LABOUR SUPPLY PRESSURES: WOMEN, DEMOGRAPHY AND MIGRATION

The Syrian education system and youth labour market has also been confronted with several structural trends affecting labour supply (Zaman 2007) which have resulted in working-age population growth rates running at higher than 3% per year (Aïta 2009). Firstly, female labour force participation has slightly increased in the long-term, doubling between 1980 and 2005 (Kabbani and Kamel 2007). Increasing educational attainment, decreasing fertility rates, economic pressures and more positive attitudes towards female economic engagement have all contributed to this moderate increase in female labour market activity rates.

Secondly, birth cohort size has increased in a way that has placed the education system and youth labour market under pressure as the 'baby boom' cohorts came of age in recent years. As in many other Middle Eastern countries, high fertility rates combined with decreasing infant and childhood mortality rates led to increased birth rates in the 1980s which translated into a 'youth bulge' entering the education system and the labour market in subsequent years (Aïta 2005). As fertility rates continue to run at above the replacement fertility rate of 2.1⁸ birth cohorts will continue to grow in absolute numbers, although the cohorts will decline in relative importance. The share of youth in the Syrian population peaked at 25.4% in 2005 (Kabbani and Kamel 2007) and has decreased since, and it is expected to decrease further in coming years (Assad and Roudi-Fahimi 2007).

Thirdly, Syria experienced strong immigration pressures as 1.5 million Iraqis immigrated to Syria during the third Gulf war (from 2003) and only some of them returned to Iraq after the conflict because of the prevailing political and economic insecurities in their country of origin (Aïta 2009). With a resident population of about 19.4 million people in Syria in 2008, the influx of Iraqi refugees placed substantial pressures on the Syrian labour market and social systems. Furthermore, several hundreds of thousands of Syrian guest workers in the Lebanon were thought to have returned home following the withdrawal of Syrian troops from Lebanon in 2005.

Finally, many young Syrians have emigrated to other countries in reaction to labour supply measures and low employment prospects. Higher skilled young people mostly migrate to the Gulf countries, Europe and North America in a 'brain drain' mechanism, whereas lower skilled young people often work in the Lebanon.

2.5 WAGE LEVELS AND MINIMUM WAGES

There is no formal wage negotiation process between social partners in Syria. Wages in the public sector have been driven by presidential 'gifts' and bonus payments in the new millennium after years of wage stagnation (Aïta 2009) and wage increases in the public sector force private employers to increase wages. Higher wages and wage growth attracts employees to the public sector even though the gifts and benefits granted did not necessarily keep pace with inflation or apply to all public sector workers, especially younger and low-ranking workers. Nevertheless, nominal wages have increased on average in recent years with more than 55.5% of workers earning more than SYP 9 000 by 2010 (CBS 2010; own calculations) against 10.6% in 2004. Wage increases were particularly pronounced in the public sector (71.9% in 2008 compared to 12.5% in 2004) and less pronounced in the private sector (40.9% in 2008 compared to 9% in 2004), while the share of the working population earning less than SYP 5 000 decreased from 40.4% to 10.9%.

There is a set minimum wage in Syria that has increased in nominal terms in recent years. For example, Aïta (2009) reports an average minimum wage of SYP 2 645 in 2000 compared to a minimum wage of SYP 6 000 in 2008. However, in real terms, the increase was less pronounced than it initially appears due to substantial inflation in the country: in terms of SYP for the base year 2000; the average minimum wage was about SYP 3 500 in 2004, increasing to about SYP 3 800 in 2007 and SYP 4 000 in 2008 (Aïta 2009: 34). Different minimum wages are set according to occupation in the private sector (Kabbani and Kamel 2007), but the rates are only binding for registered employees and enforcement is only weakly monitored (Aïta 2009). In 2008, 6% of all public employees reported

⁸ As a rule of thumb, the replacement fertility rate is said to be 2.1. This number is dependent on the chances of survival and therefore varies widely across the world, with some rates of closer to 3.35. However, it just so happens that Syria is one of only nine countries in the world where the actual replacement rate is 2.1 (Engelmann and Leahy, 2006).

wages below the minimum wage level, whereas the level was 27.1% for the private sector (CBS 2010; own calculations). This disparity is another incentive for workers to prefer public sector employment. Minimum wages increase worker welfare but the enforcement of minimum wage payment increases labour costs and may prompt employers to operate in the informal economy.

In their analysis of income inequality, Bibi and Nabli (2010) classified Syria as a country of medium living standards with low inequality (Gini inequality <36) alongside Lebanon. Jordan, Algeria, Morocco and Tunisia have medium living standards but higher Gini inequality. Bibi and Nabli stress that Syria historically started from a low level of inequality before experiencing a rise in the Gini index related to the economic reform moving the country from a socialist to a social market economy.

2.6 EDUCATION FOR SOCIO-ECONOMIC DEVELOPMENT

The Syrian education system offers optional pre-primary education with Basic education from age 6 in the form of primary school (grades 1–6) and preparatory school (lower secondary schools covering grades 7–9) that were combined under Syrian educational reform in 2003. Primary schools cover the first cycle of basic education and preparatory schools the second. Basic education is compulsory for children aged 6 to 15 years. Graduation from basic education is based on the successful completion of a nationally standardized written examination that is a precondition for access to upper secondary education. Upper secondary schools may differ in curricular orientation and provide three years of education (grades 10–12) usually for children aged 15 to 18 years. These may provide general secondary education or vocational training.

Vocational education at the upper secondary level is predominately school-based, although practical vocational secondary education and apprenticeships also exist. General secondary tracks are preferred over vocational tracks that are widely viewed as 'dead ends' providing limited chances of direct entry into university (only 3%) and mainly leading to post-secondary technical school (Kabbani and Salloum 2009). Post-secondary education has a binary structure of vocational institutes and academic universities. Post-secondary vocational intermediate institutes offering one or two year courses were the main path to public sector employment until the Syrian government abolished guaranteed employment for institute graduates. University education can take four to five years to diploma, first degree or master's degree level and also offers postgraduate doctoral programmes. The Syrian education system in general is predominately run by public education providers as is the case for most other countries of the region (Salehi-Isfahani and Dhillon 2008). A small number of private schools came into operation in recent years and there is a clear trend for private universities in higher education with an expected total of 15 by 2011.

3. A NOTE ON THE METHODOLOGY OF THE SYRIAN YOUTH TRANSITION SURVEY

The Syrian Youth Transition Survey was carried out between 24 November and 31 December 2009. The Syrian CBS ran a pilot study, drew a representative sample, trained interviewers, conducted interviews, assured the quality of interviewing and entered the data.

Stratified random sampling was used and seven Syrian governorates were selected to represent the various Syrian regions: Lattakia in the north-west on the Mediterranean coast; Aleppo in the north, with borders on Turkey; Dier-er-zor in the east; Homs in the centre; Al-Sweida in the south and, finally; two areas of Damascus including the capital and the Rural area around it. In order to guarantee representative rural and urban shares in the sample, the Syrian CBS selected 60% urban and 40% rural areas within the individual governorates in accordance with the approximate national ratios. Multi-stage cluster sampling was employed through the random selection of families within each randomly selected area of the respective governorate. Finally, eligible respondents were screened and randomly selected within each family. Overall, 3,847 interviews were conducted in the seven representative Syrian governorates: 355 in Damascus, 242 in Rural Damascus, 800 in Aleppo, 590 in Homs, 639 in Lattakia, 621 in Dier-er-zor and 600 in Al-Sewida⁹.

The survey design was deliberately selected to capture important individual level dynamics in the processes of leaving education, searching for a job, finding a first job and experiencing career mobility. The survey target group was made up of a random sample of individuals aged 15-30 who had left education for the first time in Syria within the five years preceding the survey. This survey design has a clear advantage over traditional labour market analysis based on cross-sectional data from labour force surveys and analyses of employment and unemployment indicators at different points in time as these cross-sectional indicators fail to capture several important features of the individual dynamics of school-to-work transition.

The specific survey design also has several advantages over the International Labour Organisation School-to-Work Transition Survey (SWTS) 2005. Firstly, the SWTS is restricted to respondents aged 15-24 and therefore incorporates many students who still attend school and have not yet entered the transition stage. The cut off at age 24 almost completely excludes the transition process for university graduates who usually leave the education system after the age of 23 years. Our broader definition of leaving education means that our sample includes 21.1% of youth aged 24-30 years old¹⁰.

Secondly, the SWTS applies an outcome-based sampling strategy, i.e. groups such as 'the young unemployed' or 'inactive' were selected on the basis of cross-sectional census data and their characteristics were then analysed¹¹. However, this kind of outcome-based sampling strategy over-samples the long-term unemployed and long-term inactive. From a methodological point of view, it is well known that sampling based on cross-sectional outcomes (e.g. sampling 'the unemployed') does not allow for a correct calculation of the real duration of unemployment (see Blossfeld et al. 2007). In contrast, the Syrian Youth Transition Survey 2009 draws a random sample of all young students who left the education system and follows their life trajectories. This dynamic perspective allows for correct estimations of unemployment duration. Finally, our survey has almost twice as many participants as

⁹ Labour migration of Syrian youths to other Arabic countries has become one strategy to circumvent the problems in the Syrian youth labour market. However, the survey was restricted to only those Syrian youths who are currently in Syria covering young Syrians who remained in Syria or who returned to Syria after having worked abroad.

¹⁰ 49.9% were aged 15-20 year-old and 29% were 20-24 years old.

¹¹ Outcome-based sample strategies often lead to problematic descriptions of the characteristics of the outcome groups, e.g. statements such as 'only 6.9% of the unemployed had a college degree' (Alissa 2007, p. 19). This would not necessarily be a surprising finding if only 3.7% of the individuals in the survey had a college degree and a more meaningful analysis would calculate the share of college graduates who become unemployed and compare it to the unemployment rate of other education groups. Our research design easily allows the more meaningful second kind of analysis.

the SWTS 2005 (2 000 young people) although unfortunately the results of the SWTS (as presented by Alissa (2007)) cannot be compared to our findings due to the differences in research and analysis design.

The survey questionnaire started with a section of careful screening to identify members of the target group, i.e. individuals aged 15-30 who had left education for the first time in Syria within the five years preceding the survey. For this survey, leaving education was defined as finishing education (with or without gaining a certificate) in the last five years prior to the date of interview. Interviewees should have at least successfully completed the first cycle of basic education (the six years of primary schooling). Young people who had interrupted their education in the last five years were also selected as respondents. Interrupting education was defined as a period of 12 consecutive months where the respondent was unemployed or worked more than they studied, or a combination of the two elements. Education means general or vocational study, including apprenticeship training (where 10% or more of the training was delivered in school), part-time or full-time education¹². The survey was restricted to individuals who had left education or training within the last five years in order to minimise recall bias in the recording of educational trajectories and initial labour market histories.

The random selection process for households worked reasonably well in survey implementation, but the last random selection process of target persons within the household showed a slight gender-bias, as only 35% of the final respondents were female¹³. The share of female respondents is in fact relatively high given the cultural norms of Middle Eastern countries¹⁴ and, furthermore, almost all of the analyses were run separately for young men and young women to eliminate any gender-bias from interpretation of the results. There are some indications that highly educated women are over-represented in the survey (see Section 4.1). This overrepresentation of the best educated segments of a given population is a common feature of this type of survey and the feature is likely to be more prevalent where a more traditional culture is dominant amongst the least-well educated.

Detailed checking of the representativeness of the survey through comparisons to LFS and census data is peppered with problems. Our sample of school leavers captures a dynamic process that is not comparable to the cross-sectional characteristics of specific youth age groups. Any comparison of respondents' characteristics with the broader youth aged 15-30 would be misleading as the latter group contains a large share of young people still attending school and not eligible for the survey. The inactivity rate in our survey is therefore lower than the inactivity rate among youth aged 15-30. Also, while our survey collects information on the first job from the time of appointment and up to five years after labour market entry, LFS data for youth aged 15-30 contains information on young people who may have left the education systems up to 15 years ago. Moreover, while our survey captures very short first job experiences and other spells of activity, these short term occupations are under-represented in cross-sectional censuses and LFSs. Finally, the survey results capture the situation in Syria up to the end of 2009, while older census and LFS data may miss recent developments in the Syrian youth labour market. Comparisons to LFS data and expert assessment from the Syrian CBS do however confirm the general representativeness of the survey.

The design of the questionnaire was guided by previous surveys of school-to-work transition in Ukraine and Serbia conducted by local authorities in cooperation with the ETF (ETF 2008). This basic design was adapted to the Syrian national context through cooperation between the Syrian CBS and the ETF. The questionnaire used in the survey covered different central issues of the school to work transition. It was structured to cover the following issues:

- situation before leaving continuous education for the first time,
- monthly calendar of activities since leaving education,
- first job and first significant job after leaving education,
- current labour market situation,
- education and training since leaving education,
- socio-demographic characteristics.

¹² 101 interviews were excluded from the analyses when ex post checks showed the respondents did not belong to the target population, i.e. they had not yet left or interrupted their education.

¹³ The gender bias occurred despite the best efforts of interviewers to follow guidelines stating that they should contact young women within the households. The under-representation of women can be related to prevailing cultural norms whereby sons were proposed as respondents by the family where several persons in the household were members of the target group.

¹⁴ A direct comparison of the share of female respondents the ILO SWTS 2005 figures was not possible as there was no information on the proportion of women in the survey (Alissa 2007).

The questionnaire was organised to mirror the dynamic (and often fuzzy) process of leaving education and entering working life. Retrospective questions were designed to provide understanding of processes taking place in the respondents' biography where cross-sectional data would only have offered a snapshot of the transition process and would not have allowed for analysis of the individual dynamic process of searching for a first job and early career dynamics. The dynamic character of the survey was complemented with very detailed data on individual education, socio-demographic and family background.

Information on important 'benchmark jobs' such as casual employment during education, any significant employment that started before leaving education, the first ever job after leaving education, the first significant job after leaving education and the current job at the date of the interview was collected. The survey differentiates between 'any first job' and 'first significant employment', where 'any first job' can mean any registered or unregistered employment, including casual work, excluding any type of apprenticeship or training scheme, as well as compulsory military or national service. There was no requirement for a minimum duration or minimum hours worked. The 'first significant job' is defined as registered or unregistered employment lasting at least six months, at a minimum of 20 hours a week, excluding any type of casual work, apprenticeship or training scheme, as well as compulsory military or national service.

4. THE TRANSITION FROM SCHOOL TO WORK

The central starting event of the school leaver survey is the process of leaving education (whether or not any certificate has been achieved). In this chapter, we will analyse the qualification level of young Syrians leaving education for the first time as well as the timing of their departure (Section 4.1). We will address the aggregate activity dynamics after leaving education (Section 4.2) and the individual timing of finding a first job (Section 4.3).

4.1 EDUCATION ATTAINMENT WHEN LEAVING EDUCATION FOR THE FIRST TIME

Individual educational attainment is a central resource for young people but their chances of achieving these qualifications are determined by socio-demographic background in general and by the structure of the national education system in particular (Müller 2005, Müller and Gangl 2003, Müller and Shavit 1998). The institutional setting of the education system provides opportunities and restrictions on individual- and family-level decisions on how to invest in education.

Table 4.1 shows the distribution of education levels¹⁵ in our sample of school leavers and the average age of leaving education for each education category. A substantial share of Syrian youth leaves the education system for the first time with primary (first basic education cycle, 6%) or incomplete lower secondary education (second basic education cycle, 22.8%). These young people are slightly younger than 15 years old on average when leaving education. Further figures show that 12.8% complete the second cycle of basic education at an average age of 15.5 years old, 13% spend some additional months or years in general upper secondary education without completing the level and 2.9% enter the labour market with incomplete vocational upper secondary education. The term 'upper secondary', as used internationally, corresponds to the term 'secondary' in Syria, whereas the international term 'lower secondary' refers to what is known as 'secondary basic' education in Syria. A comparison of school leaving ages reveals that these groups follow about two years of upper secondary education on average.

The dominance of general curricular orientation among upper secondary programmes is reflected in the numbers of school leavers who successfully complete upper secondary education; about 11.7% of all school leavers graduate from general tracks while only 2.7% graduate from vocational tracks at upper secondary level at an average graduation age of about 19 years old. A large share of Syrian youth leaves the education system with post-secondary qualifications; about 10.7% of all school leavers in the survey have graduated from university and about 12.1% have completed their studies at an intermediate institute. The longer duration of university programmes increases the average age of their graduates (23.7 years) as compared to graduates from intermediate institutes (21 years). There are also a small number of upper secondary school graduates who attend post-secondary education for some months or years before dropping out (half the official duration of study at the respective post-secondary institutions on average).

¹⁵ The distribution of education levels is based on the categories defined by the Syrian Central Bureau of Statistics.

TABLE 4.1 EDUCATION LEVEL OF YOUTH LEAVING EDUCATION FOR THE FIRST TIME

	Number of observations	%	Average age when leaving education
Kindergarten or first basic education cycle	228	6.0	14.1
First basic education cycle completed + some basic education second cycle (dropout)	868	22.8	14.7
Basic education second cycle Basic education second cycle completed + some general secondary (dropout)	488	12.8	15.5
Basic education second cycle completed + some vocational secondary (dropout)	487	13.0	17.6
Vocational secondary/apprenticeship general secondary	91	2.9	17.2
Secondary education completed + some institute (1-2 yrs) after secondary (dropout)	104	2.7	19.1
Average institute for 1 yr-2 yrs after secondary	437	11.7	19.0
Secondary education completed + some university (dropout)	76	2.0	19.9
University (diploma, bachelor degree, master degree, PhD)	463	12.1	21.0
Total	100	3.3	20.9
	404	10.7	23.7
	3 746	100	17.8

Source: Syrian Youth Transition Survey, own calculations.

All in all, a polarized skill structure is visible amongst school leavers. There is a relatively high share of post-secondary graduates but also a substantial number of young people leaving education at the primary and lower secondary level. Another important feature is the large share of pupils leaving education without completing their most recent stage of education. Young Syrians who did not complete their most recent education level were asked to indicate their main reason for dropping out (Table 4.2). Most dropouts claimed the school system was to blame: 22.3% of all dropouts stated that they were simply tired of studying and 40.6% felt they were unable to succeed in education and a further 10% mentioned other school-related factors. These school-related factors were mainly mentioned by students leaving the lower education levels before completion, showing that the education system itself is largely seen as the reason for young people leaving education before completion, especially in basic and secondary education. In contrast, dropouts from post-secondary tracks were more likely to mention work-related reasons, with 14.3% of all university dropouts saying that they needed to work. Interestingly, family-related factors such as marriage or parenthood do not seem to be related to dropping out of the education system. We were able to identify the reasons for dropping out, but were interested to investigate whether these additional months or years of education at a higher education level without graduating paid off in terms of finding employment quickly and/or reaching higher occupational positions. This question will be answered in the following section.

TABLE 4.2 MAIN REASON FOR LEAVING EDUCATION FOR DROPOUT GROUPS ONLY (COLUMN %)

	First basic + some sec. basic	Second basic + some gen. sec.	Second basic + some voc. sec.	Secondary + some institute	Secondary + some uni.	Total
Tired of studying	26.2	17.7	18.0	21.0	9.5	22.3
Feel unable to succeed in education	38.3	48.6	37.2	33.9	27.0	40.6
Other school factor	11.6	6.2	7.7	11.3	11.1	9.7
Wanted to work	13.1	9.5	11.5	8.1	17.5	11.9
Needed to work	3.9	8.8	23.1	9.7	14.3	7.0
Getting married	1.2	4.2	2.6	8.1	12.7	2.9
Other economic or work factor	0.2	0.2	0.0	1.6	0.0	0.3
Family factors	4.8	3.7	0.0	0.0	1.6	3.9
Health factors	0.6	0.7	0.0	3.2	1.6	0.8
Other	0.1	0.5	0.0	3.2	4.8	0.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Syrian Youth Transition Survey, own calculations.

The level of education achieved obviously affected the outcome for many students, but horizontal differentiation by field of study also proved important for those attending upper secondary vocational or any post-secondary education. The social sciences, business and law were the dominant fields of study among Syrian graduates in the survey followed by the humanities and arts, engineering, manufacturing and construction, and, finally, education science.

As in most other countries (see, for example, Blossfeld and Shavit 1993, Breen 2004), educational attainment differs according to the socio-demographic background of the individual. Table 4.3 exemplifies differences in educational qualifications among school leavers according to their gender and the rural-urban divide. Interestingly, women are higher qualified when leaving education for the first time. Their advantage is most visible at post-secondary education where 18.3% of female school leavers in our sample graduated from university and about 19% graduated from intermediate institutions. However, the degree of higher education among young women compared to young men should be carefully interpreted as it may also indicate an over-representation of highly educated women in the survey. If women are indeed leaving the education system with higher levels of education than men, this also implies that the men are younger when entering the workforce, which again means that any efforts to address this issue needs to consider the age of the target audience. Clear differentials in education are also visible when comparing the urban and rural population: the share of school leavers with less than upper secondary education is higher in rural areas and the share of upper secondary graduates and youth with post-secondary qualifications is slightly higher in urban areas. Additional analyses show that educational attainment also depends on the family background of the respondent. There is typically a pattern of social inheritance of educational advantage in Syria, just as there is in many other countries: students with better educated parents have better chances of studying for post-secondary education degrees compared with students of less well-educated parents.

TABLE 4.3 EDUCATION LEVEL OF YOUTH LEAVING EDUCATION FOR THE FIRST TIME BY GENDER AND RURAL-URBAN DIVIDE (%)

	Men	Women	Urban	Rural
Kindergarten or first basic education cycle	6.4	5.5	4.8	8.1
First basic education cycle completed + some basic education second cycle (dropout)	28.5	13.0	21.9	25.1
Basic education second cycle basic education second cycle completed + some general secondary (dropout)	13.9	11.3	13.5	12.3
Basic education second cycle completed + some vocational secondary (dropout)	14.9	9.4	11.5	15.4
Vocational secondary/practical vocational /apprenticeship	3.2	0.9	2.5	2.3
General secondary	2.9	2.6	2.8	2.8
Secondary education completed + some institute (1-2 yrs) after secondary (dropout)	9.6	15.6	11.9	11.3
Average institute for 1yr-2 yrs after secondary	2.0	2.1	2.4	1.5
Secondary education completed + some university (dropout)	8.9	19.0	13.0	11.3
University (diploma, bachelor degree, master degree, PhD)	2.9	2.3	2.9	2.4
Total	6.8	18.3	12.9	7.5
	100	100	100	100

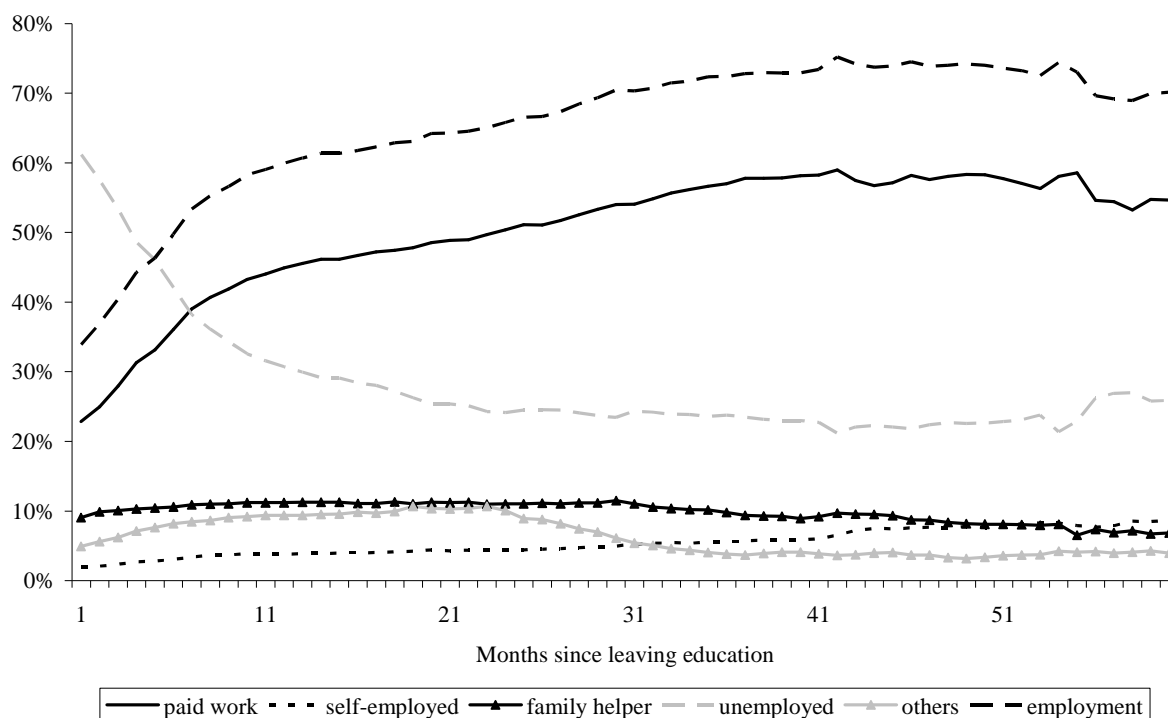
Source: Syrian Youth Transition Survey, own calculations.

4.2 AGGREGATE ACTIVITY DYNAMICS AFTER LEAVING EDUCATION

In the next step of the analysis of school-to-work transition patterns, we investigate aggregate activity rates during the first five years following labour market entry in Syria. Drawing on information from the monthly activity calendar, we calculated the share of individuals participating in specific labour market activities in a specific month after leaving education. This approach allowed us to investigate what kind of activities young Syrians follow after leaving education at the aggregate level¹⁶. Substantial differences between young men and women led us to present the aggregate activity patterns for male and female school leavers separately in Figure 4.1 and Figure 4.2.

¹⁶ Great care must be taken when interpreting aggregate activity shares. These may be misleading due to the substantial variance in individual mobility processes between employment, unemployment and other activity states. However, our later mobility analysis reveals that the Syrian youth labour market is quite stable and not many individual activity changes take place during the first few years after leaving education.

FIGURE 4.1 MONTHLY UNEMPLOYMENT, EMPLOYMENT AND ACTIVITY RATES SINCE LEAVING EDUCATION FOR MEN

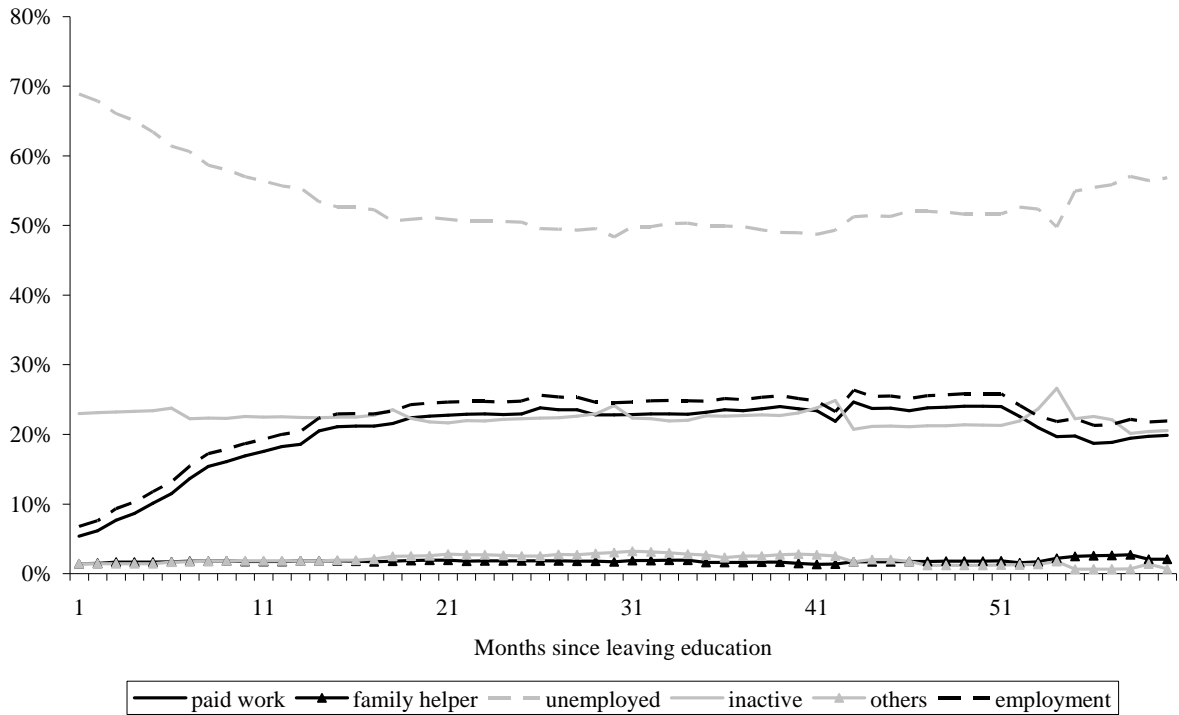


Source: Syrian Youth Transition Survey, own calculations.

The aggregate employment rate for men in the first month after leaving education stands at 33%, meaning that one third of all young Syrian men make a direct transition from education to work with no intervening period without employment. The male employment rate increases steeply during the first year after leaving education to reach 50% after 6 months and 60% after 12 months. Two years after labour market entry 66% of young men are in employment. However, the employment increase is less pronounced in subsequent years as the employment rate peaks at 75% after 42 months. The flattening of the curve may be due to increasing problems in finding employment after a prolonged search or to people losing their first employment again. The specific survey design also means school leaver cohorts from the earlier years of the observation window 2004–09 dominate the record increasingly in later months as the younger cohorts have not yet been observed several years after labour market entry.

The decreasing male unemployment rate is almost directly inverse to the aggregate employment rate. While 61% of young Syrian men declare themselves unemployed in the first month after leaving education, the unemployment rate drops substantially to 24% two years after leaving education. In subsequent years, unemployment appears to become a persistent problem for one quarter of young males. However, it would be too hasty to interpret this result as long-term youth unemployment as there may be substantial dynamics behind these aggregate figures. In the Syrian economy, working as a ‘family helper’ is a common strategy and this form of employment accounts for a constant share of about 10% of male labour market entrants. Interestingly, this level is reached almost directly after leaving education, showing that young male family helpers will opt for this kind of employment with no intervening search period. Self-employment is another common activity for male school leavers and the share of self-employed workers increases from 2% to 9% five years after labour market entry. Self-employment becomes more feasible and interesting as an alternative after a period in employment or after a certain duration of searching.

FIGURE 4.2 MONTHLY UNEMPLOYMENT, EMPLOYMENT AND ACTIVITY RATES SINCE LEAVING EDUCATION FOR WOMEN



Source: Syrian Youth Transition Survey, own calculations.

While labour market integration seems to be ensured for the majority of young Syrian men, at least after a certain period of waiting for a first job, the labour market integration of young Syrian women is more problematic. Only 7% of all Syrian women who leave the education system enter directly into employment. This aggregate employment share of Syrian women increases to 13% after half a year and 20% after one year to stabilize at 25% after two years. In contrast to young Syrian men, self-employment and working in a family business is a less common activity among young Syrian women. On average, only one quarter of Syrian women are in employment, while the majority of young Syrian women are either unemployed or occupied in unpaid housework¹⁷. Unemployment is the dominant activity status for young Syrian women who have left the education system and it is also a requirement for entry into the public sector where only persons registered as unemployed or in other employment are eligible for such work. The unemployment rate among female school leavers decreases during the first two years after leaving education and stabilizes at around 50% in later years. One of the central questions is whether this pattern is the product of long-term unemployment or whether it reflects the fact that young women lose their jobs. It is also not clear how many unemployed women declare themselves unemployed (even when they have no intention of working or seeking employment) and an almost constant share of 23% of women are not active in the labour market although they are occupied in unpaid housework. This sector reaches maximum size directly after women leave education in a way that implies engagement in unpaid housework as an alternative life path decoupled from labour force participation. However, hasty interpretation of these initial results should be avoided as some individual-level dynamics may be hidden behind the apparent constant aggregate share of women engaged in unpaid housework. It is safe to say that the pronounced gender differences observed in activity patterns call for gender-specific analyses of labour market entry processes later in this document.

¹⁷ It should be noted that the questionnaire used the term 'housework' instead of the term 'inactive' in accordance with CBS practice.

4.3 THE INDIVIDUAL-LEVEL DYNAMICS OF FINDING A FIRST JOB

While the aggregate analysis provides some interesting initial findings on the labour market entry process in Syria, a more detailed look at the individual transition dynamics is required for a fuller understanding of the process. We start with a dynamic analysis of individual transition times, defined as the time between leaving school and entering the first ever job, and then the time of entering the first significant job. We can calculate the length of the transition period by using detailed monthly individual data on the date of leaving education and the date(s) of entering these two types of job. Of course, the elapsed time may not all be spent searching for work by respondents, as young people may be occupied in different non-search related activities (such as unpaid housework, re-training, etc.). For those who have not yet found employment at the time of the interview, the transition duration is right-censored¹⁸. The Kaplan-Meier (product-limit) estimator is applied as a standard tool for statistical analysis of right-censored duration data (see, for example, Blossfeld et al. 2007). Following common standards (Allen and van der Velden 2007), graduates who obtain work directly after graduation and graduates who continue significant employment started before leaving education are counted as making a direct job entry within the first month. The following tables and figures illustrate the share of people who have found a first job by specific months after leaving education for different socio-demographic groups.

Table 4.4 shows analysis of transition patterns to a first ever job and first significant job. This shows that 27% of all school leavers enter their first ever job directly (i.e. within in the first month) on leaving the education system, meaning that more than one quarter of Syrian youths register a very smooth transition from school to work. The share of people having found a first ever job increases steeply to 40% after six months and 49% after one year. In the ensuing years, further labour market integration can be observed, but the conditional transition probabilities (so called 'hazard rates') decrease, i.e. the more time spent in non-employment after leaving education, the harder it is to find a first ever job. Only 64% of respondents have found a first ever job four years after leaving the education system, an outcome which supports our previous finding that a substantial proportion of school leavers do not find a job in the long run or do not intend to join the labour force (Aïta 2009). Interestingly, transition patterns to the first significant employment are almost identical to transition patterns to the first ever employment. In essence, 27% of all school leavers directly enter a job that is also of significant duration (lasting longer than six months and occupying more than 20 hours per week). In subsequent months, the share of people having found a significant job is only marginally lower than the share of people having found employment at all. This can be explained by the fact that in the school-leaver survey, the overwhelming majority of respondents (98%) declare that their first significant job coincides with their first ever job. This can be interpreted as an initial sign that individual youth employment is highly stable once a job has been found. There is a strong overlap between first ever and first significant employment so, for simplicity's sake, the following analyses are restricted to the first employment.

TABLE 4.4 SHARE OF PEOPLE HAVING FOUND A FIRST EVER JOB AND FIRST SIGNIFICANT JOB BY A SPECIFIC MONTH AFTER LEAVING EDUCATION (%)

	Months since leaving education					
	1	3	6	12	24	48
First ever job	27	32	40	49	55	64
First significant job	27	32	39	48	54	64

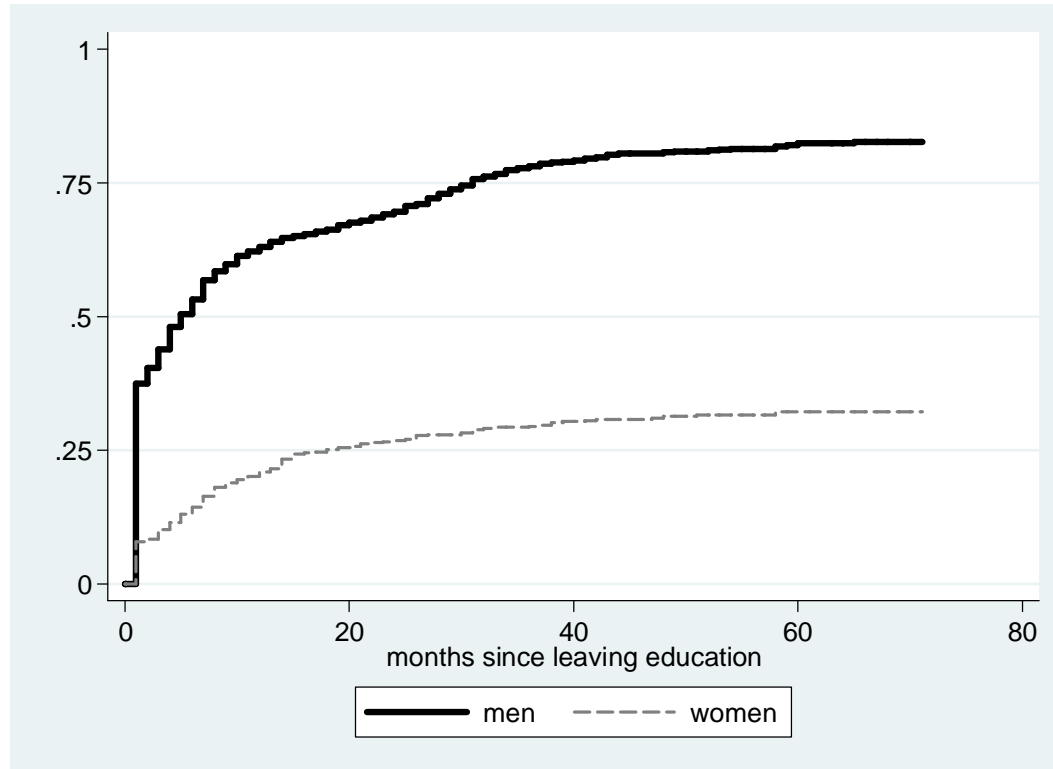
Source: Syrian Youth Transition Survey, own calculations.

In line with our aggregate analysis, we find clear gender differences. Figure 4.3 reveals that while 37% of male school leavers directly find a job, only 8% of young women do so. While more than half of all male school leavers are integrated into the labour market within the first six months, only 14% of women enter employment in the same period. While the share of young men who have found a first job increases to 81% after four years, only one third of young female school leavers are integrated into employment by this time. This clearly shows that the advantages shown by women in terms of

¹⁸ Where we know that the duration of transition is longer than the time between leaving education and the date of the interview. For example: in somebody who leaves education seven months before the interview and has not yet found a job, the job search duration will be more than seven months and has to be estimated.

educational attainment when leaving education for the first time do not translate into advantages in the speed of finding a first employment. In general, the low degree of labour market integration of women calls for an in-depth analysis of the reasons for non-employment among women – a matter that is addressed in Chapter 6.

FIGURE 4.3 SHARE OF PEOPLE HAVING FOUND A FIRST JOB BY A SPECIFIC MONTH AFTER LEAVING EDUCATION BY GENDER



Source: Syrian Youth Transition Survey, own calculations.

Education qualifications are seen as the central determinants of successful labour market integration. While the positive impact of education on the quality of employment is predicted by a number of theories such as human capital theory, the effect of education on the speed of labour market integration is less clear cut. This is because higher educated people may get better job offers but also may search more selectively. Table 4.5 shows the nexus between education and the speed of labour market integration is not clear cut. For example, a very high share of young people with first cycle (46%) or second cycle (27%) basic education immediately find a job in the first month after leaving education, while the share is much lower among university graduates (11%). A low share of early transition is also visible for graduates from general and vocational upper secondary education as well as graduates from post-secondary institutes. In a direct comparison, graduates from vocational secondary education seem to experience faster transition into the labour market compared to their counterparts from general secondary education. This is a surprising finding as vocational education is viewed as a dead-end and negatively selected in terms of student backgrounds in Syria. However, this finding is in line with the most recent findings from transition economies in Central and Eastern Europe, where vocational education and training has been shown to provide a faster route to the labour market than general secondary education, independently of the specific institutional setting of the vocational system (Kogan et al. 2010).

Young people who dropped out from the next higher education level register a high share of immediate transition. A potential interpretation is that many of them actually drop out from education because they already have a job offer. However, labour market integration of those drop outs that do not make an immediate transition is quite slow. For example, the share of successful transitions of secondary school graduates with some university qualifications increases only slightly from 52% after one month to 68% after four years. In contrast, university graduates register a substantial increase from 11% after one month to 81% after four years. However, this type of catch-up process is not observed for school leavers from post-secondary institutes. This group has the second lowest share of immediate transitions (13%) with only one third of graduates from institutes in a job after one year and only 54% after four years. A similar bad performance is observed among general upper secondary

school graduates where the majority have not found a first job after four years. In terms of speed of entry into work, these groups of post-secondary institute and general upper secondary graduates perform worse even than the lowest educated groups. Interestingly, these lowest educated groups (who have not completed upper secondary education) register a relatively speedy labour market entry. However, the question arises as to whether this speedy labour market entry comes at the cost of lower job quality. This topic is addressed in Chapter 4.

TABLE 4.5 SHARE OF PEOPLE FINDING A FIRST JOB BY A SPECIFIC MONTH AFTER LEAVING EDUCATION BY EDUCATION GROUP (%)

	Months since leaving education					
	1	3	6	12	24	48
Kindergarten/first basic	46	50	57	60	64	66
First basic + some second basic	38	43	50	61	67	72
Second basic	27	34	42	52	57	61
Second basic + some general education	32	36	42	46	49	62
Second basic + some vocational secondary	46	48	63	69	69	85
Vocational secondary	16	23	34	39	46	61
General secondary	15	18	24	32	38	47
Secondary + some institute(1-2 yrs)	24	26	28	32	44	62
Institute(1-2 yrs)	13	19	26	35	42	54
Secondary + some university	52	53	58	59	61	68
University	11	18	31	46	64	81

Source: Syrian Youth Transition Survey, own calculations.

The analysis of educational attainment in Table 4.1 shows that a substantial part of Syrian youth attained post-secondary education. In expanded post-secondary systems, the horizontal differentiation across field of study becomes important. Table 4.6 presents results on the speed of labour market integration among individuals with post-secondary qualifications from different field of studies. Health and welfare students register the quickest entry process with almost half of these students in a first job after six months; a share that increases to 90% after two years. Students in the services bracket and students of engineering, manufacturing and construction also register rapid integration, whereas humanities and arts students have the biggest problems finding a first job in Syria as do science students.

TABLE 4.6 SHARE OF PEOPLE FINDING A FIRST JOB BY A SPECIFIC MONTH AFTER LEAVING EDUCATION BY FIELD OF STUDY – POST-SECONDARY EDUCATION ONLY (%)

	Months since leaving education					
	1	3	6	12	24	48
Education	15	21	30	38	53	65
Humanities and arts	16	19	24	27	38	45
Social sciences, business and law	22	27	37	46	53	68
Sciences	19	27	32	36	46	61
Engineering, manufacturing and construction	11	18	28	48	59	76
Agriculture	15	22	22	27	42	68
Health and welfare	18	23	49	81	90	90
Services	18	36	56	56	78	78

Source: Syrian Youth Transition Survey, own calculations.

It is often argued that labour market opportunities also differ according to local labour demand and other regional conditions (Gangl 2003). Table 4.7 shows disaggregated results for the urban-rural divide and the various Syrian regions. The share of instantaneous transitions is larger in rural areas (32%) than their urban counterparts (24%). However, the probability of finding a first job increases more strongly in urban areas in the subsequent months whereby the difference becomes negligible (only 3 percentage points) after four years. Substantial differences occur also between the various

Syrian regions. The worst situation is in Al-Sweida where only 11% of young school leavers have found a job after one year and the share rises to just one quarter after four years. In Lattakia the transition into the labour market also runs very slowly and only 56% have found a job after four years. The highest rate of direct labour market entry is in Dier-er-zor but the share of first job holders remains almost constant in the subsequent months meaning that young people entering the labour market in Dier-er-zor do so directly after leaving the education system. An almost parallel pattern of labour market integration can be observed in the two big Syrian cities of Damascus and Aleppo, where almost half of all education-leavers have a job after six months. Very rapid labour market entry is registered in the rural area around Damascus.

TABLE 4.7 SHARE OF PEOPLE FINDING A FIRST JOB BY A SPECIFIC MONTH AFTER LEAVING EDUCATION BY URBAN/RURAL AREA AND DISTRICT (%)

	Months since leaving education					
	1	3	6	12	24	48
Urban	24	29	37	46	52	63
Rural	32	37	44	53	59	66
Damascus	23	38	46	51	60	67
Allepo	32	38	49	60	64	70
Rural Damascus	36	50	60	71	78	84
Homs	22	27	40	56	66	88
Lattakia	13	17	23	34	42	56
Dier-er-zor	61	61	62	63	65	66
Al-Sweida	3	4	8	11	17	23

Source: Syrian Youth Transition Survey, own calculations.

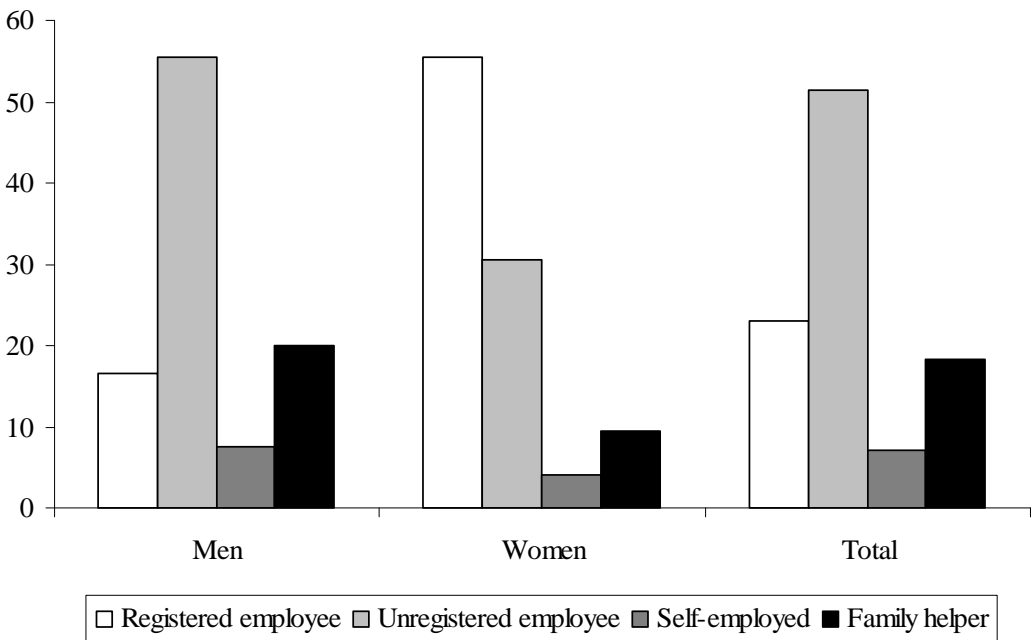
5. THE CHARACTERISTICS OF THE FIRST JOB

In the previous chapter, we analysed differences in the speed of finding a first job across different socio-demographic groups. However, rapid labour market entry does not automatically guarantee a higher quality of first job. In contrast, there might be a trade-off between entry speed and job quality. This applies when young people have to look longer for a high quality job, while low quality jobs are directly accessible. In the following section, we provide a detailed analysis of the quality of the first job found. The analyses are restricted to the 2 158 persons who actually found a first job during our observation window. We specifically address first employment status after leaving education (Section 5.1), occupational status and other employment characteristics of the first job (Section 5.2), incidence of previous employer contacts and methods of finding a first employment (Section 5.3), entry wages in the first job (Section 5.4), the incidence of education mismatches in the first job (Section 5.5) and opportunities for access to training and regular education after having left continuous education for the first time (Section 5.6).

5.1 STATUS OF FIRST EMPLOYMENT

Figure 5.1 summarizes the status of first employment by gender. Overall, it is noticeable that significant numbers of young people enter the labour market via unregistered jobs. This is in line with official statistics showing that the informal economy is of a substantial size in Syria. It also fits our explanation of the institutional situation in Syria (see Section 2.2 for details) where the preconditions for the existence of a large informal sector are met. Only one quarter of Syrian school leavers get a registered job at labour market entry, whereas about one half of all school leavers enter unregistered employment. Clear gender differences are also apparent with those women who find employment predominately entering registered work (56%), while the majority of young men start in unregistered work (55%). Self-employment or family work is taken up by twice as many young men as young women. Relatively large shares of young Syrians are engaged in family work and self-employment overall.

FIGURE 5.1 STATUS OF FIRST EMPLOYMENT (%)



Source: Syrian Youth Transition Survey, own calculations.

Table 5.1 presents the main characteristics of those young persons who started their labour market career as entrepreneurs. Young entrepreneurs predominately have no employees when starting their own business although one third will have one or two employees. Larger-scale business start-ups are very rare at labour market entry. Nevertheless, the relatively high share of entrepreneurs with employees is remarkable in view of the prevailing burdens on business start-ups and private sector firms as well as the overall weak business climate (see Section 2.3 for details). Most of the entrepreneurs were working in the professions, closely followed by shopkeepers and craftsmen. Self-employment in the professions clearly dominates among young female entrepreneurs, whereas the young shopkeepers are almost all male.

TABLE 5.1 CHARACTERISTICS OF ENTREPRENEURS IN THEIR FIRST JOB (%)

	Men	Women	Total
<i>Number of employees</i>			
None	66	100	70
1-2	29	0	26
3-5	4	0	3
6-9	1	0	1
<i>Type of work</i>			
Farmer	3	7	3
Self-employed craftsman	15	13	14
Shopkeeper	30	0	27
Street-seller	9	0	8
Industrialist	1	0	1
In the professions	31	47	33
Employee of your own company	3	0	3
Other	9	33	11

Source: Syrian Youth Transition Survey, own calculations.

Table 5.2 shows that young family workers mainly help in the agricultural sector. Half of all male family workers and almost all female family workers work for a farmer. This confirms the observation that the agricultural sector still employs a large share of workers in Syria. Male family workers also work for shopkeepers and those in the professions. Additional analyses confirm our previous observation (based on aggregate employment shares) that family workers make the quickest entry into their first employment. More than 80% of all family workers start in this kind of employment before officially leaving education or at least in the first month after leaving education.

TABLE 5.2 CHARACTERISTICS OF INDIVIDUALS ASSISTED BY FAMILY HELPERS IN THEIR FIRST JOB (%)

	Men	Women	Total
Farmer	49	94	53
Self-employed craftsman	6	3	6
Shopkeeper	21	0	19
Head of a company	1	3	1
A professional	18	0	17
Other	5	0	4
Total	100	100	100

Source: Syrian Youth Transition Survey, own calculations.

While the association between education and the speed of finding a first job is less clear cut, the obvious positive impact of education on the status of first employment is shown in Table 5.3 where only 3.3% of all graduates from secondary basic education find a registered first job compared to 76.9% of all university graduates. In contrast, the share of unregistered work and family work is highest among school leavers with less than upper secondary education. In the previous section, we observed that these low-educated groups register relatively rapid labour market entry which clearly comes at the cost of entering unregistered or family work. A similar trade-off between entry speed and opportunities for access to registered employment can be found in all dropout groups. Non-completion of education often goes hand in hand with a rapid entry into a first job, but this is most often unregistered or family work rather than registered employment. Many individuals prefer to enter paid

unregistered work over completing their education and many more opt to help out a family member rather than completing higher education degrees. Interestingly, a substantial number of dropouts start their own business with a relatively high share of self-employment among university (16.9%) and institute (16.7%) dropouts. Upper secondary vocational education marks another pathway to self-employment as almost one in five of this group starts their own business. Conversely, self-employment is extremely rare among low-educated school leavers.

TABLE 5.3 STATUS OF FIRST EVER EMPLOYMENT BY EDUCATION LEVEL (%)

	Registered employee	Unregistered employee	Self-employed	Family helper	Other
Kindergarten/first basic	1.4	64.6	3.4	29.9	0.7
First basic + some second basic	4.8	65.8	5.5	23.4	0.5
Second basic	3.3	73.2	3.6	19.6	0.4
Second basic + some general education	11.7	52.8	7.3	27.8	0.4
Second basic + some vocational secondary	5.6	55.6	13.9	25.0	0.0
General secondary	34.5	41.8	8.5	15.3	0.0
Vocational secondary	27.6	39.7	19.0	12.1	1.7
Secondary + some institute (1-2 yrs)	19.4	50.0	16.7	13.9	0.0
Institute(1-2 yrs)	58.4	28.5	6.3	6.8	0.0
Secondary + some university	23.1	44.6	16.9	15.4	0.0
University	76.9	15.1	6.8	0.8	0.4

Source: Syrian Youth Transition Survey, own calculations.

5.2 OCCUPATIONAL STATUS AND EMPLOYMENT CHARACTERISTICS OF THE FIRST JOB

Table 5.4 reveals that young male and female labour market entrants enter different occupational positions. Only 1% of all school leavers get direct access to a legislative or managerial position at labour market entry. Half of all female labour market entrants find a first job in a professional position and 12% work as clerks. In comparison, only 7% of all male first job holders enter the professions with the great majority of young males employed as service workers and in sales, craft and trade positions. Furthermore, the incidence of low-skilled employment such as plant and machinery operators, assemblers and elementary occupations is higher among men. As a general pattern, the relatively smaller numbers of women finding a first job go straight into higher occupational positions than their male counterparts. This could be because the women active on the labour market have higher education attainment levels than men and they also do not normally enter in the lower manual labour bracket. On the other hand, the discrepancy could be due to a selection mechanism whereby young women will only take a first job if it is in the higher occupation segment and they will otherwise remain unemployed or engaged in unpaid housework, whereas young men have no option other than to take up any available work.

TABLE 5.4 OCCUPATIONAL STATUS OF FIRST EMPLOYMENT BY GENDER (%)

ISCO group		Men	Women	Total
1	Legislators, senior officials and management	1	1	1
2	Professionals	7	50	14
3	Technicians and associate professionals	5	7	5
4	Clerks	5	12	6
5	Service workers and shop and market sales	20	8	18
6	Skilled agricultural and fishery workers	10	9	10
7	Craft and related trades	37	8	32
8	Plant and machine operators and assemblers	7	2	6
9	Elementary occupations	7	3	6
Total		100	100	100

Source: Syrian Youth Transition Survey, own calculations.

Table 5.5 presents descriptive results comparing the occupational status of the first job for different educational groups. We transformed the four-digit ISCO-88 occupational scheme into ISEI (International Socio-Economic Index of Occupational Status) scores (Ganzeboom and Treiman 1996). ISEI is an international measure of occupational status that attempts to rank occupational positions according to their socio-economic standing according to internationally comparable standards¹⁹. It has the advantage of providing a one-dimensional vertical scale of occupational rankings. There are hardly any differences in first job quality measured by ISEI between persons with first basic or second basic education and they tend to occupy jobs in the lowest ranks of the Syrian occupational structure. However, occupational status is much improved by the completion of upper secondary education, with this category scoring an average of almost 10 ISEI points better than their counterparts in lower educational groups. Dropping-out from upper secondary education is associated with very low occupational positions comparable to those of basic education graduates and while these students quickly find employment this tends to be in very low occupational positions. Post-secondary education clearly pays off in terms of reaching higher occupational positions. University graduates reach the highest occupational positions, with an average of 66.2 ISEI points.

A similar distribution can be seen in the share of persons gaining specific occupational positions. Whereas the share of persons acquiring a managerial or professional position (International Standard Classification of Occupations [ISCO] groups 1 and 2) in their first job lies below 3% for those with basic education only, 32.6% of people with institute education and 84.9% of higher tertiary educated people gain access to these privileged positions. In the semi-professional positions (ISCO group 3), graduates from upper secondary vocational education and institutes have the highest chances of gaining access to these positions, mainly on the basis of their vocation-specific education. Lower down the scale, between 68% and 80% of all basic education groups start as workers or in elementary occupations (ISCO groups 6-9) but they are joined by students who started but did not complete upper secondary education; a fact that is reflected in their relatively low ISEI scores.

¹⁹ The ISEI is formally defined as 'the intervening variable between education and income that maximizes the indirect effect of education on income and minimizes the direct effect' (Ganzeboom et al. 1992, pp. 10-11). It thus captures enduring differences in individual socio-economic standing.

TABLE 5.5 OCCUPATIONAL STATUS OF FIRST EMPLOYMENT BY EDUCATION GROUP (%)

	ISEI (mean)	ISCO 1-2	ISCO 3	ISCO 4-5	ISCO 6-9
Kindergarten/first basic	29.8	0.7	5.4	14.3	79.6
First basic + some second basic	31.5	0.7	2.6	19.2	77.5
Second basic	32.1	0.7	1.8	22.5	75.0
Second basic + some general education	33.3	2.6	2.6	26.4	68.5
Second basic + some vocational secondary	32.8	0.0	8.3	20.8	70.8
General secondary	40.7	9.0	5.7	48.0	37.3
Vocational secondary	38.9	3.5	13.8	41.4	41.4
Secondary + some institute (1-2 yrs)	36.9	0.0	5.6	61.1	33.3
Institute (1-2 yrs)	48.7	32.6	20.8	28.5	18.1
Secondary + some university	44.0	18.5	4.6	46.2	30.8
University	66.2	84.9	2.4	10.4	2.4
Total	38.9	15.3	5.4	24.7	54.7

Source: Syrian Youth Transition Survey, own calculations.

There were also differences in the economic sectors in which young school leavers are employed. Table 5.6 shows that 12.3% of all school leavers start work in the agricultural sector. Manufacturing, construction, the wholesale and retail trade and repair of motor vehicles, motorcycles and personal and household goods occupy almost 60% of all young men in their first employment, whereas the respective shares are far lower for women. In contrast, women are predominately active in public administration, education, health and social work.

TABLE 5.6 INDUSTRIAL STRUCTURE OF FIRST EMPLOYMENT BY GENDER (%)

	Men	Women	Total
Agriculture, hunting and forestry, fishing	12.5	11.7	12.3
Mining and quarrying	0.2	0.6	0.3
Manufacturing	19.4	10.3	17.9
Electricity, gas and water supply	0.2	0.0	0.2
Construction	19.9	2.9	17.1
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	22.3	7.1	19.8
Hotels and restaurants	2.7	0.9	2.4
Transport, storage and communication	3.7	1.4	3.3
Financial intermediation	0.4	2.6	0.8
Real estate, renting and business activities	2.7	3.4	2.8
Public administration and defence; compulsory social security	6.8	11.4	7.6
Education	3.2	35.9	8.5
Health and social work	1.1	6.8	2.0
Other community, social and personal service activities	4.6	5.1	4.7
Private households with employed persons	0.3	0.0	0.3
Extra-territorial organizations and bodies	0.1	0.0	0.1
Total	100.0	100.0	100.0

Source: Syrian Youth Transition Survey, own calculations.

The overrepresentation of women in specific industries such as education, public administration, social services, health and social work may be interpreted as a first indication that women who decide to work and who find employment are often employed in the public sector. This is confirmed in Table 5.7, which shows that 60.3% of all women work in the public sector in their first job. There are clear gender differences in access to public sector employment. Only 18.1% of all men work in the public sector in their first employment. Additional analyses show that access to public sector employment is mainly a privilege for better educated job entrants: only 4% of job entrants with secondary basic education find public sector employment, against 37% for general upper secondary graduates and 33% for vocational upper secondary graduates. The highest share of public sector employment goes to students who have completed post-secondary education: 75% of all university graduates start their first employment in the public sector, as do 61% of all institute graduates.

In previous times, an institute education was viewed as a secure route to public employment, but nowadays almost 40% of institute graduates are engaged in private enterprises. Dropping out from education appears to be a stumbling block to public employment at all education levels.

TABLE 5.7 OTHER CHARACTERISTICS OF FIRST EMPLOYMENT BY GENDER (%)

	Men	Women	Total
<i>Public sector employment (%)</i>	18.1	60.3	26.0
<i>Firm size (%)</i>			
1-2 employees	31.0	15.8	29.5
3-5 employees	44.8	34.2	43.7
6-9 employees	12.7	20.8	13.5
10-49 employees	9.6	20.8	10.7
50-199 employees	1.8	5.8	2.2
200-499 employees	0.1	0.8	0.2
500 or more employees	0.1	1.7	0.3
<i>Supervisory status (%)</i>	6.8	7.0	6.9
<i>Working hours/week (mean)</i>	47.8	38.5	46.3
<i>Part-time employment (%)</i>	4.6	4.0	4.5
<i>Main reason for part-time employment (%)</i>			
No full-time job found	8.4	28.6	11.3
Combining studies and jobs	81.9	35.7	75.3
Professional reasons	4.8	14.3	6.2
Personal or family reasons	4.8	21.4	7.2
<i>Type of contract (%)</i>			
Work contract of unlimited duration	13.1	50.1	19.1
Temporary/seasonal contract	2.4	7.1	3.2
No contract	84.0	42.7	77.3
<i>Main reason for no contract/temporary work (%)</i>			
No permanent contract found	37.2	51.4	38.6
Own decision	6.1	3.4	5.8
Other reasons	56.8	45.1	55.6

Source: Syrian Youth Transition Survey, own calculations.

Regarding the size of the first employer, we find that almost three out of four young Syrians start employment in a small enterprise of up to five employees. Employment in middle-sized and larger firms is less common; a fact that is also related to the dominance of small business in the Syrian economy. This small firm size means that there are only small possibilities for the new worker to take up supervisory functions over other employees and only 7% of respondents have this type of responsibility at the beginning of their working career.

Young Syrian men tend to work almost ten hours longer than young Syrian women in the average number of hours worked per week. A gender comparison of part-time²⁰ work indicates that the shorter working week of women cannot be explained by a higher incidence in part-time employment among women, as part-time work is not common among job entrants. Only 4.5% of respondents work part-time and most of those accepting a part-time job do so in order to combine work and studies. About one quarter of all women working part-time can be classified as involuntary part-time workers as they would prefer a full-time job if they could find one. Women frequently mentioned personal and family reasons for working part-time.

The vast majority of young Syrians are working without a written contract. This situation is very common among male job entrants, although half of all female job entrants find work contracts of limited duration. This gender gap can be explained by the high share of public sector employment among women in a country where public sector employment is almost the only way of getting a permanent contract. More detailed analysis shows that more than 90% of job entrants in the private sector do not get any written contract, while written temporary or seasonal contracts are relatively uncommon in the private sector although they are used in the public sector. Only about 3.2% of Syrian workers have a temporary or seasonal contract. In the Syrian context, where there is a strong informal sector and wide reliance on non-contracted work, this type of flexible work arrangement is a minor player. When young labour market entrants are asked why they accept non-contract or temporary work, many stated that permanent jobs were simply not available and that they had therefore been obliged to accept non-contract or temporary work. Only a small minority claimed that they did not want a permanent job.

5.3 PREVIOUS EMPLOYER CONTACTS AND METHODS OF FINDING A FIRST JOB

From a theoretical point of view, the labour market entry process can be interpreted as the result of a two-sided allocation mechanism between the job seeker and the employer (Mortensen and Pissarides 1999, Sørensen and Kalleberg 1981). Information flows are assumed to be incomplete in this matching process and the question arises as to how matches finally form. Connections may already exist between the job seeker and the employer before the match is formed. Table 5.8 summarizes the incidence and characteristics of such pre-existing work or personal connections between the enterprise and the job entrant. The results show that about 14% of young men and about 7% of young women had already worked for or trained in the company before starting their first job after leaving education. Young men often worked during school holidays or in a temporary capacity (combining work and study) in the company. Young women mainly completed apprenticeships or training periods in the company before getting hired. The great majority of young men had family members, friends or acquaintances in the enterprise before they were hired although personal links to other employees before being hired were less common among young women.

²⁰ Part-time employment is defined as working less than 20 hours per week in the Syrian Youth Transition Survey.

TABLE 5.8 PREVIOUS WORK AND PERSONAL CONNECTIONS TO THE ENTERPRISE

	Men	Women	Total
<i>Previous work or training activity in the company</i>			
Yes, once	3.7	3.4	3.7
Yes, several times	9.4	3.4	8.4
No	86.9	93.2	87.9
<i>Type of previous work and training activity</i>			
Apprenticeship	3.0	20.8	4.6
Training period	13.5	33.3	15.3
Holiday job	56.5	25.0	53.6
Temporary worker	16.9	8.3	16.1
Another employee	4.2	4.2	4.2
Other	5.9	8.3	6.1
<i>Knowing somebody before entering the company</i>			
Family member	26.9	12.5	24.6
Friend or acquaintance	34.5	17.1	31.7
No	38.6	70.4	43.8

Source: Syrian Youth Transition Survey, own calculations.

The important role of previous work and personal connections can also be seen when we investigate methods for finding a first job. The overwhelming majority of young Syrian men found their job via family and friends (see Table 5.9). Thus, informal job-finding methods play an important role at labour market entry in Syria. The informal networks clearly help resolve the special information problems that exist at labour market entry: employers cannot be aware of the productivity and employability of a young job applicant with no previous work experience and the young job applicant has incomplete information on the existence and characteristics of vacancies. However, an allocation process based on family and friendship ties does not necessarily guarantee that the best available worker is allocated to the vacant position. These informal networks also play an important role when finding a first job for young Syrian women, but many of them also have to undergo competitive examinations to secure a first job. Jobs in the public sector are often filled based on competition, and these are the jobs women seek. Official organizations such as employment agencies and schools play almost no role in the transition to employment. From the purely theoretical point of view and on the basis of experiences in other countries, both employment agencies and schools could play a bigger role in bringing young school leavers into work (Rosenbaum et al. 1990). For example, public employment agencies have the potential to match job seekers with vacant positions where no informal ties exist, whereas schools could provide employers with detailed information on the skills of school leavers and could act as 'screening agencies' in selecting suitable job candidates for employers seeking new employees.

TABLE 5.9 METHOD FOR FINDING A FIRST JOB

	Men	Women	Total
Unprompted application after being given information by a third person	6.8	4.6	6.4
Unprompted application without any prior information	2.3	3.4	2.5
Family contacts	29.1	13.7	26.6
Personal friends	40.5	22.5	37.5
Professional contacts	2.4	0.3	2.0
Contacted by the company	3.6	6.3	4.0
Through an official organisation	1.2	4.0	1.6
Through your school	0.1	0.3	0.1
Through an advertisement	2.2	4.6	2.6
Through competitive examination	3.6	30.5	8.0
Through a start-up of own business	5.0	3.1	4.7
Other	3.4	6.8	4.0
Total	100.0	100.0	100.0

Source: Syrian Youth Transition Survey, own calculations.

5.4 WAGES IN THE FIRST JOB

Wages are an important indicator of the quality of the first job obtained. In the following section, we analyse the entry wage in terms of monthly net salary (i.e. take-home pay) when beginning first employment. Using information from respondents on average working hours per week, we also generated a variable for net hourly wage to allow for differences in working hours related to form of employment and socio-demographic group. Inflation was accounted for using information from the average yearly consumer price index to the base year 2009. Table 5.10 shows an average net monthly wage of SYP 9 048 and an average net hourly wage of SYP 50. More detailed analyses show that 10% of all first job entrants at the lower tail of the wage distribution curve declare earnings of less than SYP 3 655 per month, while the next 25% up earn less than SYP 6 000. This gives clear indications that a substantial share of Syrian youth earn below the official minimum wage developed in Syria (see Section 2.5).

More detailed analysis of entry level wages for those who started a first employment in 2008 shows that about 27% earned less than the average minimum wage of SYP 6 000 and a further 14% earned exactly the minimum wage. The degree of non-compliance with payment of the minimum wage is almost negligible in the public sector (only about 4% of job entrants here in 2008) a fact that clearly implies non-compliance is mostly an issue restricted to the private sector. Interestingly, the degree of non-compliance with the minimum wage in the small formal private sector is only around 5%; almost as low as in the public sector, meaning that non-compliance is mainly an issue related to the informal private sector.

At the upper end of the wage distribution curve, 25% earn more than SYP 10 884 and 10% have entry wages of more than SYP 14 620. Wages differ according to employment status and the self-employed clearly stand out with the highest average net monthly wage, earning more than registered employees on a monthly basis. However, their longer average working hours mean that net hourly wages are slightly lower. Unregistered employees tend to earn less than registered employees and the difference is even more pronounced in terms of net hourly wages. Family helpers have by far the lowest pay, with an average entry wage of SYP 5 993.

Job entrants in the public sector receive a clear wage premium compared to their counterparts in the private sector, in line with previous findings (see, for example, Kabbani 2009). Again, the difference is more pronounced in terms of hourly wages. This premium for public sector pay, in terms of monthly pay, is mainly related to a lower share of earnings below the minimum wage level. At the upper end of the wage distribution curve, these public sector wage premiums (in terms of monthly pay) diminish and even present an inverse relationship. For example, the top 25% of wage earners in the public sector

take home more than SYP 12 925 compared to SYP 10 277 in the private sector but the differences diminish in the higher percentiles: the top 10% of wage earners take home more than SYP 14 902 in the public sector compared to SYP 14 202 in the private sector, while the top 1% take home SYP 21 929 in the public sector compared to SYP 20 408 in the private sector. Women have higher wages on average, which might be related to their predominance in the public sector and higher levels of education.

TABLE 5.10 AVERAGE NET MONTHLY AND HOURLY WAGE IN THE FIRST JOB BY JOB CHARACTERISTICS AND GENDER (SYP)

	Average net monthly wage	Average net hourly wage
<i>All first jobs</i>	9 048	50
<i>Employment status</i>		
Registered employee	11 062	68
Unregistered employee	8 666	45
Self-employed	13 406	64
Family helper	5 993	36
Other	5 337	40
<i>Firm ownership</i>		
private sector	8 822	45
public sector	11 092	71
<i>Gender</i>		
Men	8 759	46
Women	10 536	70

Source: Syrian Youth Transition Survey, own calculations.

Note: Wages adjusted for inflation in line with consumer price index (2009=100).

We find a strong impact of level of education on both average net monthly wage and average net hourly wage (Table 5.11). For example, wages for university graduates are on average 107% higher than the wages of those with only primary education. Additional analysis shows an average return of 5.6% on an additional year of education, clearly demonstrating that investment in education pays off²¹. Staying longer in school results in higher wages and the rule remains constant even in terms of additional months and years spent in education without completing the level. The only group to break the positive education level to wage pattern are graduates from upper secondary vocational education who are disproportionately rewarded, coming in second highest paid behind university graduates. Obviously, the vocational skills acquired at upper secondary level are valued by the employer, and employers are willing to pay far higher wages for these graduates than to general secondary graduates who spent an identical amount of time in the education system.

²¹ This simplified calculation is based on a log-wage regression using actual years of education. The actual years of education were calculated as the difference between the date of leaving education and primary education entry age (six). Corrections for labour market experience were not necessary because only labour market entrants were considered.

TABLE 5.11 AVERAGE NET MONTHLY AND HOURLY WAGE IN THE FIRST JOB BY EDUCATION GROUP (SYP)

	Average net monthly wage	Average net hourly wage
Kindergarten/first basic	6 614	33
First basic + some second basic	7 262	39
Second basic	7 870	37
Second basic + some general education	8 507	44
Second basic + some vocational secondary	9 469	51
General secondary	8 822	47
Vocational secondary	12 838	65
Secondary + some institute (1-2 yrs)	9 262	59
Institute(1-2 yrs)	10 754	63
Secondary + some university	10 744	72
University	13 691	86

Source: Syrian Youth Transition Survey, own calculations.

Note: Wages deflated with consumer price index (2009=100).

Additional analyses show that average hourly net wages also vary according to field of study among graduates from post-secondary education. Humanities and arts students can expect the highest hourly pay followed by students from engineering, manufacturing and construction²². Education science, science and social sciences, business and law students have the lowest average net hourly wage in their first job. However, monthly net wage differentials between fields are less pronounced when compensation is made for differences in working hours.

5.5 EDUCATION MISMATCH IN THE FIRST JOB

This section provides analysis of the quality of fit between the formal education provided by the Syrian education system and the qualifications required in the labour market in view of the fact that differences between attained and required qualifications can induce education mismatches in the labour market.

Table 5.12 shows the degree of vertical education mismatch by comparing the education level of respondents with the minimum level of education required by the employer. Sensitivity analyses show that similar results can be obtained using self-assessment of the education requirements provided by respondents. Care must be taken in interpretation of this information as both measures of education requirements assessed by the respondent are somewhat subjective.

Table 5.12 presents results on the degree of vertical education mismatch. The figures given in bold show points of good match between the level of education formally completed and the required level. The percentages to the left of each bold figure sum to the share of persons over-qualified for their first jobs and the percentages to the right sum to the share of persons under-qualified for their first job. For example, 15% of all graduates with secondary basic education started in a first job that required secondary basic education. All the remaining members of this level of education are classified as over-qualified because they are employed in jobs that could also be done by those with no literacy skills (19%), those who can read and write but did not complete first basic level (58%) or those with first basic education (7%). No graduates with secondary basic education started in a position for which they were under-qualified.

²² The high wages among graduates from humanities and arts compared to other fields of study may be related to the fact that students from humanities and arts frequently remain unemployed and do not accept lower (manual and elementary) occupational positions if they have problems finding appropriate high-skilled jobs (Table 4.6 shows the very high share of humanities and arts students who have not yet found a first job after four years). In contrast, students from fields such as engineering may prefer to accept lower occupational positions as a last resort instead of becoming unemployed even though this leads to lower wages.

Surprisingly, the degree of over-qualification decreases as the level of education increases; over-qualification is a serious issue for those with less than upper secondary education while about one third of all general and vocational upper secondary graduates attain matching jobs. The share of match increases to 62% among institute graduates and 83% among university graduates despite the relatively high share of people with post-secondary qualifications. This would seem to imply that there are many jobs that require high levels of education. Dropouts, i.e. persons who do not complete a higher education level, are more often over-qualified in their first job, for while dropouts often enter a first job quickly, as was seen earlier in this report, this comes at the cost of a higher risk of over-qualification as is clearly shown in the education match analysis.

TABLE 5.12 EDUCATION LEVEL MISMATCH IN THE FIRST JOB: MINIMUM LEVEL OF EDUCATION REQUIRED BY EMPLOYER BY LEVEL OF EDUCATION OF THE JOB ENTRANT (%)

	Illiterate	Read + write	First basic	Second basic	Gen. sec.	Voc. sec.	Institute (1-2 yrs)	University
Kindergarten /first basic	39	54	5	1	0	0	0	0
First basic + second basic	30	60	9	1	1	0	0	0
Second basic	19	58	7	15	0	0	0	0
Second basic + some general secondary	23	41	17	15	2	1	0	1
Second basic + some vocational secondary	21	40	21	10	3	6	0	0
General secondary	9	33	6	15	34	3	1	0
Vocational secondary	5	28	3	22	5	36	0	0
Secondary + some institute	8	36	11	17	19	6	3	0
Institute (1-2 yrs)	4	13	3	5	10	2	62	1
Secondary + some university	9	14	8	12	37	2	5	14
University	0	2	1	1	7	0	6	83
Total	18	40	8	8	7	2	7	10

Source: Syrian Youth Transition Survey, own calculations.

Note: 'Illiteracy' and 'read and write' represent two additional education categories for use in evaluation of the required education level in the job. These categories are used to describe a person who can neither read nor write (illiteracy) or a person able to read and write but who did not complete primary or any other formal level of education.

Whereas Table 5.12 shows the degree of vertical education mismatch, Table 5.13 presents results on horizontal mismatch defined as the degree of difference between the field of study of the respondent and the field of study required by the employer. Results for lower education levels are not shown as field of study is only relevant in vocational secondary and post-secondary education.

In general, the degree of horizontal mismatch is very low although vocational secondary graduates and post-secondary education dropouts often enter positions that do not require a specific field of study as these jobs require lower (general oriented) levels of education. Graduates from institutes and universities find work easier in their own field of study or a related field. Thus, higher educated job entrants suffer from a relatively low degree of vertical education mismatch and they also register almost no mismatch by field of study.

TABLE 5.13 EDUCATION FIELD OF STUDY MISMATCH IN THE FIRST JOB: FIELD OF STUDY REQUIRED BY EMPLOYER BY LEVEL OF EDUCATION OF THE JOB ENTRANT – POST-SECONDARY EDUCATION ONLY (ROW %)

	Exclusively my own field	My own or a related field	A (completely) different field	No specific field	Total
Vocational secondary	19	16	2	64	100
Secondary + some institute	6	14	6	75	100
Institute (1-2 yrs)	45	22	2	31	100
Secondary + some university	17	22	3	58	100
University	73	17	0	10	100
Total	49	19	2	31	100

Source: Syrian Youth Transition Survey, own calculations.

Table 5.14 shows the last step of the education matching analysis, showing how individuals assess the usefulness of the education they have attained to their job. This allows for consideration of the fact that even a worker classified as over-qualified for the post may find themselves or their employer making use of their additional skills to fulfil other tasks. In fact, only 15% of all first job entrants subjectively assessed the formal education acquired in school as very useful in fulfilment of the tasks involved in their job. Disregarding dropouts, the higher the education attained the higher is the share of young entrants who find their acquired education useful.

The share of job entrants claiming that they do not use their formal education at all is high among the lowest educated, with 31% of first job entrants with first basic education and 25% of first job entrants with second basic education reporting that their acquired formal education was of no use at all in their work. At the secondary level, the usefulness of vocational education is classed as being of higher usefulness than general education. Entrants with university degrees think that their education is very useful (67%) or useful (28%), with a substantially lower rate for dropouts from higher education levels. Only 3% of dropouts from institutes and 20% of dropouts from universities classify their formal education as very useful. This is not surprising really, considering that they opted to leave higher education before completion and to claim that their formal education was useful in their first job would have been contradictory.

TABLE 5.14 USEFULNESS OF EDUCATION IN THE FIRST JOB, SELF-ASSESSED BY RESPONDENT (%)

	Very useful	Useful	Not very useful	No use	Total
Kindergarten/first basic	1	12	56	31	100
First basic + second basic	2	17	44	37	100
Second basic	2	34	38	25	100
Second basic + some general secondary	4	19	41	37	100
Second basic + some vocational secondary	3	25	33	39	100
General secondary	13	37	27	23	100
Vocational secondary	26	34	24	16	100
Secondary + some institute	3	31	25	42	100
Institute(1-2 yrs)	38	42	11	9	100
Secondary + some university	20	20	14	46	100
University	67	28	2	2	100
Total	15	26	32	27	100

Source: Syrian Youth Transition Survey, own calculations. Rounding leads to sums larger than 100.

The overall pattern is for a somewhat high degree of vertical mismatch at lower education levels and among dropouts from higher education with a substantial number of young people stating that their acquired formal education was not useful at all in their first job. However, self-assessments do imply some degree of subjectivity and these results should not necessarily be interpreted as a signal of an education system that is not functioning well. Having said that, the results provide indications that further investigation is needed of the labour market usefulness and quality of skills taught in schools. Our results have shown graduates of labour market-oriented upper secondary vocational education are more likely to classify their education as 'very useful' than are graduates of general upper secondary education.

The high degree of over-qualification and low use of formal education should not be interpreted as evidence that the skills taught in school are not required in the labour market. It may well be that the entry level jobs do not allow school leavers to deploy the full range of skills learned in school. This problem could be resolved by upgrading the occupational structure, i.e. the substitution of low-skilled job positions with skilled job positions. Moreover, additional analysis of our data shows that job entrants are better able use their educational skills when they run their own businesses and far more self-employed private sector workers classify their education as having been useful than do unregistered workers in the same sector.

5.6 TRAINING AND REGULAR EDUCATION AFTER LEAVING CONTINUOUS EDUCATION

We have seen that formal education acquired before entering the labour market plays an important role at labour market entry and research has shown that investment in education and training after labour market entry is a central determinant of upward career mobility (Becker 1964). Table 5.15 shows the relatively small share of young people participating in further training²³ funded by their employer after entering their first job: 3.7% of men and 5.1% of women, even though many individuals move on to a second job fairly quickly. The incidence of employer-related further training is higher for the better educated groups, operating in a manner complementary to formal education. This situation further deepens the qualification divide in Syrian youth as the lower educated are almost totally excluded from any form of employer-related further education. The main purpose of this further training is to adapt the young employee better to the new job or to train them in a new technique. Perhaps unsurprisingly, further training funded and/or organized by the employer is highly firm-specific and is very seldom general in character. Employee training in preparation for another job within the company is almost non-existent, providing initial indications that there is little job mobility within firms. This can be related to the fact that most job entrants are employed in small enterprises.

²³ Further training is defined as training courses financed and/or organized by the employer, excluding training related to a qualification or apprenticeship contract.

TABLE 5.15 INCIDENCE AND PURPOSE OF FURTHER TRAINING FINANCED AND/OR ORGANIZED BY THE EMPLOYER

	%
<i>Incidence by gender</i>	
Men	3.7
Women	5.1
<i>Incidence by education group</i>	
Kindergarten/first basic	1.4
First basic + second basic	3.3
Second basic	5.4
Second basic + some general secondary	3.3
Second basic + some vocational secondary	1.4
General secondary	4.0
Vocational secondary	3.5
Secondary + some institute	5.6
Institute (1-2 yrs)	3.2
Secondary + some university	7.7
University	6.0
<i>Purpose of training</i>	
Adapt to your job	42.9
Train you in a technique	39.3
Prepare you for another job	1.2
Upgrade your skills	11.9
Provide computer skills	2.4
Other	2.4

Source: Syrian Youth Transition Survey, own calculations.

Thus, most young employees are excluded from the type of employer organized and/or financed further education viewed as important to further upward career mobility. An alternative strategy for individuals would be to re-enter regular education in order to upgrade skills. Additional analyses reveal that job entrants who are not given further training on the job are particularly likely to attend regular education either in schools or in private or public training centres. However, the share of people attending formal education after initially leaving education is rather low at about 4%. In contrast to further education, there is no clear connection to previous level of education in this group, although detailed analyses show many of these students are education dropouts attending regular education for the first time since they initially left the system. This could either be related to the fuzzy labour market transition process for dropouts or to some of these non-completers returning after a period of work experience to finish the last education level they had started.

6. EARLY CAREER MOBILITY AND CURRENT EMPLOYMENT SITUATION

In the previous analyses we found a relatively stable employment pattern where 98% of all first ever jobs are also first significant jobs of more than six months duration. More detailed insights into early career mobility processes can be made through analysis of the changes between the first job and current labour market status (at the time at the interview). However, the school leaver survey design limits this period to a maximum of five years, so the outcomes must be viewed with care. Surprisingly, only 3% of all respondents who had found a first job were not in employment at the time of the interview, although not all were in the same job. Some respondents had lost their first job and re-entered employment, but 94% of our sample of Syrian job entrants were still in their first job at the time of interview. This level may be somehow related to the medium-sized observation window of a maximum of five years, but the result clearly shows a very high degree of employment stability in the early career of our respondents. Apparently, once young Syrians have entered their first job, they almost never lose this during the first years of their career. One potential explanation for the high job stability among registered workers could be the strong employment protection legislation in Syria, but perhaps surprisingly, similar levels of job stability are also observed for unregistered work, non-contractual work, over-qualified work and low quality jobs; all elements that are generally viewed as central stumbling blocks to stable employment.

Our results from the job entry analysis showed difficult labour market integration for many Syrian young people, demonstrating clearly that the main hurdle in finding initial stable employment in Syria lies in finding employment at all. Once an individual has entered the labour market, employment is relatively secure, independent of the type of first job found. This is a typical sign of the insider-outsider labour market model often found in Mediterranean countries.

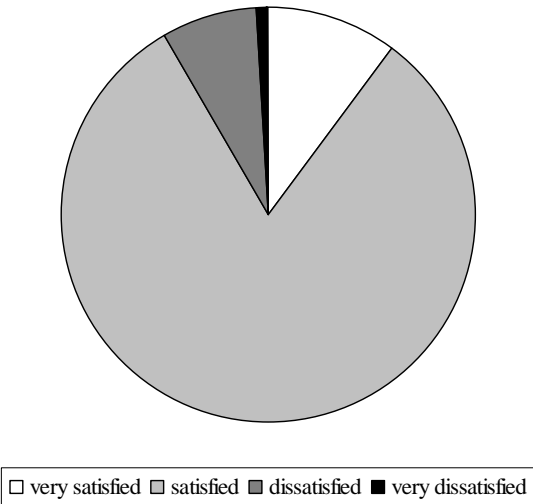
We found few mobility processes occurred after a first job was found but some of the characteristics of the first job found changed over time.

Detailed analyses showed that about 91% of all entrants in registered employment remained registered workers; only 4% became unregistered workers and only 1% was unemployed at the time of interview. Among job entrants in unregistered jobs, the current unemployment rate was slightly higher (2%) and only 3% were able to access registered work, whereas the overwhelming majority remained in unregistered jobs (94%). Self-employed job entrants (entrepreneurs) and family workers reported higher mobility, but the non-mobile element was very large (about 85% for entrepreneurs and 90% for family workers). Among the entrepreneurs, about 5% were found in dependent registered work and 7% in dependent unregistered work at the time of interview. About 7% of family workers gained access to the paid dependent work segment.

Only 5% of all first job entrants experienced a change in their ISEI occupational status by the time of interview and the number of upward moves in the occupational structure far exceeded the number of downward moves. Greater mobility is taking place in terms of wages. When comparing the starting net wage adjusted for inflation with the current net wage, the vast majority (75%) of young Syrians experienced downward wage mobility (losing an average of SYP 2 750). However, the strong decrease in terms of real wages is either related to recall bias with regard to the starting wage (i.e. respondents simply state their current wage as their starting wage) or is related to the fact that starting wages are fixed in Syria and not adjusted in line with inflation. These explanations are based on the fact that about 80% of respondents who had a first job stated identical starting net wages and current net wages, i.e. no nominal wage change. This applies both to hourly and monthly nominal wages. The comparison of non-inflation adjusted wages shows that about 10% experienced downward wage mobility (losing an average of SYP 3 270) and about 10% experienced upward wage mobility (gaining SYP 3 800 on average) during the first months or years of their early career. Thus, even if we do not correct for inflation losses, starting wages did not increase substantially on a monthly basis and remained constant on an hourly basis.

Given the high coincidence between the characteristics of the first job and the current job, the results on the characteristics of the first job given in Chapter 4 also apply to the current job situation. The following section therefore contains only analysis of the information collected on the current job and not the first job. For example, respondents were asked about overall satisfaction with their current employment situation at the time of interview. Figure 6.1 shows that the overwhelming majority of young Syrians were satisfied (81%) or even very satisfied (10%) with their current job. However, this outcome must be considered with caution as the remaining 9% were dissatisfied with their job and a negligible number were very dissatisfied.

FIGURE 6.1 JOB SATISFACTION WITH CURRENT EMPLOYMENT SITUATION



Source: Syrian Youth Transition Survey, own calculations.

The high degree of satisfaction with current employment is also reflected in the share of young employed workers looking for another job. Only about 10% of all young Syrians currently in employment report looking for another job. Table 6.1 shows the three main reasons given by employed workers for seeking another job were: being afraid of losing their present job (26.5%); wanting a job that better fits their qualification level (19.2%) and, most importantly; looking for better working conditions in terms of salary, work schedule, commuting time, etc. (40.6%). Only 7.3% view their current job as transitional and only a very small proportion of young employed people overall are seeking a new job because they think that they will lose their current job or that their job is only transitional. This supports the general finding that employment seems to be secure in Syria once a first job is found. Furthermore, the vast majority of all employed young people (90%) are not actively searching for another job; giving another indication of the high degree of job stability.

TABLE 6.1 REASONS FOR SEARCHING FOR ANOTHER JOB AMONG CURRENTLY EMPLOYED WORKERS (%)

	%
Afraid of losing the present job	26.5
Looking for another job that better corresponds to your qualifications	19.2
Looking for a job with more working hours per week	1.8
Looking for a job with fewer working hours per week	1.8
Looking for better working conditions (e.g. salary, schedule)	40.6
Looking for additional job (to supplement the present one)	2.7
Considering present job as a transitional one	7.3
Total	100.0

Source: Syrian Youth Transition Survey, own calculations.

7. DETERMINANTS OF UNEMPLOYMENT AND OCCUPATION IN UNPAID HOUSEWORK AFTER LEAVING EDUCATION

In the two previous chapters we analysed the situation of young Syrians who found a first job and who were still holding a job at the time of interview. However, a substantial number of young Syrians, particularly young women, had not entered employment at all after leaving education (at least by the date of interview). Table 7.1 shows that at the time of interview (up to five years after leaving education for the first time) only 71.8% of young men and 26.5% of young women were employed. Almost one in four of the young men and almost every second young women responding to the survey were unemployed. Unpaid housework was the main activity of almost one quarter of young women, while almost no young men take on this role. Interestingly, there was no linear relationship between level of education and employment status at the time of interview. High employment rates of more than 60% were found both among school leavers with first basic education and school leavers with some level of university education. Employment rates are higher among upper secondary vocational graduates (51.9%) than upper secondary general graduates (38.2%) and graduates of post-secondary institutes experience rather low employment and very high unemployment rates (48.4%). Unemployment rates are also very high among secondary school graduates, while the share of unpaid housework is relatively high among all levels of basic school leavers.

TABLE 7.1 ACTIVITY STATUS AT TIME OF INTERVIEW BY GENDER AND EDUCATION GROUP (ROW %)

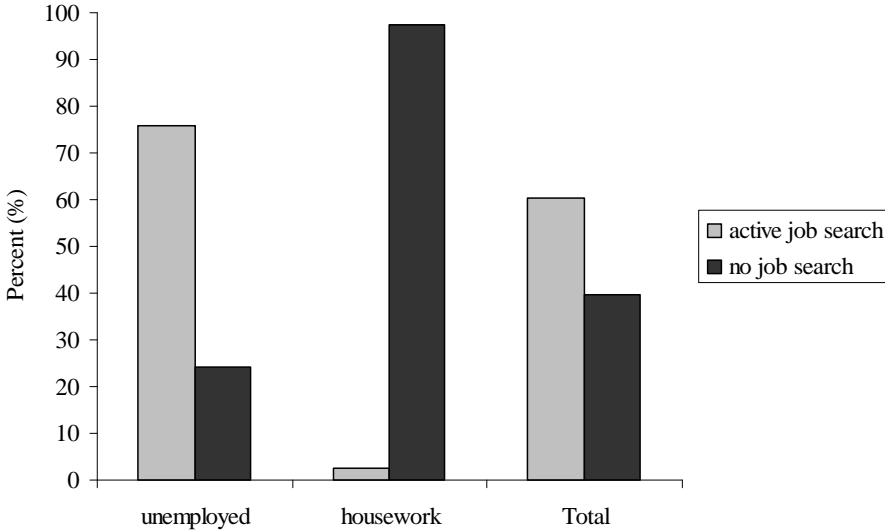
	Employed	Unemployed	Unpaid housework	Other activity	Total
<i>All</i>	56.2	33.0	8.9	1.9	100.0
<i>Gender</i>					
Men	71.8	25.4	0.2	2.7	100.0
Women	26.5	47.5	25.4	0.5	100.0
<i>Education group</i>					
Kindergarten/first basic	63.6	18.4	15.4	2.6	100.0
First basic + some second basic	65.9	21.9	10.4	1.8	100.0
Second basic	55.5	27.7	16.2	0.6	100.0
Second basic + some gen. sec.	53.4	36.8	7.2	2.7	100.0
Second basic + some voc. sec.	80.2	12.1	7.7	0.0	100.0
General secondary	38.2	49.4	9.8	2.5	100.0
Vocational secondary	51.9	37.5	5.8	4.8	100.0
Secondary + some institute	47.4	42.1	9.2	1.3	100.0
Institute (1-2 yrs)	46.9	48.4	3.2	1.5	100.0
Secondary + some university	62.0	25.0	7.0	6.0	100.0
University	61.4	35.6	2.0	1.0	100.0

Source: Syrian Youth Transition Survey, own calculations.

In the following section, we investigate job search behaviour among individuals with no employment experience since leaving education. Job search behaviour among non-employed youth clearly depends on their activity status and about 75% of all unemployed young people have been actively seeking paid employment since leaving continuous education, whereas only about 3% of women engaged in unpaid housework have been doing so. Additional analysis shows that only 8% of young women occupied in unpaid housework think there are no jobs they could do in the immediate area and only 2% think they are not properly qualified or are too inexperienced for work. Thus, only a small fraction of inactive women can actually be classified as ‘discouraged workers’ (inactive because they think that they will not find employment) as the vast majority of ‘inactive’ women cite marriage, child-raising, or other personal or family reasons as the main reason why they are not actively looking for work.

The 25% of unemployed youth who did not actively search for employment while unemployed can be classified as ‘discouraged workers’. About 40% of this group think there are no jobs available in their immediate area, 14% think that they are not properly qualified and 18% think that they are too inexperienced for work. Family-related reasons for not searching for a job apply only to about 15% of this group. Thus, the majority of all non-job seeking unemployed are discouraged workers and only a small number are not searching due to family constraints.

FIGURE 7.1 SHARE OF UNEMPLOYED AND PERSONS OCCUPIED IN UNPAID HOUSEWORK BY JOB-SEEKING BEHAVIOUR



Source: Syrian Youth Transition Survey, own calculations.

Table 7.2 investigates the impact of marriage and children on the labour force activity of women in more detail²⁴. There is evidence to show women from different educational backgrounds must be considered separately. Women with only primary education follow the traditional pattern with employment rates highest among single women (18.5%) while almost no married women (only 5.6%) or married women with children (only 3.6%) are working in the labour market. In the two latter groups, traditional unpaid housework clearly dominates their time commitments. There is a clear trade-off between family duties and labour market engagement among lower educated women in Syria and there is no cultural model or real possibility of young women combining family and work.

However, this traditional pattern is less prevalent among secondary educated women and women with post-secondary education in particular. For example, the employment shares of single women with post-secondary qualifications and married post-secondary educated women with children are identical (42.9%). It is evident that many young Syrian women with post-secondary education are able to combine work and family commitments, and we know that this is made possible largely because the married women with children are almost all working in the public sector, which has specific regulations and working conditions that allow for this combination. Single women with higher education are almost

²⁴ Table 7.1 does not include unmarried women with children because births out of wedlock are very rare in Syria as they are in all other Middle Eastern countries (Salehi-Isfahani and Dhillon 2008).

never engaged in unpaid housework (only 1.1%) and they registered and classified themselves as unemployed (about 55%) when they did not find a job.

TABLE 7.2 ACTIVITY STATUS AT TIME OF INTERVIEW BY MARITAL STATUS AND EDUCATION GROUP – WOMEN ONLY (ROW %)

	Employed	Unemployed	Unpaid housework	Other activity	Total
<i>Primary education</i>					
Single	18.5	31.9	49.0	0.6	100.0
Married without children	5.6	11.1	83.3	0.0	100.0
Married with children	3.6	25.0	71.4	0.0	100.0
<i>Secondary education</i>					
Single	16.5	68.1	14.7	0.7	100.0
Married without children	8.1	32.4	59.5	0.0	100.0
Married with children	12.3	36.8	50.9	0.0	100.0
<i>Post-secondary education</i>					
Single	42.9	55.5	1.1	0.5	100.0
Married without children	26.5	46.9	26.5	0.0	100.0
Married with children	42.9	39.1	17.1	1.0	100.0

Source: Syrian Youth Transition Survey, own calculations.

Among workers actively looking for a job (most of whom were unemployed) finding a full-time job in the public sector was the main goal (56%). They especially prefer office jobs or teaching work. This observation falls in line with previous findings that show a very high preference for public sector jobs among the unemployed youth of Syria (Kabbani 2009). About one third have no preference on the type of employment sought and only 1% is willing to become self-employed.

A comparison of Table 7.3 and Table 5.9 shows that job search methods among non-employed workers differ in some ways from the methods that proved successful in finding a first job. About one half of the job-seekers used personal relationships to find employment and this strategy also proved the most successful method for finding a first job in Syria. However, while public employment agencies played no role in finding a first job, 53.8% of all non-employed active job-seekers contacted an employment agency during their search. This could be interpreted as a demonstration of the low efficiency of public employment agencies given that almost none of the unemployed individuals who contacted the agencies was successful in finding employment. In fact, however, it may be purely a selection effect, as those who have serious problems or no actual chances of finding a first job are more likely to contact the public employment agencies while successful job seekers generally use other channels.

Some form of employment test had been undertaken by 17.3% of all non-employed job-seekers who had not found employment by the date of interview, some of whom had entered the competition for access to the public sector (showing once again popularity of public sector work for young Syrians). Only 10% had directly contacted employers. This low share might be related to the predominance of informal job search methods via friends and family, which makes direct employer contacts almost useless where no informal networks exist. About 17.3% used the media to look for job advertisements but only 2.2% advertised their availability for work in the media.

TABLE 7.3 METHODS OF JOB SEARCH AMONG NON-EMPLOYED WORKERS ACTIVELY SEEKING A JOB – MULTIPLE ANSWERS POSSIBLE (%)

	%
You contacted a state employment agency	53.8
You contacted a private employment agency	4.4
You applied to employers, visited a job fair	10.0
You asked personal relations (relatives, friends)	56.9
You placed a job advertisement in newspapers or answered one	2.2
You took a test, a competition for recruitment to the public sector, went to a job interview	17.4
You consulted job advertisements (newspaper, teletext, internet)	17.3
You have been waiting for an offer made by an employment agency	1.9
You have been waiting for the results of a competition for recruitment	3.4
You looked for financial resources	1.7

Source: Syrian Youth Transition Survey, own calculations.

Thus, the high youth unemployment rate should not be interpreted as a sign of low willingness to work among young people. The low share of rejected job offers is a sign of an undersupply of vacancies for young unemployed workers. Another common explanation for unemployment is that job seekers hold an inflated idea of what their reservation wage should be, expecting to be paid more than the rates on offer (Mortensen 1986). Table 7.4 shows the outcome of a simple test of this hypothesis, comparing the average monthly wage of young workers with the salary sought by job seekers for a suitable job. The comparison was differentiated by education level to account for qualification-based wage differentials. Interestingly, actual wages are much lower than the reservation wages among school leavers from basic education, but this relationship reverses among school leavers with secondary and post-secondary education where non-employed job-seekers are willing to take up work at below the average wage of the skill group. Among young people with university education, the relationship is reversed again as unemployed job-seekers with university education will only accept work at better than average pay. This gives an indication that low-educated unemployed job-seekers in particular have excessive wage expectations that may be a contributory factor to their current unemployment. It may also be interpreted as a sign of very poor rates of pay for low-educated individuals.

TABLE 7.4 COMPARISON OF AVERAGE NET MONTHLY WAGE AND RESERVATION WAGE OF NON-EMPLOYED JOB SEEKERS (MEASURED AT TIME OF SURVEY) BY EDUCATION GROUP (SYP)

	Average net monthly salary	Reservation wage
Kindergarten/first basic	5 864	7 865
First basic + some second basic	6 338	7 539
Second basic	6 983	7 438
Second basic + some gen. sec.	7 882	7 633
Second basic + some voc. sec.	8 799	7 538
General secondary	8 272	8 654
Vocational secondary	9 291	8 059
Secondary + some institute	8 336	8 447
Institute(1-2 yrs)	9 618	9 336
Secondary + some university	9 224	8 652
University	11 564	12 730
Total	7 982	8 900

Source: Syrian Youth Transition Survey, own calculations.

In other countries, high reservation wages are often related to high unemployment and the payment of other social benefits to young job seekers may undermine their job search efforts. However, this does not apply to the Syrian context as there is no unemployment benefits system and no special social assistance or benefit programme for non-employed youth. Non-employed respondents in the survey mainly report that their parents or their partner are their main source of financial support, showing once again, that the family still plays a major role in the transition from school to work in Syria. However, the financial support provided by the family may have the same increasing effect on the reservation wage as unemployment benefits do in other countries. This puts the family into the ambiguous position of providing the missing financial support to the non-employed youth (as there is no state support) while also providing disincentives for the non-employed youth to take up work (by increasing the reservation wage). The integration of non-employed youth in low quality jobs may be a useful strategy in combating the persistently high level of long-term unemployment and inactivity among Syrian youth.

Finally, a look at the household characteristics for youth in Syria reveals that the great majority, over 90%, still live in the same household as their parents or parents-in-law. Although many young Syrians in our survey have already found a first job, and some of them have even started their own family, almost nobody seems to have the resources or will to establish a separate household by building, buying or renting a new house or flat. Successful labour market integration in Syria does not imply complete independence from the family of origin, as family ties are very strong, the Syrian housing market does not supply sufficient units and prices are very high.

8. CONCLUSIONS AND POLICY RECOMMENDATIONS

The aim of this report was to present the key findings and to derive policy recommendations based on analyses of the representative, large-scale Syrian Youth Transition Survey conducted by the Syrian CBS in cooperation with the ETF in 2009.

8.1 MAIN FINDINGS

The analyses reveal the following main findings.

1. Syria is characterized by an 'insider-outsider labour market', i.e. youth often have difficulties in finding employment but once employment is found it is very stable.

When following individual activity patterns after leaving education, we find that rapid entry to a first job is not easy for many young people in Syria. Some 27% of all school leavers made direct transitions from school to work, finding a job within months of leaving education or even starting employment before officially leaving school. One year after leaving education the rate of job-finding had increased steadily and half of all Syrian school leavers were integrated into employment. Young men have a relatively smooth transition from school to work (80% after four years) while young women face greater difficulties (only 30% after four years). The remaining job seekers have problems finding employment at all, and many register long search periods and young women in particular have problems finding any first employment.

The key to integration in the Syrian labour market lies in finding a first job (Aïta 2009) as the young employed tend to hold on to their initial positions for the first few years of their working life. This situation of relative stasis is also linked to the fact that many young people will wait for a job opportunity to arise in the public sector which is still the preferred employer for higher education graduates (Kabbani 2009). The survey shows that almost nobody loses their initial employment during the first months and years of their working life. Syria therefore has the typical insider-outsider labour market predominant among Mediterranean countries.

Our observations also conform with aggregate figures showing very high youth unemployment, but very low adult unemployment rates in Syria. For example, Kabbani and Kamel (2007) report that unemployment rates among youth were more than six times higher than those among adults in 2002. The important issue is how young people can break in to this insider labour market when the most successful job-finding strategy in Syria relies on informal networking (i.e. family and friendship ties) and the efficiency of job allocation patterns based on informal networks is questionable. State institutions such as public employment agencies and schools play almost no role in helping young people to find a first job and competitive access on the basis of individual merit (guaranteeing that the best applicants are chosen) is primarily used in the public sector.

2. There is evidence of a high level of unemployment and inactivity among young women.

This is particularly a feature of the agricultural sector which has been in drastic decline in recent years (Aïta 2009). Female unemployment in Syria stood at 20.9% in 2008, against an overall unemployment rate of 10.9%, and the female economic activity rate was 14.7% compared to 73.1% for men (CBS 2010). The present survey shows that on average only one quarter of women are in employment. It is mainly the lower educated women who engage in unpaid housework instead of joining the labour market and unpaid housework appears to present an alternative life strategy to labour market engagement. Almost all of the women who take up unpaid housework after leaving education report that they never sought employment outside the home and the great majority of this group should therefore not be classified as 'discouraged workers' (i.e. women who give up or do not seek employment because they think that they cannot succeed) but as women who make a seminal decision to place children, marriage and family before a working career. This is confirmed by the low

number of respondents who left education to get married (2.9%, Table 4.2). Highly educated women appear to be able to combine work and family duties but this pattern appears only to be possible in public sector jobs (Aïta 2009). However, it is important to point out that women are generally better educated than men (Table 4.3) and although women are generally less likely to work than men, those women who do work are more likely to be employed in the formal registered sector.

3. There is a high incidence of long-term unemployment among men and women and among the youth population in particular.

Some 25% of all respondents did not search for a job at all as they were discouraged from finding employment. Many unemployed workers who were actively looking for a job consulted public employment agencies and informal networks; the agencies were reported to be largely ineffective as were the search efforts of this group. Active labour market measures are scarce although PCEED does provide some training for entrepreneurs and jobseekers.

Persistent unemployment can also partly be explained by the excessively high expectations of the quality of job offers. The great majority of unemployed workers seek well-paid, secure, full-time employment in the public sector. Their reservation wage is usually much higher than the average pay for employed members of their education band (Table 7.4). Low educated unemployed job seekers in particular have excessively high wage expectations.

4. The education system is characterized by high dropout rates.

Overall dropout rates are reported at over 10% (UNDP 2005) and are concentrated at the end of basic education and secondary education. Many young Syrians leave the education system without completing the current stage of education, sometimes due to the pressure to earn an income. Respondents also report a low 'labour market utility' of basic and secondary education, and although low educated graduates and dropouts quickly find jobs, these tend to be of low quality. The qualifications acquired in school do not match employer requirements but are not as important as personal support networks in getting a job anyway. Furthermore, education qualifications are unequally distributed according to gender, rural or urban divide and the socio-economic family background of respondents, meaning that unequal opportunities exist in access to education in Syria just as in most other countries.

Overall, we find clear differences between education groups at labour market entry although the patterns are not clear cut along all outcome dimensions where there is some variance according to the comparison group. The most striking results are that school leavers of basic education (1st and 2nd cycle) register rapid entry and frequent direct transition to the labour market even though they have the highest probability of starting in unregistered work, family work and low occupational positions, earning low wages, having a high risk of education mismatch and claiming that their education was not useful for the labour market. This appears to show that relatively rapid labour market entry among low educated youth comes at the cost of landing a low quality job and a similar trade-off between rapid entry and low quality can also be observed for 'dropouts'.

PATTERNS OF TRANSITION FROM SCHOOL TO WORK

Dropouts: rapid entry into the labour market and into the informal sector – some may already have a job offer. This scenario is particularly common for those with secondary education combined with some higher education: 52% enter work immediately and 68% after four years. Their education is not considered useful in the labour market.

Basic education: rapid entry into the labour market and in particular into the informal sector with low paid jobs. 46% enter work immediately and 66% after four years. Their education is not considered useful in the labour market.

Secondary basic education: slower entry into the labour market than basic education, but also into the informal sector. 27% enter work immediately and 61% after four years. Their education is not considered useful in the labour market.

Vocational education and training: enter more rapidly than general secondary education, but slower than basic and lower education. 16% enter work immediately and 61% after four years. Their education is considered partly relevant to the labour market.

General secondary education: slower entry than VET. Only 15% enter work immediately and 47% after four years. Their education is not considered useful in the labour market.

Intermediate education: longest transition. Only 13% enter work immediately and 54% after four years. Their education is considered quite relevant to the labour market.

Higher education: longer transitions as graduates wait for a job in the public sector. Only 11% enter work immediately and 81% after four years. Their education is considered quite relevant in the labour market.

5. The educational attainment levels of the population are low and at the basic level in particular have little relevance to work.

The majority of the population has only basic education, and a small number has higher education. The survey findings confirm this picture. Overall only 15% of first job entrants assess their formal education as useful. Secondary basic graduates are few in the formal sector (3.3%). Entrepreneurs classify their education as more useful than unregistered workers. The overall picture however is of a population that is generally employed in jobs for which they are overqualified and where only graduates of institutes and universities generally manage to get jobs matched to their educational levels.

6. Secondary vocational and higher education pay off slightly better in terms of better job quality at labour market entry.

Clear differences are also visible between vocational and general secondary school graduates. Vocational secondary education leads on average to faster entry, higher wages, greater labour market utility of education, more self-employment, almost equal occupational status and equal mismatch risks compared to general secondary education. The average monthly wage for graduates from vocational education is second only to wages for university graduates. As the hourly wage for vocational graduates is bettered by the hourly wages of several other education levels, the high monthly wage can only be explained by vocational graduates working more hours. In other words, relatively speaking, there is a higher demand for vocational skills than is being met by supply. This is a surprising result as the general assumption is that vocational education only produces labour market advantages if it is mainly organized within an apprenticeship system and if employers are involved in the design of vocational curricula (Müller and Shavit 1998). However, overall VET has shown a sharp decline as a percentage of secondary education from 50% in 2000 to 23% in 2008 (CBS 2010).

Compared to secondary vocational education, graduates of institute education make slower entry into the labour market and register no advantage in terms of net hourly wages. However, post-secondary institute education leads to higher occupational positions and opportunities for public sector employment. Furthermore, the risk of education mismatches is lower and the labour market utility of

institute education is higher compared to vocational secondary education. This element has not been confirmed by other surveys and merits further research.

Interestingly, university graduates register the slowest entry but also the highest job quality, highest match of education level to job and best labour market utility of education. The longer waiting time of highly educated workers is often related to queuing for well-paid jobs in the public sector in a way that may mean higher educated workers are missing in the private sector. A low qualified private sector workforce may be an impediment to efficiency and the success of private sector activities.

7. Further education or training faces limitations in terms of both the supply and demand sides.

The study shows that only 3.7% of all men and 5.1% of all women follow training courses after entering a first employment, with the share being greater for higher educated groups. There is some adult training offered by the Ministry of Industry, Ministry of Agriculture, Ministry of Building and Construction and NGOs (like the Syria Trust for Development) that provide second-chance and up-skilling opportunities for young people. Enterprise-based training is reported to occur on a wider scale than expected, while the private sector comprises more than 400 centres offering short-term training programmes (EU MVET Programme).

8. Another serious issue is the high share of unregistered workers and/or workers without written employment contracts; half of all school leavers enter unregistered employment.

Some 90% of those who start work in the private sector do not have a written contract. Our analyses show that the quality of these jobs is often much lower than the quality of employment for registered workers and the low degree of mobility in the Syrian labour market consolidates the cleft between these two labour market segments. While unregistered work reduces the labour costs for employers and creates jobs that would not exist in the formal economy it also comes at the cost of low job quality jobs and lower tax contributions (Aïta 2009).

9. Entrepreneurialism is a real success story in Syria.

We find the highest wages and almost no risk of subsequent unemployment among entrepreneurs. About 30% of these entrepreneurs already have employees.

Although the share of youth who start as entrepreneurs is rather low, this strategy of starting up a business appears to present a real success story in Syria. The overwhelming majority of individuals in this sector were still self-employed at the time of interview. Some leave self-employment to enter paid work, but members of this group almost never became unemployed during our observation window. About every third self-employed job entrant reports having employees, meaning that this sector appears to offer an engine for the labour demand claimed to be lacking in the Syrian labour market. One potential political strategy could be to further lower regulations on private start-ups while providing financial support to encourage young entrepreneurs. Furthermore, public campaigns at schools and higher education institutions could raise awareness and promote the idea of entrepreneurship before young people leave education.

8.2 POLICY RECOMMENDATIONS

The following policy recommendations can be derived on the basis of the main findings.

1. Introduce policy measures to reduce 'insider-outsider problems'

One central finding of this study was that young people often have difficulties in finding employment but that once employment is found it is very stable. Strategies must be found to reduce the insider-outsider cleft and segmentation in the Syrian labour market.

Cross-country analyses have shown that relatively high youth unemployment rates occur when high employment protection is coupled with an education system that produces weak and low quality education where many students achieve low education levels (Breen 2005, Müller 2005). Thus, youth employment opportunities could be increased by weakening employment protection within the public sector and rationalising working conditions for employees on the basis of productivity considerations. Public employment that offers generous benefits with no concern for productivity creates strong

disincentives for graduates to work in private productive sectors, resulting in poor use or wastage of human capital in unproductive work. Lower employment protection should increase the mobility in the labour market through increased rates of hiring and firing. Labour costs will decrease, employers may become less reluctant to hire inexperienced school leavers and they may also offer more formal employment contracts in place of informal jobs. Furthermore, this strategy should increase opportunities for career mobility and therefore reduce the observed gap between the segments of low and high quality jobs and between registered and unregistered work, etc.

However, the main culprit in the current insider-outsider situation in the Syrian labour market appears to be the strong reliance on personal networks in securing permanent employment. Efforts must therefore focus on breaking these personal network links and replacing them with competitive recruitment based on merit, preferably with the support of the public employment services (PES) as neutral brokers. Anti-nepotism processes must be put into place. There is a strong case for more effective job brokerage and competitive matching, with a special focus on vulnerable youth and women with no personal connections.

Competitive elements in the overall matching process could also be improved by strengthening the role and increasing the efficiency of public institutions (such as employment agencies and schools). Public institutions might act as 'neutral brokers' to improve information flows between jobs seekers and employers in order to guarantee that the best-suited applicants fill the vacancies. A form of strengthened competitive rules could guarantee more efficient access to employment than is currently achieved by the reliance on informal networks. The institutional capacity of labour market institutions must be strengthened along with their role in the Syrian labour market.

The report also identified the low incidence of further education and training as a central stumbling block to upward mobility in the labour market. Increased incentives and state support for employers and young employees to invest in further upskilling after formal education could present a promising strategy to facilitate occupational upward mobility.

2. Foster the labour market integration of inactive women and discouraged workers

The results revealed high inactivity among women and high numbers of discouraged workers.

Specifically, the labour market integration of inactive women may pay off due to their higher education attainment. If this group is to be integrated into the labour market there must be emphasis on the issue of family affairs, basic attitudes towards work and the family, coupled with measures to facilitate the combination of family and work. Increased child care provision has been linked to increased female labour market participation in many countries.

Some 25% of all unemployed workers did not seek work as they were discouraged from finding employment. Integrating discouraged unemployed workers into the labour market would first mean encouraging them to initiate a job search. Active labour market measures should be employed after efforts have been made to increase the number of jobs on offer by providing support for entrepreneurs who may go on to become employers. After all, it was their lack of success in finding a job in a restricted job market that led these workers to become discouraged in the first place. A clear activation policy is needed.

3. Combat the long-term unemployment of young people

Integrating these young people into the Syrian labour market may pay off for the Syrian economy by releasing their productive potential.

One possible factor behind their persistent unemployment is their inflated expectations of the quality of job offers. Public unemployment agencies should advise the young long-term unemployed to accept lower quality jobs and jobs in the private sector instead of waiting for well-paid, secure public sector jobs.

In general, all unemployed workers should be given better access to active labour market policies, (such as training measures) in order to increase their employability and attractiveness to employers. Such measures could include individual counselling by public employment service staff and the action of these services as neutral employment brokers, in particular with the public sector, in order to ease

the insider-outsider problem. Well-trained public employment service staff will play an essential role in the success of this initiative.

Policy measures like these to reintegrate inactive and unemployed workers into work must be accompanied by demand-side labour policies that prioritize employment. New jobs must be created to give the unemployed any chance at all of becoming employed.

4. Increase the quality of basic and secondary education and continue educational expansion at lower levels in order to reduce the number of dropouts and low educated workers, and increase the job quality of low educated workers

The labour market analysis shows that the high share of education dropouts has clear implications for labour market integration patterns where education emerges as a central resource in gaining access to high quality jobs.

Employment opportunities for low educated young people could be improved by improving the quality of education especially at the basic and secondary education level, where we identified a low 'labour market utility of education' and high shares of youth dropout due to school-related problems. Higher quality education may reduce the number of dropouts and increase the productivity of low-skilled workers.

Only careful measures should be implemented to improve job quality among low educated workers. While the lower quality of jobs for low educated workers (for example, in terms of poor wages) may appear problematic in terms of equality, the advantage is that these openings do offer some form of employment for people who might otherwise have no jobs. If, for example, minimum wages were disproportionately increased, employers in the private sector might have to reduce the number of employees as labour costs rise. Thus, any measures taken to improve working conditions in low-skilled jobs should take the situation of the employer into consideration.

5+6. Improve the quality of secondary vocational and post-secondary vocational education and training and ensure pathways to higher education while also providing better career guidance and counselling on these pathways

The findings of our study show that secondary vocational and higher education pay off slightly in terms of better job quality at labour market entry in Syria.

The quality of vocational education should be further increased. Experiences from other countries show that vocational education with stronger employer involvement may increase opportunities for youth labour market integration.

In order to prevent vocational education being viewed as a 'dead-end' in the education system, improvements should be made through the creation of pathways to continue on from secondary vocational tracks into intermediate institutes and universities.

Career guidance and counselling must be strengthened, partly through the creation of better links between schools and employment services, in order to provide potential students with better information on their life choices.

The quality of post-secondary vocational education and training should be improved. The findings show that higher education at intermediate institutes and universities still provides students with the best chances of access to high quality jobs.

7. Expand and further develop opportunities for continuing training and up-skilling

Further development is needed of the training offer to help young people and adults meet labour market demands and provide employers with skilled human resources. These efforts should involve the formal education sector, private enterprises and NGOs, amongst others in identifying the skills needed. Awareness-raising activities should be run in parallel to stimulate citizen involvement in continuing training and to promote the idea of lifelong learning.

8. Introduce policy measures to expand the formal economy and reduce informal sector activity

The analyses reveal that the informal sector clearly dominates over the private sector in terms of the take up of first job entrants. Incentives should be given to private employers to convert informal jobs into formal positions in a way that will clearly pay off for both the Syrian state and workers. The Syrian state will profit from higher tax revenues and workers benefit from higher gross wages and legislative securities. For this to succeed, prioritisation must be given to the development of a business-friendly environment with particular focus on the growth of SMEs. Equal emphasis should be placed on business start-ups and the transformation of micro and small enterprises into viable businesses through company growth. Lowering the costs of setting up a business and/or growing a business in terms of time and money should be a policy objective.

Effective social security linked to formal employment would also make the formal sector more attractive and drain the informal sector.

9. Promote the role of self-employment and entrepreneurship

The analysis has shown the strategy of self-employment workers and entrepreneurship is a real success story in Syria that guarantees high wages and stable employment. About 30% of the self-employed (or entrepreneurs) already have employees of their own. Thus, promoting self-employment and entrepreneurship may be an engine to produce new jobs. However, results show that it takes longer for young school leavers to become self-employed than to find employment. One potential political strategy could be to further *lower regulations on private start-ups* and to *provide financial support* to the young self-employed and entrepreneurs, possibly in combination with conditions that would make start-ups in the formal sector more attractive. There are still heavy burdens on the business sector in Syria. Furthermore, public campaigns in schools and higher education institutions could *raise awareness of entrepreneurship through career guidance and counselling initiatives and promote the idea of self-employment* before young people leave education.

ACRONYMS

CBS	Central Bureau of Statistics
CPI	Corruption Perception Index
ETF	European Training Foundation
EU MVET	European Union Modernization of Vocational Education and Training project
GDP	Gross domestic product
HDI	Human Development Index
HDR	Human Development Report
ILO	International Labour Organization
IMF	International Monetary Fund
ISCO	International Standard Classification of Occupations
ISEI	International Socio-Economic Index of Occupational Status
MENA	Middle East and North Africa
NGO	Non-Governmental Organization
PCEED	Public Corporation for Employment and Enterprise Development
PES	Public employment services
SME	Small and medium-sized enterprise
SWTS	School-to-Work Transition Survey
SYP	Syrian pound
TVET	Technical and vocational education and training
UNDP	United Nations Development Programme
USD	United States dollar
VET	Vocational education and training

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