

## **Youth Transition from Education to Work in the Mediterranean Region: The ETF Experience with Partner Countries<sup>1</sup>**

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### **Abstract**

Countries in the Arab Mediterranean region (AMC) face several daunting challenges. Changes in the nature of work and employment have weakened prospects for secure, long-term jobs, just as the ‘youth bulge’ caused by rapid demographic transition means that almost 30% of the population in these countries is between the ages of 15 and 30. Governments have been challenged to respond to these problems. Compiling information from a wide range of sources, this paper assesses issues and policy responses necessary to improve school-to-work transitions in AMC countries, analyzing complex inter-relationships among school, work, economic development, and policy. Economic growth, in particular job creation, has not kept pace with educational expansion. At the same time, school graduates frequently lack the skills that employers need. Thus, while more children and youth are completing higher levels of schooling, the education they receive is unlikely, for many, to lead to improved well-being. Recommendations are specified around four broad policy areas of improvement, and one of inclusion: 1) improving the level of workforce education and qualifications; 2) improving the content (and evaluating the impact) of government programmes aimed at easing the transition from school to work; 3) improving the framework for transition support, while equipping youth with skills that better match labour market needs; and 4) including youth voices in planning and implementation of the programmes.

### **Socio-Economic and Demographic Context**

The political turbulence experienced in many Arab-Mediterranean countries (AMCs) over the past few years is partly attributed to the lack of democracy, employment and social equity. The years 2011 and 2012 will be remembered for the ‘Arab spring’. A wave of revolts led by young people swept through Tunisia and Egypt, and then with less intensity through Algeria, Morocco and Jordan, with violent conflicts in Libya and Syria. This led to regime changes and a transition to democratic processes in Tunisia, Egypt, and Libya; pre-emptive reforms in Algeria, Morocco, and Jordan; and sectarian

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violence in Syria. The uprisings underlined the importance of governance at all levels, and highlighted the deep resentment of people, particularly of youth, of rising social inequalities, unemployment, corruption, and lack of democracy.

Eighteen months on, many things have changed in the region. Social demands and expectations of citizens, in particular of young people, have exploded dramatically. The selection and direction of future policies will depend on the economic and social development model chosen by each country, but there is a high risk of instability if people's voices are not heard by governments. The new governments and international donors have been quick to place employment policy at the core of their cooperation agendas as one of the root causes of the revolts. This has led to increasing funds in the short term for the proliferation and diversification of active labour market measures and public work programmes, some wage increases, and the emergence of new social partners in the field.

AMCs face important employment challenges: changes in the nature of work and employment have weakened the prospects of long-term and secure jobs. The youth employment challenges faced by AMCs are daunting. The 'youth bulge' caused by rapid demographic transition in AMCs means that almost 30% of the population of these countries are between the ages of 15 and 30, and this ratio will be maintained for at least the next two decades. This youthful and positive energy needs to be planned for, and education systems need to become more relevant to the needs of the current and future young generations.

Two key constraints affect employment in AMCs. There is insufficient labour demand to meet the labour market supply (in particular for qualified labour), and a skills mismatch, which can be attributed to failures in the education system, has caused youth employability to suffer. The first constraint is well documented in national and international studies, and is partly linked to specific structural features of the economies in AMCs. Positive trends in economic growth in the region for 2011–2012 have deteriorated, but even during the period 2002–2007, when AMCs were characterized by sustained growth, job creation performance was still weak. Aside from the high levels of agricultural employment in some countries, business is largely dominated by small- and medium-sized enterprises (SMEs), which tend to have lower levels of productivity and face greater obstacles to competing in international markets. SMEs create 60 to 70% of jobs, but most of these are low skilled and low paid, and they are mainly in the informal sector.

Improvements in the level of education of the population and recent economic growth have not translated into employment growth. Despite the great efforts of governments to enhance the level of education of the population (particularly in some countries, such as Morocco), the increase in education levels has had only a limited effect on national labour markets. Labour markets in the region have on average the lowest activity rates in the world (between 40 to 50%), mainly because of very low female activity rates (an average of less than 25%). Unemployment rates remain high (between 10 and 15% over the past decade), but they vary across regions inside countries, and are

persistently twice as high for women and youth as for adult males. Youth unemployment is close to or above 25% in almost all AMCs<sup>2</sup>, despite the extremely low activity rates. The majority of unemployed (up to 80% in some countries such as Egypt) are first job-seekers with no previous work experience. Female unemployment (and inactivity) rates are very high even among the young, despite the increasing levels of education and aspirations of women for jobs. Labour market opportunities, which are rare for young men in the region, remain almost nonexistent for young women.

Another striking feature is the inverse correlation between education and employment. Unemployment rates tend to increase with education level, particularly for women, and are highest of all for female university graduates. The growing number of ‘educated unemployed’ underlines the weak links between the education and training system and the labour market. The specific skills required to enter the labour market do not appear to be provided by national education and training systems. For example, there is a demand for soft or generic skills (team work, communication and social skills, adaptability, languages, skills in information and communication technology (ICT), analysis and synthesis, critical thinking and work discipline), and a need for job search skills. The changing nature of the labour market, and the changing nature of skills required by the labour market, need to be reflected in the curricula of education and training systems, as soft skills become increasingly important for young people to access and maintain employment (Sisson and Jones 2012).

Young people who are not in employment, education or training (NEETs) are particularly vulnerable to social exclusion. Although no statistics are available, surveys for some countries show that this category might account for more than 40% of the youth population<sup>3</sup>. The main reasons are the high numbers of early school leavers, and the social norms that restrict mobility and access to work and further education for young girls after they complete compulsory lower secondary education. Evidence points to NEET rates close to 25% of the young male population in countries such as Jordan, Syria, and Egypt, and close to 70% for young women. This ‘youth employment gap’ represents a waste of human capital and educational investment, a devalorization of (scarce) national human resources, and leads to an increased risk of social instability.

## **Main Challenges for Transition from School to Work**

The transition from education to work can be very difficult for all young people. Many have to face unemployment for several months, if not years, before finding their first job after leaving school. Although a period of transition is normal, a slow or difficult transition to the labour market can have a lasting impact on an individual’s career and future income (Eurofund 2012).

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<sup>2</sup> Extremely high youth unemployment rates are observed in Tunisia (42%), OPT (39%), Lebanon (30%), Jordan (28%), and Egypt (26%) (ETF 2012).

<sup>3</sup> Union for the Mediterranean regional employability review. Turin: ETF 2012.

The main obstacle to youth entry into the labour market in the Mediterranean region is the lack of labour demand. Insufficient jobs are being created, with a particular lack of jobs of the kinds that fit the demographic dynamics and educational attainment of the population. This is related to the socio-economic context of each country and the legislative rigidities of its labour market. A number of factors contribute to make entry into the labour market difficult:

***A weak business environment.*** The amount of red tape and bureaucracy involved in creating a company, and in particular the conditions prevailing in the financial sector, do not encourage self-employment and SME development, despite positive experiences regarding their impact on labour market entry and employability. In Syria, a survey found that becoming a self-employed worker is linked to a high probability of labour market success, with the highest wages and almost no risk of subsequent unemployment (ETF 2012).

***Low levels of qualifications and enrolment in technical and vocational education and training (VET)***<sup>4</sup>. Despite improvements in educational coverage and achievement, school drop-out and illiteracy rates are still relatively high, and upper secondary enrolment rates are relatively low. This still poses a major challenge to the employability of large numbers of young people<sup>5</sup>. The low proportion of young people opting for VET, the strong gender segregation in VET occupations, and the preference for humanities subjects are other factors that make the transition to the labour market more difficult. According to ETF studies (described below), in some countries such as Algeria, Egypt, and Jordan, young people refuse to enroll in VET programmes because they do not fit with the expectations that they and others have of their future type of employment. Those who can afford to decline work are often unwilling to take up manual jobs or craft professions<sup>6</sup>. Enrolment in VET is often used by students not as a preparation for the labour market, but as a relatively easy way to gain access to university. There is still a strong preference, in particular among graduates, for obtaining a public sector job because of the associated job security and social benefits, despite the fact that many young people find the work involved unproductive and unsatisfactory.

***A lack of generic and/or soft skills (key competences) and skills mismatch.*** All studies point to this as a major shortcoming in AMCs. Soft skills are closely linked to cultural attitudes, and acquiring them needs to be seen as a process rather than something that can be achieved by a single intervention. Teachers' professional development and

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<sup>4</sup> In this paper the term VET (vocational education and training) is used synonymously with the term used by UNESCO, TVET (technical and vocational education and training).

<sup>5</sup> More than half the students in Syria, Morocco, Egypt, and Algeria drop out of school before the upper secondary level. Other countries struggle to maintain enrolment rates of between 60% and 75% at this level (Albania, Turkey, Jordan, Lebanon, Occupied Palestinian Territory, Tunisia) (EFT 2012).

<sup>6</sup> Except in Egypt, where half of all students enrol in VET, the proportion of upper secondary education students enrolled in VET is low: 11–12% in the Maghreb, 6% in the Occupied Palestinian Territory, and 15–20% in Jordan and Syria (EFT 2012).

changes to school and university curricula and teaching methods could contribute much more to an improvement in soft-skill levels than the proliferation of programmes currently being implemented in some countries. A skills mismatch is often identified as the main obstacle to hiring young people, because the formal school system does not provide the skills needed by potential employers<sup>7 8</sup>.

***Weak job-matching services and fragmented labour market information systems.*** Most jobs are found through personal contacts and social networks by those who are already employed, rather than through transparent and merit-based recruitment mechanisms involving open competition and/or job intermediation by public employment services (PESs). Youth without social contacts suffer the most, and are most likely to remain without any job.

***Lack of relevant work experience.*** Work experience opportunities can help young people to take important decisions about their future career, and at the same time, allow them to use and adapt the skills acquired at school in the labour market. As in the current economic context, labour supply exceeds labour demand, and employers tend to hire youth who already have relevant work experience, regardless of their level of education, while getting a first job represents the biggest step. The majority of the unemployed in AMCs are seeking their first job and have no previous work experience.

***Territorial disparities and weak geographical mobility.*** Job availability is very diverse across (and within) countries. Some young job seekers may be unable to afford the cost of daily transportation from their homes to the places where jobs are available. There is often not the infrastructure to allow ready travel to a place of employment. It is important to encourage measures to support job seekers' access to training or employment opportunities by facilitating their mobility. This would increase social cohesion and improve equal opportunities. The *Confédération générale des entreprises au Maroc* (CGEM), in its 20 propositions for labour market reform in Morocco (CGEM 2012), proposed that specific financial support be given to job seekers who need to travel for a job interview.

Patterns of school-to-work transition are rarely studied, and the concept is relatively new in AMCs. No data are available on trends in the duration of school-to-work transitions, though there are strong indications that it is increasing in most countries in the region<sup>9</sup>. It may be assumed that as a consequence of these barriers and others, the transition from school to work is taking much longer and is becoming more difficult for young people to achieve.

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<sup>7</sup> Union for the Mediterranean regional employability review, *ibid*.

<sup>8</sup> According to Business Environment and Enterprise Surveys (BEEPS: World Bank, various dates), an average of 42% of the private companies questioned in AMCs indicate that the main obstacle to hiring young people is that the formal schooling system does not provide them with the skills needed for the labour market. Skills mismatches are particularly identified as a constraint to business development in Syria (60% of all firms interviewed), Lebanon (56%) and Egypt (50%).

<sup>9</sup> According to an ILO study, the average duration between leaving school and obtaining a fixed-term and/or a satisfactory job is 29 months (Matsumoto and Elder 2010).

The vast majority of young labour market entrants resort to jobs in the informal economy as a way of entering the work force, and some never leave this sector. In Egypt only 15.7% of employed young people have a formal job contract (Population Council 2010). Young people with low education levels are more likely than adults to engage in unpaid family work, mostly in the agricultural and service sectors. Given the very high number of informal jobs created in these economies (60–80% of new jobs created are in the informal sector) and the close correlation between being a young/first job-seeker and having an informal job, it is perhaps fair to say that the majority of youth in the region work in informal, poor-quality jobs at subsistence wages and without any prospects for advancement (Martin 2009).

Young women encounter more difficulty than do men in trying to enter the labour market, particularly in AMCs. Although in all these countries the gender gap in education has been reduced, or even reversed as in Tunisia and Algeria, gender discrimination is still a serious problem in relation to labour market access, in terms of both activity rates and access to work. A critical issue for women especially—which largely determines both their entry into the labour market and their ability to remain within it—is the high level of job insecurity and low pay that they are typically offered in the private sector. Often the conditions on offer are so poor that they do not feel they would benefit from taking up such jobs. Educated women in the region have tended up to now to work almost exclusively in the public sector (upto 50% in some AMCs) , where there is not the same disparity between the job offers to men and women, and the wages and working conditions are much more attractive to them as a result (ETF 2010b).

According to the *Survey of Young People in Egypt (SYPE)* (Population Council 2010), a number of interrelated factors could contribute to the disadvantaged position of females in the local labour market, including discouraging working conditions, fewer networking opportunities, lower levels of mobility, and difficulties in engaging in entrepreneurship. The factors most often mentioned in relation to the low female activity rate are the lack of jobs that are deemed ‘suitable for women’, the lack of affordable child care and part-time jobs, and the social and cultural perceptions of gender roles, including the fact that women are less able to travel significant distances to work because of family constraints.

The large number of NEETs represents one of the most serious social problems in AMCs. The employment issues for some NEETs (predominantly women) are also connected to the international financial crisis and its consequences for the labour market. Here the recession has worsened an existing problem. Additionally, statistics and analysis on NEETs are poor, making it more difficult for policy-makers to adopt specific measures to facilitate their inclusion in the labour market. Sissons and Jones (2012) describe the NEET cohort as a diverse group. Some may be unemployed and looking for work; others may have family care responsibilities, health problems, or specific disabilities; others may have left school with no or too many qualifications; some have low qualifications because they have left school early; others may suffer from a lack of substantive work experience



and need to be supported while taking the initial (and the hardest) step into employment (Sissons and Jones 2012). Poor language skills also represent a major impediment to the entry of some youth into the labour market. More analysis has to be conducted in this area, in order that policy measures can be taken to eliminate the barriers that impede their entry into the labour market.

## Methodologies

There has been limited analysis of the transition from school to work in ETF's partner countries, particularly in the Mediterranean region. Enhancing the capacity of national and local stakeholders to undertake evidence-based analysis that feeds social dialogue and the policy-making process is crucial to ensure smoother transition paths. What is a successful process of transition from school to work? To what extent can the transition be deemed successful, and why? Methodologies designed to create a more informed policy-making process include:

- *transition studies and reports* (e.g. the EU-funded Comparative Analysis of Transitions from Education to Work in Europe [CATEWE] project for EU Member States, and ILO transition studies implemented in the past and planned for the future in a number of northern African countries);
- *graduate tracer studies*<sup>10</sup>;
- *transition surveys* (e.g. ETF studies); and
- *school-to-work transition information bases* (e.g. UNESCO in the Asia-Pacific region).

Transition studies have shown that youth experience increasing difficulties in completing the transition to economic independence and adulthood. A small number of large-scale survey-based studies have been carried out during the past few years by the ETF (in Serbia and Ukraine in 2007, in Syria in 2010 [ETF 2010a], in Kyrgyzstan in 2011), and the ILO (two surveys carried out in 2005 in Egypt and Syria). A comparative analysis of school-to-work transition surveys was also carried out in eight developing countries, including Syria and Egypt, by the ILO (Matsumoto and Elder 2010). This highlighted a relatively poor performance in school-to-work transition in AMCs. Some major conclusions from these transition studies and surveys are:

***The overall context of an institutional setting needs to be taken into account in order to properly understand and evaluate the effects (and the effectiveness) of a particular transition channel.*** This implies that the transition from school to work needs to be considered together with the characteristics of the education system and

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<sup>10</sup> 'Tracer studies take a retrospective look at the evolution of the situation of a sample of children already provided with or exposed to a specific intervention. It is an enquiry approach at a single point in time that generates data on already achieved impact' (ILO 2011).

the labour market, and that individual policy measures (or institutional reforms) should be judged against the wider background of the national institutional framework, social and institutional structures within which they are intended to function (Van Trier 2005; Matsumoto and Elder 2010).

*The effectiveness of a particular transition measure needs to be considered in light of the specific social function and policy objective* that the measure is intended to achieve (Van Trier 2005; Matsumoto and Elder 2010).

*Cross-country comparisons are difficult to make*, as the definition of transition status and the methods of data capturing are diverse and vary considerably from country to country.

*A more coordinated approach in conducting transition surveys would provide more complete information regarding transition.* Cooperation with national authorities and national statistical offices would facilitate translation of the analysis into concrete policy actions. Consultation with national stakeholders, including youth representatives, would improve the overall quality of surveys, questionnaire design and interviewing.

Some tracer studies have also been conducted in AMCs, in order to examine the occupational search patterns, employment experiences, relationships between training and employment, promotion records, and job changes experienced by former graduates. The findings could be used to plan reforms of workforce education systems and institutions in order to improve the school-to-work transition for future students. A tracer study on agriculture and street work in Morocco was scheduled to be published by the ILO at the time of writing.

## **Analysing the Transition from Education to Work**

The ETF has developed a set of tools for analysis of these issues, including a conceptual and analytical framework and a school leaver survey. Both can be used to provide insights into the complex and dynamic process of labour market integration, to better analyse education-to-work transition in the ETF partner countries, and to better link analytical research and policy-making on the education system and the labour market. The ETF methodology for transition surveys was developed during research in Ukraine, Serbia, and Syria. A desk review was conducted in Egypt, and most recently the methodology has been applied in Kyrgyzstan and (in 2012) Tajikistan. The tools have been piloted and refined so as to better incorporate specific aspects of school-to-work transition processes.

The EU-funded CATEWE project was used as a starting point to develop these tools. The CATEWE conceptual framework describes some of the pathways followed by young people when making the move from full-time education to the labour market, and explains the extent to which differences in national institutional structures could account



for differences in transition patterns and outcomes for young people<sup>11</sup>. Building on this conceptual framework, the ETF developed a set of questions and indicators guiding the research on education-to-work transition, by developing a list of topics to be included in any country report of this type. Three key questions to measure the effectiveness of school-to-work transition are:

- How do young people move through the education system, and what factors determine the differences in their educational achievements?
- How and through which channels do young people move from the education system into the labour market, and what factors determine their success at labour market entry?
- Do processes, patterns and outcomes of early labour market entry influence the labour market outcomes and careers of young people at a later stage in life?

The project concluded that country reports need to include:

- Existing available information on the relationship between education and employment. This is sometimes available as micro-data: for example, there might be a large-scale household based school-leaver survey implemented on a nationally representative sample of youth aged 15–30 who left the education system during the last five years.
- A description of the education system, the labour market structure, and the institutional framework governing the transition from school to work.
- A review of social and political developments affecting changes in education and labour market institutions in recent years, and recent policy initiatives undertaken.

Overall considerations emerging from the country reports analysed included:

***A clear disconnect between the educational structure and the labour market.***

The national education system may have many good features, but still fail to instil in students the skills requested by the labour market. This is clearly the case in many of these countries. It is therefore essential to adapt the content of education programmes to the needs of the labour market. Education and training systems need to be flexible and proactive in their efforts to adapt their content, taking into account the general economic

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<sup>11</sup> The framework consists of five interrelated building blocks, each of them pointing at variables capturing the main characteristics of the major factors influencing the transition from school to work: i) different aspects of the macro-context in which national transitions occur (demographic situation and development, industrial structure and economic cycle, and characteristics of the labour market); ii) differences in national education/training systems (extent of standardization existing within an education system); iii) characteristics of and differences between national labour market structures; iv) interfaces between the national education and training systems and the labour market; and v) characteristics of the transition process and variables related to the transition outcomes.

trends of the country.

*Subject selection by students* is often not driven by job market considerations or availability of jobs in that specific sector. Note also that many young people choose to remain in the informal sector even if formal jobs are available, since they receive higher short-term rewards. This is often the case in Egypt, for example.

*Expansion of higher education does not ensure better labour market prospects*, and in some instances encourages emigration by trained young people who cannot find appropriate employment in their home country.

*Transition policies should focus on two main challenges: how to make labour markets more inclusive to facilitate greater transition to formal jobs, and how to ensure that there is transition towards more productive jobs.* Improving the overall functioning of the economy, the business environment, and the work organization of firms are some of the policy responses that can help. Measures to improve the productivity of all workers, prevent social exclusion, and facilitate upward mobility towards better jobs are also methods to enable easier transition to better jobs. In the countries examined, the small role played by formal permanent jobs in the education-to-work transition emphasizes the need to develop an inclusive employment policy that can tackle informality and support the creation of more and better jobs.

## **Range and Types of Programmes and Services**

Transition measures aim at improving the interface between the education system and the labour market. From a demand-side perspective, they try to affect the behaviour of employers, for example by regulating the employment relationship and providing incentives for investments in training. From the supply-side perspective, they aim at improving access to education and training, and its quality and relevancy, to ensure a supply of workers with skills to match labour market needs. Despite their widespread use, the effectiveness of these types of transition support measure has been the subject of lengthy debate.

The type of transition programme chosen by a country depends on its perceived needs. In most cases a combination of programmes are implemented to help overcome specific employment barriers. The main types of transition programme are employment services and employment intermediation services; career information, guidance and counselling; vocational education and training (VET) programmes; other education combined with work experience opportunities, including internships, traineeships and public works; entrepreneurship promotion; and incentives for employers.

*Employment services and employment intermediation services:* Employment services aim to enhance job search efficiency mainly for the unemployed, through measures such as providing information on job vacancies, assisting in matching workers to jobs, career counselling, and assessment and testing to determine job readiness (Angel-Urdinola, Semlali, and Brodmann 2010). These services can be provided by either public

or private agencies. Public agencies typically focus on individuals with lower skills and limited education, while private agencies tend to offer services to those who are better trained and have higher skill levels. Note however that the reverse tends to be true in some AMCs, such as Morocco. Many AMCs do not regulate private employment intermediation services, and this affects the quality of services provided. Evidence suggests that these services are more effective for individuals with good skills and better labour market prospects than for more disadvantaged people. Success is more likely when there is a systematic follow-up of individual cases by the job counsellor (Angel-Urdinola, Semlali, and Brodmann 2010). The Internet and web-based tools can also be extremely valuable in providing information for job seekers. Transparent mechanisms that match existing vacancies and potential applicants tend to constitute a first point of contact between employers and job seekers, and these can then be supported by tailored-made assistance.

***Career information, guidance and counselling services:*** The provision of career guidance plays an important role in easing the transition of youth from school to work. It results in better access to information on educational options, the skills needed for different careers, and job opportunities. All this improves the ability of young people to make informed decisions about their education and careers. However, ETF reports indicate that no country in the region has an adequate career information system in place, and in many cases where such information does exist, it is fragmented (Sultana and Watts 2007). While the demand for career guidance in Mediterranean countries is huge, and the topic has been moving up the policy agenda in recent years, service provision is still very limited (Zelloth 2009)<sup>12</sup>. Career advisers often use a psychological model based on what jobs an individual is most psychologically suited to, while a more pedagogical model where one learned career management skills or a labour market-oriented model focusing on what jobs an individual is qualified for and what jobs are actually available would be more appropriate. Rather than ‘testing and telling’ the individual what s/he can do, establishing career education within the curriculum is a better option to empower individuals. Young people in transition to work need both immediate support shortly before and during their transition to employment, and career advice at earlier points during their education. More technological modes of advice delivery, including harnessing the potential of the internet, social networks, SMS messages and the like, might also help contribute to increased career guidance as well as overcoming stereotypes and barriers against choosing VET pathways as viable career options.

<sup>12</sup> Countries in the region are at various stages of development. Egypt, for example, completely lacks career guidance provision in its education system, apart from a few small-scale donor-supported projects which yet have to prove sustainability. With ETF support, a National Task Force developed for the first time a concept and proposal for introducing career guidance (2009–2010) which focuses on ‘key transition points’ of young people. In Lebanon, the Ministry of Education is planning to retrain teachers to become career counsellors in schools, and the UN Relief and Works Agency (UNRWA) has introduced career guidance sessions for Palestinian refugees in schools. Jordan adopted a career guidance strategy targeting on community colleges and employment centres in 2011, and in 2010 Syria piloted its first career centres at universities as part of a new policy linking higher education with the labour market.

***Vocational education and training programmes:*** VET programmes include those offering classroom training, on-the-job training, and apprenticeships, providing youth with either general skills, such as languages, ICT, and the like, or specific vocational skills, generally industry-sector-specific skills. In the Mediterranean region, the size of the VET sector remains generally limited (ETF 2012), and work-based learning programmes for young people constitute a minor part of overall VET provision (Sweet 2009b), but there is potential for growth in both the sector and the training programmes. International research has proven that multiple pathways and a variety of VET options, including second-chance opportunities, lead to successful transitions from education to work. The transition pathway quality is even more important than the size or type of VET. Training can have a more positive impact on labour market outcomes and on ensuring a smooth transition when it is offered as part of a comprehensive package. Issues and aspects to be considered include public–private partnerships, flexible schedules, combinations of training courses and internships, and monitoring the impact of the programme, particularly for young women. There has been a trend away from in-classroom training towards more comprehensive approaches. Involving end-users in programme design and management, and giving end-users a strong role in accrediting qualifications and institutions, can further contribute to the positive impact of the programmes (Sweet 2009a).

***Work experience opportunities:*** Work experience can help young people develop and acquire important labour market skills, insights into working life, and can also boost their soft skills. Research from the United Kingdom suggests that when work experience is of good quality, it is disadvantaged youth who benefit the most (ACEVO 2012).

Internships and traineeships can provide a valuable link between education and employment, and in some cases lead to long-term even permanent contracts (Eurofund 2012). When properly designed, they can provide youth with important skills and valuable experience for their selected career paths. Besides allowing youth to acquire practical experience and put into practice their existing skills, internships should help them determine future professional choices and increase their ability to integrate into the labour market. Valuable experience can be gained in private enterprises, and also in the public and voluntary sectors, as is the case in many EU countries<sup>13</sup>.

One risk associated with internships is that many young people find themselves moving from one unpaid or low-paid internship to another, rather than moving from an internship into conventional employment. Another is that employers might make use of work experience to reduce the size of their paid workforce, and thus the number of genuine job opportunities available. The lack of a regulatory framework setting clear standards for working hours, remuneration, and the learning component of the internship often reduces the positive impact of the experience. It is therefore important that the content and modalities of internships be well-structured and monitored to ensure that the

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<sup>13</sup> In Italy, for example, the ‘International civil service’ offers the opportunity to work with non-government organizations (NGOs) in developing countries.

intended learning outcomes of the programmes are achieved.

The results of traineeship/internship programmes also depend on the business environment of each country, such as the existence of companies which can provide good-quality training for youth, which is crucial to the success of traditional dual systems. The majority of companies in the region are SMEs, and this is a drawback in this context, since the capacity of smaller companies to deliver training is generally very weak. This design of the traineeship system needs to take into account this predominance of SMEs in the region. Some positive initiatives have occurred in AMCs. In Morocco, for instance, the government has introduced a *Contrat de prise en charge sociale*, whereby the government covers the social security of young trainees (for 12 months, renewable once), and a *Contrat d'intégration professionnelle*, whereby the government compensates companies that offer disadvantaged young people a permanent contract after a period of traineeship<sup>14</sup>. Research suggests that professional and learning objectives of the traineeships should be defined; that a personal supervisor should be designated; that certification stating the knowledge, the skills, and the competences acquired during the traineeships should be issued; and that proper remuneration (particularly for postgraduate traineeships) and social security coverage should be ensured (European Commission 2012).

Another avenue for work experience, public works, is a quick way to inject financial resources into the economy, create jobs over the short term, and provide income support to vulnerable social groups. This can be done throughout a territory, contributing to the construction or maintenance of community infrastructure or the environment<sup>15</sup>. As such, public works are a widely used policy tool for tackling poverty and a buffer mechanism in times of crisis. Public works programmes create jobs mainly for unskilled and semi-skilled male workers, and can be oriented to both rural and urban areas. They are by nature short lived, and often do not contribute to enhancing the employability of their participants in the longer term. The challenge is to find ways to link the short-term strategy of job creation and income support with the longer-term objective of labour force employability. To enhance employability, such programmes could potentially include the following elements: making the subcontracting of public works programmes to private contractors conditional on their hiring a proportion of new labour force entrants and including a training module; linking public works programmes to existing VET programmes and centres, thus providing students with employment or apprenticeship opportunities; launching, as part of these programmes, labour-intensive social services focusing on

<sup>14</sup> Some international evaluations have shown that employer incentives can have a positive effect in the short run but a poor effect on the long run, while training programmes are more likely to achieve results with a longer-lasting impact. It is therefore important that employer incentive measures are properly designed and targeted in order to avoid dead-weight effects (OECD 2010, quoted in Eurofund 2012).

<sup>15</sup> Public works are not properly 'transition measures', but they are widely used in the region and can represent the only policy measure targeted at low and unskilled youth (although often the work is for males only). Therefore, they constitute a specificity of the region that deserves to be mentioned in the analysis.

training and employability enhancement; and linking public works programmes to SME support programmes (ETF 2011). Public works programmes are high on the economic agenda of the new governments in Egypt and Tunisia (with the support of international donors), and in Algeria, public investment in infrastructure has become the key instrument of economic policy in successive Economic Recovery Support and Public Investment Programmes since 2002.

***Entrepreneurship promotion:*** Entrepreneurship promotion includes measures such as financial and advisory assistance for those starting up small businesses and taking advantage of microcredit programmes. Entrepreneurship promotion often comprises direct financial assistance for business start-ups, training in entrepreneurial skills, and mentoring. In some countries, specific programmes have been adopted to promote entrepreneurship as an entry point to the labour market. Often public employment services provide training and consultancy on business planning and development, but specific training and mentoring measures to foster entrepreneurship need to be included in schools and universities to promote entrepreneurial thinking among youth. Access to financial and tax relief for young entrepreneurs and fiscal incentives for business transfers (for instance within the family) are also fundamental to encouraging people to start up or continue a business. Financial incentives for micro-companies to hire young people can also represent a good method to further improve the entry of youth into the labour market. There has been limited follow-up on self-started businesses, and this makes it difficult to design the appropriate policy measures. It would be useful to obtain better information on, for example, the failure rate of newly established enterprises, and their impact on net job creation. While rigorous evaluations are still scarce in AMCs, recent reviews in other regions suggest that training in self-employment has a positive impact on the sustainability of businesses (Angel-Urdinola, Semlali, and Brodmann 2010). Youth entrepreneurship programmes that focus on non-cognitive skills, such as critical thinking, decision-making, teamwork, and flexibility, can be beneficial, as in the long run young people cannot count on jobs for life, but need to face the reality of ‘portfolio careers’ (Angel-Urdinola, Semlali, and Brodmann 2010). In Morocco, the Moukalawati programme is financed by the government and aimed at supporting business start-ups and self-employment. It offers financial support (*prêts facilités*) and business plan support programmes. Although an official evaluation of the programme has not been made public yet, the results seem to have fallen far short of the initial objectives. Only 4,000 young people have as yet benefited from the programme, while the projection was for 30,000. It is not yet clear whether the projects financed will prove viable and sustainable, and whether they will generate new employment.

***Employer incentives:*** Employer incentives include subsidizing wages and reducing the social security contributions required from employers when they hire young workers. They are widely used in the region to facilitate the transition to the labour market. These types of measures can stimulate the demand for young employees (or trainees or interns), and can help with the entry of young people into the labour market. In the long term, a job



provided under such a scheme could lead to a permanent contract or at least a more stable position. Failing that, the experience should provide the young person with a better chance in the labour market (Eurofund 2012). There have not been any recent impact studies in this area to show the long-term concrete impact of such measures. The evaluations that have been made have shown that employer incentives can have a positive effect in the short term, but that their net impact on the future employment prospects of participants can be poor. Training programmes are more likely to have positive results (Eurofund 2012). Specific targeting of employer incentives is needed in order to avoid dead-weight effects (when the same individuals are hired as would have been taken on in the absence of the programme), substitution effects (jobs created for the target group replace jobs for other groups), and displacement effects (a possible reduction in the number of jobs elsewhere in the market).

## **Evidence of the Impact of Programmes and Policies**

Evidence of the impact and effectiveness of policies and programmes aimed at supporting youth employment is severely lacking, and programmes are sometimes repeated and refinanced with little evidence of effectiveness. However, there are some research findings about their limited impact on employability. In Tunisia, the placement rates of the *Stage d'Initiation à la Vie Professionnelle* were 23% in 2010 (Angel-Urdinola and Leon-Solano 2011, quoted in ETF 2012). In Algeria, evaluations suggest that wage subsidies benefit companies rather than young unemployed people. Companies obtain a virtually free workforce as they replace formal workers with trainees, with no obligation to hire them at the end of the traineeship, and continue the process with further batches of trainees. Again in Algeria, apprenticeship training has been found to achieve higher employment insertion rates (60%) than school-based VET. Transitions to employment are also faster, as many apprentices are recruited immediately after the completion of training, while it is not uncommon for other VET graduates to spend a year or more looking for a first job<sup>16</sup>.

In Morocco the three main state-funded employment programmes (Idmaj, Taehil, and Moukalawati, which provide respectively work experience possibilities, training, and support for self-employment) are far from being able to provide a holistic response to youth unemployment in the country. Concerns have been raised about their quantitative and qualitative impact (in particular, their scope and the targets of their interventions), as they have reached only a very limited portion of the population, targeting mostly well-qualified youth and excluding disadvantaged groups.

Some governments have introduced wage subsidies or labour market programmes which are unlikely to be sustainable in the long run. In Tunisia, the Amal programme –

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<sup>16</sup> The Algerian Ministry in charge of VET, quoted in a press release on the results of the German-Algerian cooperation project, March 2011 (in ETF 2012).

financed in 2011 following the 14 January revolution – does not seem to have achieved its initial goals. Although it was originally planned to have 50,000 beneficiaries, places on the programme were granted to more than 150,000 people, and there was a budgetary allocation exceeding 1% of gross domestic product (GDP) in 2011. The programme was aimed at graduate first-job seekers, and granted them a monthly 200 dinars allocation plus social coverage for a maximum period of one year and training to support their entry into the labour market. To enhance employability, the Amal programme had foreseen the provision of very basic compulsory career coaching and soft skills development through three-day courses, and subsequent personalized follow-up for each individual. When the three-month placements that were offered in public institutions expired, the beneficiaries were rarely if ever offered permanent positions, which caused much frustration, and only a small proportion of the Amal programme participants benefited from the placements. Overall, participants felt that they had received useful revenue support, but not an effective programme to help them get jobs.

## **Recommendations**

There are a number of issues relating to the employability of youth, and transition from school to work, which governments could consider embedding into national programmes:

### **1. Improve the level of workforce education and qualifications**

**1a. Increase enrolment in, and the quality of, post-compulsory education (especially for females).** The quality of primary and secondary education must be improved in order to retain students, reduce drop-out rates, and better prepare students for post-compulsory levels of education. Education to at least upper secondary level is crucial if students are to be adequately prepared for the labour market. Their level of qualifications is an increasingly important determinant of whether young people transit smoothly from school to work (Matsumoto and Elder 2010). Reducing drop-out rates should also reduce the number of youth that become NEET. Increasing enrolment in, and the quality of, post-compulsory education also helps promote future engagement in lifelong learning activities.

**1b. Enhance and diversify high-quality VET programmes to provide valid alternatives to general education programmes.** In view of the increasing demographic pressure on upper secondary and tertiary education levels and the need for further expansion of upper and post-secondary schooling to address this challenge, VET systems need to expand significantly in many countries. The attractiveness of VET can be increased with modernized curricula, enthusiastic and well-prepared teachers, up-to-date workshops and equipment, and schools and training providers that have strong links with the business world, offering work-based learning opportunities. More labour market

related VET programmes need to be made available to female students, and mixed-gender enrolment across the occupations should be actively encouraged by the system.

## **2. Improve the content of government programmes aimed at easing the transition from school to work (and evaluate their impact)**

**2a. Strengthen public employment services (PES) for a more efficient service delivery.** One of the core tasks of PES is to place job seekers in gainful jobs. More effective placement and job-matching systems should be developed. Better designed and equipped labour market institutions can facilitate the transition of young people to more satisfactory and secure jobs. PESs can have also a fundamental role in providing career guidance and counselling. Strengthening the job-matching services of PESs might also be a key factor in decreasing the segmentation and exclusion of labour markets, and enhancing the employability of young people, and in particular of vulnerable groups. PESs need to be strengthened through increased budget allocations, higher staffing levels, and better infrastructure, to enhance their capacity to design and implement transition measures (and labour market policies in general) at national and local levels. This exercise would include: capacity development, including regular staff training and increased financial resources, particularly for active labour market measures, and in rural areas; monitoring development, including analysis of data gathered.

**2b. Set up appropriate career guidance systems.** These are necessary for all levels and types of education, including VET centres and public employment services, in order to help young people choose their studies and career paths in the face of rapidly changing labour markets and education provision. Particular attention needs to be given to the choices of women. Career guidance also needs to reflect the informal labour market and local needs. To be most effective, career guidance needs to start at an early age, and to be embedded in the curriculum, to equip young people with career management skills which can give them an increased capacity and empowerment to self-manage various transitions and to become or remain employable throughout their lives. Youth and student organizations can play an important role in promoting and setting up career guidance services to complement government actions.

**2c. Improve the targeting of transition programmes** so that they can reach a greater part of young labour market entrants, with particular attention devoted to the most fragile categories, namely the low qualified, NEETs, and women. In the short term, governments should support those who are already NEET through reintegration policies. This includes providing clear information about labour market possibilities; ensuring that young people have the right skills and work experience to access employment; and ensuring that support programmes are flexible and diversified so as to satisfy the needs of the different groups of NEETs. In the long term, preventive measures should be adopted such as:

- reducing the number of early school leavers and school drop-outs to ensure that all young people receive some labour-market-related training;
- supporting the access of young people to their first sustainable job;
- better coordination of the support provided at national and local levels;
- supporting local services (in particular, locally embedded organizations that are best placed to engage with youth in a specific territory);
- providing clear guidance to young people who follow non-traditional career paths;
- enhancing the level of qualifications of youth, so that they can better face the process of transition from school to work; and
- ensuring that traineeships and apprenticeships offer productive careers with opportunities for progression (Eurofund 2012).

**2d. Gender-sensitive measures** (specific career guidance, counselling, job search and intermediation, gender quotas) are needed to improve the participation and advancement of young women in the labour market. Governments could:

- provide targeted training programs for women,
- establish gender targets for the participation of women in the public sector and in private enterprises,
- establish the necessary infrastructure that would ease women's responsibilities such as child-care and safe public transport system (ETF 2010b),
- encourage the use of part-time contracts and new teleworking opportunities.

**2e. Ensure that all youth can obtain a first work experience placement when leaving school.** Work experiences need to be of good quality, with rewarding tasks that promote personal improvement and learning. There must be adequate monitoring. Incentives could be provided to enterprises that also offer training for their employees, which should be targeted at those who need it most. Apprenticeships (including informal apprenticeships), which are often outside the formal education system, and formal economy, traineeships, and other practical training modalities in enterprises and training institutions need to be recognized as valid learning opportunities.

**2f. Support entrepreneurship and self-employment support programmes.** Entrepreneurship and self-employment support programs are a key component of employment policy in AMCs, and should be extended and enhanced, particularly for the high-skilled instead of as a last-resort initiative for the low-skilled or unskilled. As the economies of AMCs consist mainly of SMEs and micro-enterprises, a business environment conducive to the creation and growth of SMEs is vital for promoting job creation. Specific programmes should be implemented for rural enterprises, as agriculture still represents one of the pillars of most AMCs' economies. Entrepreneurial and innovative thinking should be instilled through education and training, and high achievers

in particular should be encouraged to become entrepreneurs as a matter of choice rather than necessity.

**2g. Encourage local employment initiatives**, which use a bottom-up approach and mobilize local social and economic stakeholders. In order to promote regional development, reduce territorial disparities, and offer tailor-made solutions that take into account local needs and realities, transition measures should include a local and/or regional touch. Encouraging commitment of local partnerships for employment could constitute an important asset, as local actors can more easily identify the needs of the communities in which they operate and suggest viable corrective measures.

**2h. Establish a reliable monitoring and evaluation system for transition measures and government programmes.** The actual impact of programmes on beneficiaries should be properly monitored and assessed, so that problems regarding their proliferation, targeting, and effectiveness can be avoided. Feedback on the employability of specific target groups, such as higher education or VET graduates, should be used by education/VET institutions in a strategic manner.

### **3. Improve the Framework for Transition Support, Equipping Youth with Skills that Better Match Labour Market Needs**

**3a. Strengthen the cooperation between education and business through a participatory approach.** This is pivotal not only to shaping educational paths and training successfully, but also for effectively organizing apprenticeships and work-based learning experiences. Cooperation between VET institutions and local stakeholders (a form of social dialogue), in particular enterprises and youth representatives, is a key factor for success in implementing transition measures. Employers and youth groups need to be consulted when designing policy measures, as proper consideration of their interests and concerns should improve the pattern and the outcome of the programmes. It is important however not to exclude women and informal workers, who are generally not represented by trade unions.

**3b. Strengthen transition analysis and set up labour market information systems** that can help identifying the current and future skill needs of the labour market, and translate them into measures to create appropriate education and training provision. This includes greater transparency and dissemination: of existing data collection instruments such as labour force surveys and public employment service registers; of active labour market policies; and of analysis of relevant labour market trends. School-to-work information base systems that collect data on the quantitative and qualitative demand and supply for skills could benefit governments, schools and VET institutions, and ultimately young students<sup>17</sup>.

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<sup>17</sup> A school-to-work information base is a set of policies and practices for collecting information about the skills needed by employers and the types of employment found by graduates (UNESCO 2012).

#### **4. Include youth voices in planning and implementation of the programmes.**

**4a. Identify early those who are likely to experience a difficult transition into work.** If they fail to gain work in a short time, they might disengage from the job-seeking process, and support should be provided in time to ensure this does not happen.

**4b. Monitor the progress of state-sponsored schemes and follow up on participants.** This is required to evaluate the impact of any programme and, if necessary, to correct and improve it. Surveys conducted in EU Member States have shown that young people believe that the education system does not adequately equip them with the skills needed in the workplace. This creates a gap between education and ‘real life’ which often leads to feelings of disillusionment. Those who fail to make a successful transition feel particularly disempowered.

**4c. Transition measures need to be diverse and to address the different needs of all specific youth groups,** since youth are not homogeneous. The large inequalities that characterize society in the AMC countries create disparities in opportunities between different youth groups. Differences of gender, education, family background and wealth, and the places where young people live—in cities or rural environments, in places with many or few employment opportunities—all create different conditions for different youth groups, which need to be considered in planning and implementing policies.

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