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**Youth Employment and Sustainable Development in North Africa**

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## **Introduction**

This report on youth employment and sustainable development identifies and enumerates best practices, historical evidence of lessons learnt and an agenda for the future. The focus is on providing a comparative analysis of the North African countries, which share the experience of significant youth unemployment issues and elusiveness of sustainable development.

Unemployed and underemployed youth can become restive, disillusioned, and frustrated. Their frustration could be explosive, as witnessed in Tunisia, Egypt and other countries where they led uprisings against governments that were perceived as uncaring and unresponsive to their economic and social needs. The challenge is not just to provide employment opportunities, but to provide decent jobs and reduce the significant insecurity experienced by underemployed and overexploited workers who earn low wages and see no possibility of meeting their needs through gainful employment.

The report analyzes seven case studies covering North African countries and provides policy recommendations to promote youth employment for enhancing sustainable development.

# **Part I: Youth Unemployment, Education and Development**

## **1. Education, Unemployment and Sustainable Development**

There is a relationship between education and employment, as well as between opportunities for gainful employment and social problems. The lack of opportunities for work will cause youth to be more inclined to participate in “disruptive behaviors” like drug use, civil unrest, violence, and other criminal activities. Thus, it is of utmost importance to provide youth with the appropriate skills and education to decrease youth unemployment. Education is the core area where improvement is necessary, not just in primary education, but also in higher levels of education and vocational training (United Nations Economic Commission for Africa, 2010).

Unemployment surged after the 2011 uprisings to 14.7% in Tunisia and 12.1% in Egypt. Even with Morocco, the 2016 unemployment rate is a little less than 10%. There are also significant gender and generational variations, since unemployment is highest among youth (15-24 years old), and among females, with Egypt having the shockingly high figure of 57% female unemployment.

The informal economy is dominant in the labor markets in Egypt, Mauritania, Sudan, Morocco, Algeria, and Tunisia. Even in the formal economy, labor laws or rights are weak, and this contributes to greater levels of informality.

From the 1960s, Morocco and Tunisia conceived programmes for lower rates of population growth as crucial to modernization and economic development, including the ability to meet the basic health, education and employment needs of the population. Family planning was embraced, and population growth reduced. However, the nature of generational variation in population growth does not positively affect youth unemployment. While the percentage of 0-14 years old is decreasing, the percentage of people of working age (15-64 years old) is projected to increase in the future. The evidence that educational attainment does not lead to higher levels of employment is also an indication of a significant mismatch between labor supply and demand.

Germane issues include youth employability through vocational training and education, equal opportunities for men and women, entrepreneurship/self-employment and job creation. At the January 2004 meeting on Youth and Employment in Post-Conflict Arab Countries, it became clear that all governments face significant challenges when devising a youth employment strategy. Some countries like Algeria devise initiatives that target all categories of unemployed people. Egypt’s strategy is centered on strengthening vocational training programs because government programs for youth employment are inadequate (UN DESA, 2004).

The quality and subject matter of the education that youth receive are still veered towards credentials needed in the public sector, but now without the available employment opportunities in this sector, which has become overextended and saturated.

We should seriously consider the implications of the challenges that African youth face and how they are structurally connected to the labor market and formal education. There is a need to better align policy making for Africa’s education system with the potential active labor market policies that can be implemented to smoothen the transition between school and work, and to ensure that youth aren’t disconnected from the labor market for long periods of time (United Nations Economic Commission for Africa, 2005).

## 2. The Issue of Gender

There is increased recognition of the existence of gender based discrimination in employment, which affects pay, conditions of work, benefits and upward mobility in the work place. In rural areas, women are mostly concentrated in agriculture and food production while work in the formal sector offers very limited opportunities to women. As for urban areas, most women are self-employed in the urban sector as hairdressers, dressmakers, or petty traders. This is due to the structural and cultural constraints that prevent them from an effective participation in economic activities. This ranges from customary laws that impede women from working to gender biases in development resources like education and training.

Gender disparities exacerbate youth unemployment in Africa and have become an increasing issue of concern for African governments. It is now clear that with such constraints on women, unemployment has become a gendered issue that needs to be treated as such (Okojie, 2003). Despite the realization that women's education yields more returns including increased employment (Badawi & Harders, October 2017), there are considerable challenges to surmount, because the statistics still show significant disparities in women's access to decent jobs and meaningful career opportunities in the formal economy. There are large gender and generational variations in the levels of unemployment in Southern Mediterranean countries where:

The levels of unemployment among females and youth in the age range 15-24 are higher than the national unemployment average, with female youth unemployment reaching a staggering 57% in Egypt in 2015, one of the highest rates in the world.” (Badawi & Harders, October 2017).

An important and serious aspect of unemployment and the programs dedicated to mitigating its effects concerns gender and how it is intertwined with livelihood and career options, and how it changes the degree to which unemployment is felt by women. This is seldom spoken about in both recent and older discussions on unemployment. At best, the challenges that women face are mentioned in a small section with a few recommendations to help with that aspect of unemployment. However, unemployment is a gendered problem that will affect national and regional development in the African continent. Structural as well as social constraints prevent women from accessing the same opportunities that their male counterparts have. Programs and policies must be designed to combat these impediments. To simply point them out and recognize their existence is one matter, but a degree of effort is required to design employment promoting programs and policies that will help women in ways that they need (Okojie, 2003).

Youth unemployment in Northern Africa cannot be successfully addressed without identifying and understanding the drivers of gender inequality in youth employment in Africa. Gender inequality in employment is an issue that demands attention not only because gender equality in employment is “essential in the fight against poverty,” but it is also a basic human right that everyone has the same opportunities (Anyanwu, Analysis of gender equality in youth employment in Africa., 2016).

The Global Gender Gap Index ranks countries' performance in addressing disparities between men and women in health, education, economy and politics. Sudan for example is not among the 144 countries on the index (World Economic Forum, 2016). According to the World Bank's estimate, women's labor force participation in Sudan declined from 27% in 1990 to 24% in 2016 (The World Bank).

Morocco for example, has been making progress in promoting equality and recognition of women's rights. In 2004, the Moudawana (Family Code) law was amended, which regulates family law. This reform has defined norms and duties within the family

and contributed to re-balance family relationships. The Code of Citizenship has also been reformed in favor of women, and in 2008, Morocco removed the qualifications it had on the Convention on the Elimination of Discrimination against Women.

Algeria for example has ruled in favor of equal pay for equal work. The Algerian State has developed a strategy for socioeconomic integration of women in society by establishing an action plan to implement it through the Ministry of National Solidarity, Family and the Status of Women<sup>1</sup>. Two agencies were built for this purpose: The National Micro-Credit Management Agency (ANGEM), that aims to fight against unemployment and precariousness in urban and rural areas especially focusing on women and the Social Development Agency (ADS) whose mission is to finance and execute social programs for social categories living in disadvantaged conditions. In 2015, the parliament considered legislation to amend the criminal code to toughen sanctions for violence and discrimination against women at home and in the workplace. Since 2012, quotas related to the numbers of women in elected assemblies have led to over 30% of parliamentary deputies being women.

In Tunisia for example, major improvements include the labor code that made the position of Tunisian women in society stronger. Also in education, there has been a high increase in girls enrolled in education since then. But despite all these facts, participation of women in the economic sphere is still low. Tunisia ratified the Convention on the Elimination of All forms of Discrimination against Women (CEDAW) in 1985, although with reservations to some articles that include their rights to choose their own domicile, some related to marriage and divorce. All these reservations were removed in 2014.

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<sup>1</sup> République Algérienne Démocratique et Populaire. Report on Housing for the conference on Housing. Habitat III July 2014.



## Part II: Country Case Studies

### 1. Algeria

#### 1.1. Youth Policies

Algeria has various regulations and programs that affect youth. The Constitution of the People's Democratic Republic of Algeria provides the right to universal free education up to 16 years of age (Article 53).

The Ministry of Youth and Sports has Directorates in each of the provinces that are responsible for local youth centers, hostels, village halls, and sport facilities. It is the main governmental agency for youth issues, although other governmental actors are also involved in the implementation of youth cooperation programs: The Ministry of Health, the Ministry in charge of Security and Local Administration, the Ministry of Culture, etc.

Regarding youth employment, the government renewed its instigation policy with two additional programs:

1. The first one, under the Ministry of Employment and of Social Security has been called 'Plan of action for the promotion of employment and the fight against unemployment' which in its 11<sup>th</sup> objective states 'to strengthen the promotion of youth employment and improve the current 12% recruitment rate so that it reaches 33%'.
2. The Ministry of National Solidarity set up that same year (2008) a new program of insertion of young graduates intended for young people aged 19 to 35 years who do not earn any income but who either have a post-secondary degree or a degree of highly qualified technicians.

#### 1.2. Employment Policies

As part of the State's efforts to diversify the national economy and further affirm the orientation towards more inclusive and equitable development, the Government of Algeria adopted in 2008 the Action Plan for the Promotion of Employment and Combating Unemployment, that places employment at the heart of economic and social policies. Seven main objectives were then set:<sup>2</sup>

- The fight against unemployment through an economic approach;
- Improving the qualification of the national workforce;
- Promoting entrepreneurial spirit;
- Adapting training streams and profiles to the needs of the labor market;
- Improvement and consolidation of labor market intermediation;
- Support for job-creating investment;
- Modernization of monitoring, control and evaluation mechanisms.

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<sup>2</sup> Le plan d'action pour la promotion de l'emploi et de la lutte contre le chômage.

## The National Commission for the Promotion of Employment

This Commission was established in 2010 to assure a system of information and analysis of the labor market, the adequacy of training to available employment and the youth insertion in the labor market.

To achieve this, the Commission promotes the development of partnerships between the National Agency for Youth Employment Support (ANSEJ)<sup>3</sup>, the National Insurance Fund and the promotion of the paid employment through the National Employment Agency. The latter works through improving the skills of jobseekers, tax and fiscal incentives for employers recruiting jobseekers, and greater support for employers through employment-assisted contracts

### The Aid for Professional Incorporation Device<sup>4</sup>:

Employers take 60% of the cost of training jobseekers to adapt them to employment. If they recruit within the framework of the aided employment contract, they receive a contribution from the State on the salary of the potential employee that depends on his/her level of education and on his or her experience. Micro-enterprises created within the framework of the National Agency for Youth Employment Support and the National Unemployment Insurance Fund can recruit two first job seekers in the framework of the Integration Assistance Scheme<sup>5</sup>. In the pursuit of achieving these goals, the Commission has meetings once every 6 months to elaborate a periodical report on the labor market situation and discuss propositions and ideas to fight unemployment.

The National Agency for Microcredit Management<sup>6</sup> relies on a new legal framework whose objective is the fight against unemployment and precariousness in urban and rural areas by promoting self-employment, especially for women, and stabilization of rural populations in their areas of origin.

The risk of unemployment, particularly among younger generations, and the inherent quality of employment, still leaves Algeria with some challenges that the country will have to face in the years to come.

## **2. Egypt**

### **2.1. Youth Policies**

The Ministry of State for Youth Affairs is responsible for child and youth development in Egypt. Its strategic goals for 2013-2017 include enhancing political participation of youth, building cultural awareness, and developing training and research on youth. According to the *Egypt Independent* (El-Hennawy, 2012), the Ministry was a new post within the first cabinet after the 2011 uprisings, though it seems to have taken over the role of the previous National Council of Youth (NCY), which was the main governmental body in charge of youth programming as described in the 2010 Euro-med report (Youthpolicy.org, 2014).

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<sup>3</sup> ANSEJ – Agence Nationale de Soutien à l’Emploi des Jeunes.

<sup>4</sup> Dispositif d’Aide à l’Insertion Professionnelle (DAIP)

<sup>5</sup> Agence Nationale de l’Emploi.

<sup>6</sup> ANGEM: Agence Nationale de gestion du micro-crédit



## 2.2. Employment Policies

In Egypt, four policy initiatives are worth highlighting:

1. **The Youth Employment National Action Plan** was developed through a comprehensive consultative process launched in May 2009. The International Labour Organization (ILO), the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the United Nations supported the Ministry of Manpower in the process that produced the Youth Employment National Action Plan 2010-2015. The plan was geared toward making more decent and productive jobs available, preparing youth for the job market, and synchronizing labour supply and demand.
2. **The Egyptian Observatory for Education, Training and Employment** was developed between 2006-2010 with funding from the European Training Foundation (ETF), under the auspices of the Information and Decision Support Centre (IDSC), and attached to the cabinet of the Prime Minister. It conducted labor market analyses and capacity building activities and a concept for a labor market observatory.
3. **The Egyptian Forum for Youth Employment Promotion** was fostered by the ILO and GIZ and funded by Australia, Canada, and Germany, in 2014. Egypt-YEP is a high-level public-private initiative that brought together national policy-makers, private stakeholders, trade unions, civil society organizations, experts and youth that endeavours to take collective actions to address labour market challenges of young people in Egypt.
4. **Workforce Improvement and Skill Enhancement** is a three-year collaboration from 2016 between the government of Egypt, the private sector, and the U.S. Agency for International Development (USAID) on a vocational education and training project. This USD22.1 million initiative is for reforming the technical secondary education system (through curriculum development and teacher training) and building youth skills to match the needs of the labor market.

Labor market institutions are important for devising workable solutions to youth unemployment. Egypt has some labor market institutions responsible for planning and coordinating employment promotion initiatives, such as:

- A- *The Ministry of Manpower (MoM)*, which is responsible for facilitating the match between labour supply and demand, helping to increase the employability of the labour force, and monitoring labour market demand. It runs its own training centres, which focus primarily on training of school dropouts and laid-off workers. MoM is running an Employment Information Programme, which prepares labour market statistics and publishes the Monthly Vacancy Bulletin.
- B- *The Supreme Council for Human Resources Development*, which is responsible for coordinating the training policies of all ministries. It is headed by the Minister of Manpower and includes high-level representatives from all other relevant ministries.
- C- *The Information and Decision Support Centre (IDSC)*, that has formulated the National Youth Employment Programme.

Egypt ratified ILO Minimum Wage Fixing Convention no. 131, regulating the minimum wage which signal the fact that it takes its obligations seriously.

### **3. Libya**

#### **3.1. Youth Policies**

After the uprisings of 2011, the National Transitional Council issued a Constitutional Declaration. Youth are mentioned in article 5, which states that “the State shall take care of children, youth and the handicapped.”

Libyans trust the public sector; under State ownership, workforce regulations included job security guarantees, social security programs and relatively high public-sector wages with generous non-wage benefits. The rise of the public sector in employment became a key factor in segmenting labor markets, with an employment structure biased toward better-educated graduates and women. Working time arrangements are also favorable in comparison to the much longer working hours in the private sector along with the low time commitment of public sector.

#### **3.2. Employment Policies**

The interest among people to work in the public sector has affected education. The wish of working in this sector influences directly educational choices, the government has encouraged investment in the types of human capital that meet the needs of State bureaucracies. Higher degrees and certificates are pursued by youth to improve their chances of getting this kind of job, sometimes not paying so much attention to the quality of education but to having an actual paper-degree that can allow them to enter the public service. As for the private sector, it consists of a small number of formal private and foreign companies, and a larger number of mostly informal small and micro enterprises. Despite the high literacy levels and enrolment rates, Libyan businessmen often mention the mismatch between the skills required on the job market and the ones that young people acquire in the education system.

The informal sector dominates the labor market activities which is a challenge to face as there’s no regulations. Many of the country’s labor laws have discouraged job creation in the formal sector because of the minimum wage, working hours and night shift regulations. Public-private partnerships are already emerging at local levels and have continued operating even during the current conflict. In Tripoli, for example, the local municipal council and a non-governmental organization opened an employment center in 2014 which begun placing youth in jobs in firms, and in late 2015 mobilized an investor forum to support young entrepreneurs<sup>7</sup>.

### **4. Mauritania**

#### **4.1. Youth Policies**

The Mauritanian National Youth Policy (2004) defines youth as the population between 12-30 years. The strategic priorities established in the 2004 youth policy include developing a legal framework of the youth sector; capacity-building of administrative structures; promoting youth employment and socio-economic integration; promoting cultural activities, recreation and leisure; and advocacy and protection of young people and adolescents.

Mauritania has lofty aspirations for meeting the needs of its youth. The Ministry of Culture, Youth and Sport has a Directorate of Youth Development mandated to focus on youth affairs, and to “design, implement, monitor and evaluate national policies” for the youth. It has regional offices throughout Mauritania and is charged with supporting

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<sup>7</sup> Al-Ageli, A. (2012, 12 December). Youth Unemployment in Libya: a structural solution is needed.

“youth participation, international cooperation, civic engagement, economic inclusion, youth activities, and capacity-building and networking with youth organizations and associations.” There is a Technical Advisor for Youth who reports to the Minister of Culture, Youth and Sport. Areas of focus include “youth participation, social inclusion, entrepreneurship, reproductive health, peace and democracy.”

## **4.2. Employment Policies**

In 1997 Mauritania created a Declaration of Employment Policy. This policy contains a global and active approach to the treatment of the questions of employment and covers all the factors that determine the creation of employment, all the sectors which impact significantly on the improvement of employment and all the entities directly or indirectly involved whether they are from the public or private sector.

More recently, Mauritania put in place a National Strategy for Accelerated Growth and Shared Prosperity (SCAPP) for 2016-2030. It aims at 'promoting strong, inclusive and sustainable growth', the creation of over 120,000 jobs during 2016-2020 and a reduction of unemployment to 9.9% by 2030.

The youth development programs and the use of social dialogue on employment policies are still at an embryonic stage. Moreover, the coverage of these programs remains limited, in the sense that it is intended at graduates of universities and vocational courses in urban areas. The investments allocated to the development of sustainable livelihoods in the short and medium term for poor young people in rural and peri-urban areas have not been substantial.

On the supply side, programs focus mainly on vocational training and, to some extent, micro-entrepreneurship of university graduates. On the demand side, meanwhile, programs focus on improving the development of SMEs in relation to regulatory reforms envisaged in the medium term to improve the investment climate. Institutional support dedicated to strengthening inter-agency coordination and management of vocational training remains limited.

Public works programs relating to local infrastructure development projects are deployed in almost half of the municipalities of Mauritania, rural and urban areas. More broadly, there is need for the evaluation of regulations governing the work and their possible impact on job creation in Mauritania, particularly for certain sectors (services, trade and manufacturing) and segments of the population (new entrants and young women).

## **5. Morocco**

### **5.1. Youth Policies**

The government developed a National Integrated Youth Strategy, to improve the employment situation for youth, create youth councils and promote a national dialogue with civil society to develop laws that could guarantee their participation in decision making. As a result of this movement, a national youth policy saw light on April 2014. Following the promotion of civil dialogue, it was youth who organized dialogues and forums to discuss and stand for their needs and priorities and the importance of youth employment policies that would be stated in the new Constitutional reforms, that requires youth concerns to be considered in the budgets and programs of local authorities.

#### ***The Constitution of 2011 and the Consultative Council on Youth and Social Work***

Articles 33 and 170 concern the institutionalization of young people's affairs. The first article foresees the establishment of the Consultative Council of Youth and Social Work (Conseil Consultatif de la Jeunesse et de l'Action Associative), the second one states its responsibilities. An important role in monitoring the implementation goes to the mentioned committee, composed of youth and law experts, civil society representatives

and government bodies that drafted a law on youth<sup>8</sup> presented to the Government in 2014 and aimed to regulate a legislative, and institutional framework for youth related issues. The Governing Council adopted a bill on the Consultative Council on Youth and Social Work in June 2016. The law identifies frameworks and commitments of a national youth policy specifying its administrative and financial resources. It is compulsory now, thanks to the new Constitution, for local Councils to involve young people in decision making processes through associations and local youth councils.

### ***National Integrated Youth Strategy***

The National Integrated Youth Strategy was submitted to the appreciation of nearly 27,000 young people during the national youth debate organized on September 22, 2012. Its draft has meant a big step for giving importance to youth's voices and for youth work. It means a firm commitment from the Moroccan Government in investing in youngsters, involving this sector in all policy areas, adapting their needs to its programs. The Strategy pays special attention to unemployed youth and states that all young people should 'have the capacities and opportunities for a successful transition to adult life, through high quality education, access to employment, appropriate health services and the active participation in the political, social and cultural life'. The strategy is not sectoral, but integrated and coordinated among all the government sectors to ensure convergence in the actions dedicated to young people in all domains (education, employment, culture, etc.).

### **5.2. Employment Policies**

Since the 1990s, the employability of young people has begun to be considered a real problem. Active employment programs have been implemented by the Ministry of Employment and Social Affairs to facilitate youth integration into the labor market.

Active employment programs have been implemented by the Ministry of Employment and Social Affairs. It promotes employment as one of the priorities set out in its program, with the aim of reducing the unemployment rate through the improvement and the consolidation of measures for the adequacy of employment training and support for the creation of businesses (Moukawalati program), access for young people to their first professional experience and skills training: The Idmaj program (entry into the workforce contract) and Taehil program (training under contract). The Taehil program aims to improve the employability of jobseekers by enabling them to acquire vocational skills in job positions. It is open to graduates and vocational training recipients. The National Program of Support for the Creation of Enterprises "Moukawalati" (for self-employment) supports both the promoters of business creation and ensures the sustainability of the regional economic networks, through a monitoring system for companies. The third program, "Idmaj", aims to increase the employability of graduated job-seekers, helping them acquire professional skills, through their first experience in enterprises. It also seeks to improve the management of human resources.

**The National Strategy for Employment 2015-2020** aims to promote productive and decent employment. It starts pointing out the fact that the country, due to demographic transition, will face a high demand for decent jobs and societal changes by 2025. The Strategy states that public policies fail to stabilize the labor market and to improve the quality of jobs and it underlines that active employment programs and measures are insufficiently targeted on women, young people and disabled people, going also through macroeconomic and sectorial policies and the institutional framework for governance and the observance of the labor market.

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<sup>8</sup> Projet de loi 89-15 relatif au Conseil consultatif de la jeunesse et de l'action associative.

## **6. Sudan**

### **6.1. Youth Policies**

Sudan is yet to produce and put its youth policy in the public domain. The definition of youth is found from its development partners' categorization. For example, in its study on youth unemployment in Sudan the *African Economic Outlook* (2012) defines youth as a person aged 15-24 years (AfDB, OECD, UNDP, UNECA, 2012).

The Ministry of Youth & Sports (MoYS) is responsible for youth affairs. According to *Giving Young People a Priority* (2013), UNFPA have developed the National Youth Strategy (2007-2031) in partnership with the MoYS and support youth participation and youth policy structures and programmes. The African Economic Outlook (2012) note partnership projects focusing on youth unemployment delivered by the MoYS.

According to *Giving Young People a Priority* (2013), UNFPA have established Youth Parliaments in all States of Sudan and have supported youth participation in policy development and monitoring. This has been addressed through capacity building and strengthening of youth groups, training on leadership, management, advocacy and strategic planning, fostering adult-youth partnerships and policy research.

### **6.2. Employment Policies**

Public employment services in Sudan face critical challenges in their ability to support the promotion of an active policy on employment. The 1997 Labour Code of Sudan still provides the legal basis for public employment services. Formal social protection institutions are few in Sudan and an unemployment insurance scheme is not yet approved. The Zakat Fund, based on Islamic Sharia principles, the Social Security Fund, and the National Pension Fund have been created to meet the needs of poor and vulnerable groups, but these institutions appear to be underfunded compared to the rising demands on them. Informal individual and family ties continue to provide a last resort for many people.

The Ministry of Human Resources Development and Labour is working on the formulation of labour policies to ensure minimum standards and the protection of rights of workers both in the formal and informal contexts.

## **7. Tunisia**

### **7.1. Youth Policies**

The new Constitution of 2014 provides an excellent framework for the integration of young people in the development of policies and programs that could help propel them into the workplace. But Tunisia suffers from structural problems that accentuate the crisis. The economy remains weak and people rely too much on the public sector to provide them with jobs. Most university graduates enter the public sector, with only 44% working in private industry. They perceive the public sector as the most stable employer, with better conditions, whereas the private one is seen as precarious and abusive.

The World Bank report: "Overcoming Obstacles to the Integration of Young People"<sup>9</sup> offers a comprehensive analysis of the social, economic, political and cultural obstacles encountered by young Tunisians. It is based on quantitative data based on survey results, in-depth qualitative research, and direct consultations with youth, service

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<sup>9</sup> World Bank and Centre pour l'Intégration en Méditerranée: « Surmonter les obstacles à l'intégration des jeunes », 2014.

providers and decision-makers to identify root causes and levels of general inactivity among young people. It recommends labor market programs to be redirected to young people with low levels of education. Also, it demonstrates the need for more non-governmental organizations as well as civil society organizations to bring youth closer to existing local institutions.

## **7.2. Employment Policies**

The Government recognizes the need to take a multi-sectoral approach and that, not only more jobs need to be created from investments in the private sector but also, they need to be good quality jobs that assure social security and faster growth at the same time. These reforms would not come alone, as the country would need also to invest in new youth and education policies, labor regulations, social protection systems and a better coordination among actors.

Tunisia has implemented many reforms to improve the business climate. Important agencies and policies associated with youth employment are: The Tunisian National Employment Agency, which has implemented a network of 82 service providers covering all regions; the presidential youth program of the 11<sup>th</sup> Economic Development Plan, which focuses on three priorities:

- People with specific needs;
- Education and job creation through self-employment; and
- Providing support to entrepreneurs.

## Part III: Conclusion and Policy Recommendations

This report shows that the causes of youth unemployment are multiple and interconnected, ranging from poor education to weakness of the governmental structure to address the problems. There are many programs geared at finding solutions for youth unemployment but a lot of them focus on the quantity, and not the quality of jobs available.

Africa's youth-education-employment nexus in the global economy should be considered from the perspective that access to education is the precondition for poverty reduction, political stability, peace and security and sustainable development. Although there has been significant emphasis and progress in terms of prioritizing education and youth employment at global, regional, sub-regional, and national levels, these innovations have not yet been included into macroeconomic plans and activities. If chronic unemployment is to be meaningfully addressed, there is need to change the attitude towards youth, using an integrated approach to handling education and employment, and government must proactively take measures to harness the potential of youth in the global economy (United Nations Economic Commission for Africa, 2011).

There should be policies that enable youth to use the skills they already have for the labor market. This will start up job creation and employment and allow subsequent policies to evolve opportunities that fit today's world. For youth education and employment, the focus should not be on enrollment numbers but on the effectiveness, attendance, and relevance of education. Africa must continually nurture its youth by encouraging their foray into higher levels of education and later into the labor market to use and improve on the acquired knowledge and skills. The more vulnerable groups such as women, the disabled, the displaced, and refugees are disproportionately disadvantaged in education and employment. For example, girls can experience discrimination early on in education where they are encouraged to pursue social sciences and arts rather than life sciences and engineering subjects (United Nations Economic Commission for Africa, 2011).

African countries can learn from policies from the global, regional, sub-regional, and national levels. At the global level, declarations and conventions that can support efforts to address youth employment include the 1965 Declaration on the Promotion of the Ideals of Peace, Mutual Respect and Understanding between Peoples, World Program of Action for Youth, and the Millennium Development Goals. At the regional level, the African Youth Charter, and the Fifth and Seventh African Development Forum are useful. At the national level, improvements can be made on the established foundation of the National Youth Council and the Youth Ministry found in several African countries. These approaches should be integrated into a single approach to successfully address education and youth employment. To do so, African countries would need to embed these policies into their macroeconomic policies to deal with barriers in the labor market that make all prior initiatives successful.

If a country wants its socioeconomic situation to improve, tackling youth unemployment is crucial for overcoming poverty and restoring political and social stability since, as mentioned, the collateral damage such as young people getting into crimes, drugs etc...as a result of not having an occupation, or being underemployed, cause their frustration about not being able to feed their families, producing even more devastating consequences. That is, the creation of decent employment for youth is also crucial for sustainable development: the youth of today will be the parents of the children of the future and on them will depend their situation and education, producing a chain of consequences depending on the actions taken nowadays. A link between employment

policies and development needs is required and crucial. Youth employment should be integrated into comprehensive national development programs and take part of constructing new policies.

The report suggests some key recommendations that can be used in all the countries analyzed in general. Here are some *key investments*:

- Information and Communication Technology (ICT)

ICT is rapidly transforming our lives, the way we do business, access information and services, fueling the global economy. Unemployed youth can use ICT to discover job opportunities and become employed within new jobs that are created through the deployment of ICT. One use of ICT is to provide on-line services for job placement through electronic labour exchanges in public employment service or other placement agencies. The transparency enabled by ICT opens up possibilities for precise information seeking.

ICT in the form of tele-centres, especially at the rural level can act as a nodal point for community connectivity, local capacity-building, content development and communications, as well as serving as hubs for applications, such as distance education, support to SMEs, promotion of e-commerce and youth empowerment. Tele-centres can offer the opportunity to use ICT for business purposes to SMEs that do not have their own private facilities.

The Internet is considered a new world of opportunities for youth employment. Social networks such as Facebook, LinkedIn or Twitter, young people are getting to match with employers, training volunteers and other forms of placement. The Internet has contributed to redefining traditional forms of communication.

- Small and Medium Enterprises (SMEs)

The development of this sector has proven to have the potential to reduce poverty and inequality (equitable distribution of benefits of economic growth helps reducing problems associated with uneven income distribution) being an engine of economic growth and sustainable development. Their main advantage is that they operate right from simple agricultural markets to industrial related ones, at a low level of investment per job compared to large companies. Since they mostly employ youth, they help to enhance their participation in economic activities and improve their living conditions. Youth should be trained on how to run their small companies and businesses.

According to the OECD, SMEs are today's main employers with 33% of jobs created over the last ten years. This means that big companies don't represent the main sources of employment no more and that there is a necessity to prepare young people for an entrepreneurship culture.

- Fostering entrepreneurship

Recent studies advocate for entrepreneurship to solve the problem of youth unemployment, believing that it would reward innovation and creativity. This, though, would need a good structure and administrative framework so that young people could create new jobs, and this would also play a crucial role in economic life through sustainable innovation.



Major constraints to entrepreneurship are regulatory, including registration requirements, administrative and compliance costs, firm closure, poor infrastructure for doing business, and access to capital.

For SMEs and informal sector businesses in African countries the most likely source of finance would be the micro and informal financial sector. To achieve this goal, governments should invest in teaching young people the leadership and management skills they need to become innovators and entrepreneurs: communication, teamwork, decision-making, organizational skills and self-confidence. They should consider innovative approaches such as promoting self-employment (micro-enterprises) through entrepreneurship support programs and introduce targeted training and assistance to youth, including assessment of business proposals, accessing of technical information, marketing and other business skills such as preparation of loan application

One of the important social benefits of entrepreneurship is the demonstration effect and active approach which helps address issues of dependency and passiveness in relation to traditional forms of welfare. Entrepreneurship offers alternatives to those disadvantaged in the mainstream economy such as women and youth.

#### - Microfinance Industry

Micro-finance can increase the number of low-income families and individuals with access to finance for their development activities and improve the distribution of loans to rural areas. It is assuming greater importance for poverty reduction in many African countries. Microfinance providers are hoping to directly address the crisis of youth unemployment through the youth themselves- by boosting youth-led business creation and enabling self-employment. The interest is not just in the impact promised by microfinance on poverty reduction, but also on its potential contribution to catalyzing rural development and achieving income redistribution.

This industry responds to the crisis of youth unemployment by developing innovative ways to extend integrated microfinance services (savings, loans and cash transfers) and non-financial services (health education, business training) to the youth in a cost-effective way.

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#### - Pro-poor industrial clusters

One of the potential policy instruments to promote SMEs in favour of the poor is industrial cluster development. Clustering brings agglomeration benefits and promotes collective efficiency which makes it possible for smaller firms to access markets through division of labour. Economies of scale and scope can allow individual small firms to survive by specializing in specific tasks within the production process and by accessing specialist skills and services and inputs from within the cluster.

Contribution of clustering to poverty reduction is through cluster employment and incomes especially in pro-poor clusters. Poverty impact of these clusters includes addressing issues of risk, vulnerability, empowerment and participation for poor and marginalized groups. However pro-poor outcomes may not necessarily emerge from cluster development without particular forms of policy interventions. A poverty focused strategy requires stronger attention to people within clusters, namely entrepreneurs and workers, their households and the wider community.

African countries should identify clusters that have a high incidence of poor households. It could be on the nature of employment (vulnerability of unskilled workers, youth and women), or it could be on the nature of the sector such as concentration of relatively labour intensive. It should also promote pro-poor partnerships through identifying the key stakeholders (individuals and institutions) which can support pro-poor cluster policy interventions.

- Craft industry.

The craft industry is one of the fast-growing industries in African countries and has the potential to contribute significantly to the development of these countries if given the right support. Morocco for example, has a rich tradition of artisanship that dates back centuries. The advantage of the craft industry is that its raw materials are most locally produced and therefore easy to access. The industry faces many challenges: market access, marketing strategies, movement of crafts and people, standards and sustainability of production, and they must be addressed to reap the benefits that could come through the development of the craft industry in Africa.

Promoting craft development for export markets can create job opportunities in rural areas. However, the preservation of traditional culture is often neglected in this undertaking. This in turn affects the livelihoods of the artisans and their families and ignores export potential based on a strong cultural reference. Crafts producers are often unaware of the opportunities to export due to lack of contacts. In addition, artisans are frequently not organized well enough to realize their potential capacity of production and the quality of products is often not sufficiently high to meet foreign market needs.

African countries should allow duty and tax-free movement of crafts; put in place trade information centres where craft producers can know in advance what each country's import requirements are; organize trade fairs for crafts as a way of promoting the sector and building the confidence of the producers to realize that they can survive on their trade.

- Tourism

This industry in Morocco for example, is well developed with a strong tourist industry focused on the country's coast, culture, and history that could benefit from pro-poor tourism, which is a specific approach of the sector that aims to increase the net benefits for the poor from tourism, and ensure that tourism growth contributes to poverty reduction. Community-based tourism has the potential to create jobs and generate a wide spectrum of entrepreneurial opportunities for people from a variety of backgrounds, skills and experiences.

Poor communities are often rich in natural assets; scenery, climate, culture and wildlife. Community-based tourism is closely associated with ecotourism, and is regarded as a tool for natural and cultural resource conservation and community development. If the communities were mobilized to work on what they have, they could provide services to visitors, act as official guides and get involved in the activities in general. The links between tourism and other value adding activities including traditional craft and cultural industries should be strengthened.

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*- Private sector and poverty reduction*

Private sector investments can create jobs, improve productivity and foster innovation. This sector can participate through public-private partnership in building physical and social infrastructure including provision of basic services that will benefit the poor.

The development of a strong and dynamic private sector is crucial to long-term, rapid economic growth and is necessary for poverty reduction. African countries must create an enabling environment for private sector participation in policy development, an effective regulatory framework is also essential. The private sector can reduce poverty by providing employment opportunities to the poor; and through indirect positive impacts on macro-economic policy and business development. Private operators can provide infrastructure and public services and projects targeting the poor through various mechanisms including public-private partnerships.

African countries should develop short term programs supporting entrepreneurship into educational curricula, covering all levels from primary school to higher education to foster entrepreneurial spirit and knowledge. Also, design capacity development programs for the private sector to enable it to actively participate in the necessary reforms.

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