

The global dimension of youth employment with special focus on North Africa

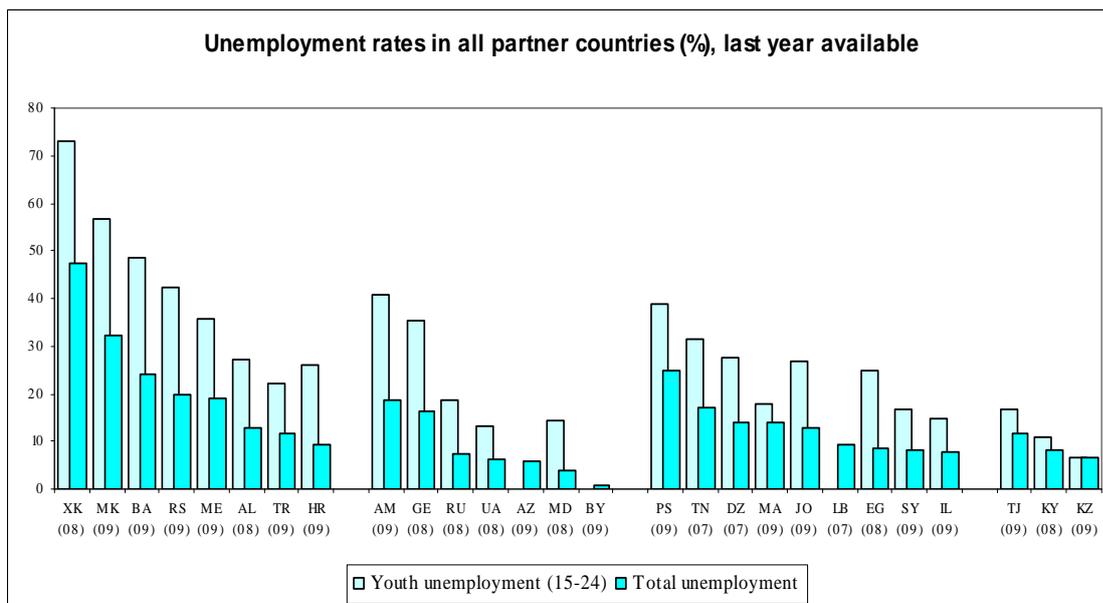
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1. Youth employment in ETF partner countries: an overview

The European Training Foundation is active in 30 countries in the EU's vicinity (Enlargement region, European Neighbourhood South and East and Central Asia). The countries are very different in terms of their size, social development, economic structure and dynamism, and demography. Some of them are in transition from centralised planned economies to market economies, other are developing countries. Transition countries are typically characterised by low fertility and aging populations, while the countries of Southern Neighbourhood are marked by young and growing populations. Despite these differences most countries face one common challenge: the smooth integration of their youth (15-24 age group) in the labour market.

Everywhere unemployment among young people is widespread and usually higher than among adult population. In most countries where ETF works, the unemployment rate of young people is double of that of the adult population and it exceeds 30% in one third of these countries. Although the activity and employment rates of young people differ significantly from country to country or region to region, they are mostly below the world average.

Many young people work in precarious jobs usually in informal sector and performing tasks, which are often below the level of their qualifications. Higher educated young people have better employment prospects but education is not a guarantee for employment. Lower educated young people are by far more exposed to inactivity, unemployment or low quality jobs that create a vicious circle of inadequate education and poor employment prospects. There is also a significant share of youth who are neither in education nor in labour market. This is mostly the case of young women in the South Neighbourhood countries.



Source: ILO/KILM data base

The educational attainment levels of younger generations are improving in all countries. In the past decades in all ETF partner countries an increasing number of young people attended higher

education. Similarly, more young people participate in primary and secondary education. However, the quality of the education system and the capacity of the education process to endow young people with appropriate skills and competences for the labour market are often contested. This is true for all education types and levels, but it becomes more apparent in vocational education and training. Investment in education is generally low and insufficient to compensate the need for rapid adaptation to socio-economic changes.

All countries recognise the importance of education and training to enhance the employability of young people and to pursue broader socio-economic development objectives. All of them have also embarked on reforms of the education and training systems. However, changes have not yet reached the schools level. Private education has also developed responding to increasing demand by families and young people for education, but with the exception of some elite schools, the quality of private education remains relatively low. Rural areas are the ones that suffer most from low quality education.

However, the poor employment prospects of young people cannot only be attributed to the level or quality of their education and training. Insufficient creation of quality jobs is an important factor at play. Although the labour market structures differ among countries, in a large number of countries agricultural jobs, informal work and self-employment is widespread, if not predominant. Wage employment in modern, higher added value sectors, while on increase in some countries, is still limited.

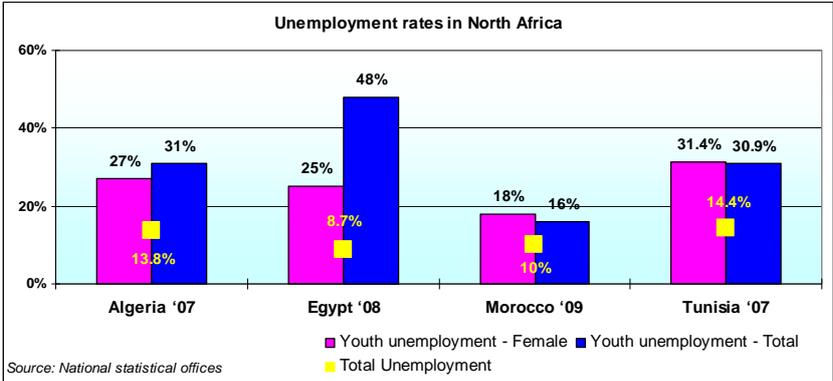
2. Focus on North Africa (Algeria, Egypt, Morocco, Tunisia)

The four North African countries are on the peak of a demographic boom that has made youth employment a key challenge since the beginning of 2000s. With a third of their population under 15 years of age, up to 48 million young people (26 million of them in Egypt) will join the workforce by the middle of the next decade. This demographic growth exerts substantial pressure on the labour markets and education systems, and ultimately on the wider stability of the region and beyond. However, the labour force participation rate in the region is the lowest in the world: almost two-thirds of working age population is unemployed, underemployed or inactive. Only one in four women is in the labour market. Employment rates are similarly low in the region, ranging between 40% and 55%.

Although the education levels of the young population have increased substantially during the last years, the possibilities for finding quality jobs are still limited. With a shrinking public sector and declining external resources, the old engines of job creation are no longer available. The economic growth of the past decade was a “jobless growth” with most jobs created in informal sector whose share ranges between 35% and 50% of non-agricultural employment. Agriculture has still a high share in employment particularly in Morocco (43%) and Egypt (31%) but also in Algeria (20%) and Tunisia (17%).

The economies of the region (governments and enterprises alike) need to create substantially higher number of urban jobs than it is happening now to absorb new entrants to the labour market and to decrease unemployment. Compared to the total unemployment rate, youth unemployment rates are close to double of that of the adult population, and they particularly affect graduates of higher education. As the table below shows, young women are particularly exposed to higher unemployment in Egypt (double of young males) and Algeria.

Unemployment rates in North Africa



Source: National statistical offices

The issue of “educated unemployed” is the most visible feature of the youth employment challenge in the North Africa. In all countries enrolment rates in higher education have increased during the last decade. Gross enrolment rates in higher education (UNESCO/UIS database) reached 30% in Algeria and Egypt and 33.7% in Tunisia, while Morocco has the enrolment rate of 12.8%. This is all relatively gender-balanced. Although these levels seem low compared to EU average, the figures demonstrate an important progress for the North African countries.

Still, university graduates have limited opportunities to find jobs. Public sector--the traditional employer of graduates in the region--has been shrinking and the private sector creates little opportunities for employment for young people with high-level qualifications. Insufficient creation of quality jobs as well as low employability, skills mismatch and high expectations of graduates are the main causes of low employment rates. Universities produce graduates in humanities with little demand on the labour market. This aggravates “graduate unemployment”. Among the unemployed youth, young women face higher unemployment than young man, indicating specific labour market problems for the entry of women.

However, focus on educated unemployment hides problems concerning the quality of employment of young people with low and middle levels of qualifications. There are little alternative options for youth who can not reach higher education. Overall, at least 30 million young people in the region work in informal, poor quality jobs at subsistence wages with no social security or prospects for improvement, with high risk of social exclusion. In Algeria, for example, a big proportion of youth (15-24 years old) are engaged in the informal sector either as self-employed (12.2%) or as employees (29.6%). In these conditions, emigration is an alternative to unemployment or informal jobs, and the pressure for the young to emigrate is very high. The increasing amounts of remittances prove that fact.

Access to education and training opportunities that endow youth with work-ready skills is limited: there are not many options for vocational education and training (VET), and those that exist are of limited relevance, low quality and eventually not attractive. In fact, only Egypt has a significant size of VET (63% of upper secondary enrolment), while in Algeria the corresponding rate is 21%, in Morocco – 12% and in Tunisia - only 3%. This part of education is considered ‘bad quality’, leading to unemployment, informal employment or inactivity in the case of women. The vocational choices offered to students are extremely gender-segregated and the options available to female students are even more limited with their traditional caring role.

VET can play an important role in providing practical skills for millions of jobseekers as well as in supporting active participation of individuals in society. To do it, however, it needs more efficient investment, closer ties with business to improve quality and relevance, and a better image and more gender sensitive approach to the vocations offered in order to attract young males and females alike.

The investment in education expressed as share in GDP was 7% in Tunisia, 5.7% in Morocco, 4.3% in Algeria and 3.7% in Egypt in 2007. Due to countries’ sustained efforts, participation in education has improved substantially in all countries. According to the data of UNESCO/UIS database gross enrolment rates in primary education has reached almost 100% in all four countries. Participation in lower secondary education has also reached to 100% in Algeria and Tunisia, though it is lower in Morocco (74% total, 67% for girls). Improvements in gross enrolment rates in upper secondary education are more visible in Tunisia (74%) and Egypt (69%), and less in Algeria (58%) and especially Morocco (36.6%). But the quality of education remains a challenge. The countries performed poorly in international tests (2007 TIMMS - Trends in International Mathematics and Science Study, and 2009 PISA – OECD Programme for International Student Assessment in reading, math and science). Their scores in 2007 TIMMS were significantly below the international average: from 380 to 420 compared to an average of 500. Tunisia ranked only 56th out of 65 participating countries in 2009 PISA.

Finally, illiteracy among the population of 15 years of age and older is still a problem in Morocco where 44% of males and 57% of females are illiterate, and in Egypt where 34% of males and 42% of females are illiterate. Even among the youth 15-24 age group, 30% of them are illiterate in Morocco and 15% in Egypt. This also brings us to another large vulnerable (and non-visible) group of youth who are neither at school nor in the labour market. Most of these young people are women who stay at home and wait for an early marriage. As the figures above show, Tunisia and Algeria score relatively better in education than Morocco and Egypt.

Low literacy and education levels and especially disadvantageous position of women are reflected in the lower levels of Human Development Index (HDI) for Egypt and Morocco. Out of 169 countries in

the 2010 UNDP's HDI Report, Tunisia ranks 81, Algeria - 84, Egypt - 101 and Morocco - 114. Similarly, the 2010 gender gap index of World Economic Forum ranks Tunisia 107 and Algeria 119, while Egypt is on 125th place before Morocco on 127th out of 134 countries.

This shows that youth transition to employment in all region remains a crucial issue. Young people have little acceptable options if they fail to enter path leading to academic education (e.g. vocational education and training). Low employability is one of the main problems caused by inadequate education and training, low value of skills acquired in the workplace, low level of job creation, lack of work experience, and higher expectations of youth for safe, well-paid, public-sector jobs. As mentioned earlier, all these trends set the stage for higher propensity for migration, in particular for young males from the region. Emigration is a good alternative to unemployment or informal jobs, which is reflected in high numbers of emigrants from these countries: 3.7 million from Egypt, 3 million from Morocco, 1.2 million from Algeria and 651 thousand from Tunisia. Seventy percent of Egyptian emigrants are in the neighbouring Arab and Gulf countries, while 80% of emigrants from the other countries are in EU Member States.

Facilitating transition from school to work

All countries in the region have launched active labour market measures (ALMMs) to facilitate and increase employment levels. Most of these ALMMs focus primarily on young people as the unemployment is a first entry problem of the youth. The measures include self employment schemes, training to acquire skills relevant to the labour market as well as subsidies for youth employment. For example, Tunisia restructured its ALMPs in 2009 with four, out of the overall six programmes, focusing on youth. A similar process started in Morocco in 2006. The most common measures that are implemented in a systematic way by the public employment services of Tunisia and Morocco (ANETI and ANAPEC) are vocational training courses and micro-credit self-employment schemes for the graduate unemployed and other young people.

However, the scope of these measures is generally quite limited, of very small coverage and some measures are often left not implemented (e.g. guidance and counselling services). Moreover, these measures mostly and primarily target the graduates of higher education. This creates a gap in instruments that could support employment of young people with middle and low levels of qualifications as well as illiterates and inactive women. An important feature of employment activation measures is the predominance of donor-funded interventions, partly a consequence of limited government budgets and the limited institutional capacity of national players. The systematic interventions and the number of initiatives are much more visible in Tunisia and Morocco. Yet, the results and final impact of ALMMs are not clear. The measures have rarely been evaluated or beneficiaries followed up to understand their real impact.

3. The road ahead

Addressing the challenge of youth employment requires a concerted effort by the countries to (i) improve the relevance of skills of young people and enhance their employability, (ii) support job creation and (iii) improve the functioning of their labour markets by addressing segmentation.

Given the sustained demographic pressure, the countries will need to ensure access of all to education and training at both compulsory and post-compulsory level. Vocational education and training has an important role to play in providing young people with skills. It can provide an alternative pathway to academic (university) education towards the labour market as well as an opportunity for skills acquisition to young people who today leave the education system without qualifications.

Enhancing the quality and relevance of vocational education and training is necessary for improving its attractiveness, which at present is low in the countries of the region. Provision of wider key competences (entrepreneurship, citizenship, communication skills) is necessary to ensure that the future labour force is adaptable to fast-changing economies. It will also ensure that vocational education and training graduates are engaged in economic and civic life.

Increasing the relevance of education and training implies bringing the world of education closer to the world of work. Responsiveness to needs of SMEs (the major job creator in the region) and more generally to regional development must be taken into account. What is required is active participation of social partners in education and training and nurturing cooperation between training institutions and

enterprises. Developing these links at sectoral level (in particular in sectors which are dynamic and have potential for development) has proven to be an effective method.

Working towards inclusive governance models that ensure participation of stakeholders in the decision making for education and training and increased accountability will also promote a more responsive education provision. It will also facilitate the economic and social role of vocational education and training.

Strengthening evidence-based policymaking through monitoring of the developments in the demand and supply of skills, identifying skill gaps and adapting provision is also a necessary precondition for steering the system.

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