

# YOUTH EMPLOYMENT IN NORTH AFRICA

CASE STUDIES FROM EGYPT,  
TUNISIA, ALGERIA & MOROCCO

*Edited by Adel Abdel Ghafar*



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**Regional Program Political Dialogue South Mediterranean  
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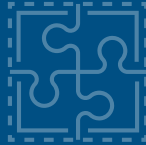
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# Foreword







North Africa is a striving, young and dynamic region, characterized by the great potential of its future leaders to continue a prosperous and wholesome development at the crossroads of global trade and as a link between Europe and Africa, shaped by a deep historical and cultural heritage. And yet, the discourse about the region, and its youth in particular, is often tainted with uncertainty - pointing to the high unemployment rates that are causing many to leave their homes and raising gloomy expectations for the future. While there is no doubt about the worrying extent of missed opportunities, the issues should rather be met with positive and forward-looking perspectives and recommendations.

With this in mind, we have tried to ask the simple but complex questions of what has actually worked for youth employment in North Africa. How can these positive examples be a lesson for neighboring countries and societies at large? Sharing best practices is a sustainable way of working together to address common challenges. After all, there is no way around demographic trends and the responsibility and opportunity to promote an inclusive economic model for societies in North Africa. While it is important to point out shortcomings, it is often easier to criticize than to provide concrete solutions and recommendations that can be considered.

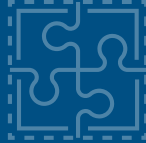
We hope that this publication will serve as an incentive to creatively approach job creation opportunities and offer solutions in the fight against unemployment and the promotion of prospects in North Africa. For this, we would like to thank the distinguished scholars and experts who contributed to this publication to provide the country-specific snapshots and forward-looking recommendations for inclusive and modern economic societies in North Africa. We would like to express our gratitude to the authors and the international reviewers for their dedication and constructive feedback. Our special appreciation goes to the editor, Adel Abdel Ghafar, for his invaluable support in the completion of this publication. We believe that this volume will make a fruitful and future-oriented contribution to the positive debate on the state of youth employment and its immense potential, and we are eager to follow and support the transformation process across the region.

It is in this context that the Regional Program Political Dialogue South Mediterranean of the Konrad-Adenauer-Stiftung (KAS PolDiMed) undertakes its activities to promote greater understanding for cross-national and cross-regional developments in the Mediterranean region. KAS PolDiMed cooperates closely with local partners to pursue a shared vision for human development, economic progress, and political and social stability. Our commitment to this vision of freer and more prosperous development in the wider Mediterranean will continue to be a source of inspiration for our activities in the future.

**Thomas Volk**

*Director, Regional Program Political Dialogue South Mediterranean  
Konrad-Adenauer-Stiftung*





# Introduction



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Nearly half of the population of North Africa is under the age of 24, making it one of the youngest regions of the world. The region's favorable demographic structure, its aspiring population and its strategic location, indicate the potential for a more stable and prosperous future. The region's youth offer countries in North Africa a historic opportunity to capitalize on the potential economic gains provided by an expanding, highly educated, working-age population, an opportunity comparable to the one seized by East Asian states during the 1980s.<sup>1</sup>

This generation of North African youth came of age during an unprecedented digital revolution, witnessing the spread of globalization and participating in a wave of protests previously unheard of in the history of the region. They are also the most educated generation, most urbanized, as well as highly connected to the rest of the world, thanks to the internet and social media. Yet, more than a decade after the Arab Uprisings, youth unemployment remains a pressing challenge across North Africa.

Although there are differences between the socio-economic and political structures of Algeria, Morocco, Tunisia and Egypt, many common challenges remain. Informal and precarious work conditions, ineffective educational systems and inefficient labor-markets continue to plague the region. According to the World Bank, it is the only region in the world where the risk of unemployment increases as the level of education increases.

Growing marginalization, decreased economic opportunities, and the lack of political openness has led to social unrest, irregular migration, brain-drain and, worst of all, has provided a pathway to radicalization & violence. This is the core of the challenge that North African youth face today: how they could ultimately prove to be either the region's biggest asset or its greatest liability. Countries in the region and their international partners are well aware of these dynamics and have been working to address many of these challenges over the years.

According to the International Labor Organization (ILO), in order to tackle youth unemployment there are a set of best practices and policy considerations. These include a focus on reforming education and training programs, improving the business environment as well as boosting entrepreneurship, promoting labor-market flexibility and active labor-market policies, monitoring and evaluating school to work transitions and an overall focus on employability skills.

Many of these approaches and policies have been tried across North Africa over the past decade, with varying degrees of success. Which policies and programs have been the most successful? What are examples of best practices in these policies and programs? What can countries in North Africa learn from each other? How can the region's external partners such as the EU support successful programs?

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<sup>1</sup> See Sayre, Edward A., and Tarik M. Yousef, eds. *Young Generation Awakening: Economics, Society, and Policy on the Eve of the Arab Spring*. (Oxford University Press, 2016).

To answer these questions, this report contains country-specific chapters, written by experts, unpacking some of the key issues in youth unemployment. In addition, it delves into providing recommendations and what the future outlook is like. In the first chapter, Mohammed Dahshan explains the structural issues that contribute to increasing youth unemployment in Egypt, including problems with the educational system that lead to education-occupation mismatches. Dahshan also highlights how COVID-19 managed to further exacerbate the problem. He argues that the strategy to tackle the problem should be refocused from job creation to youth economic inclusion.

Anna Jacobs, in the second chapter, focuses on the way Morocco is trying to tackle the issue of youth unemployment with a focus on the role of external actors. She uses case studies to illustrate the efficacy of these programs and argues that there are various structural issues at play that contribute to the high level of youth unemployment.

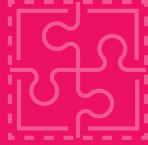
In the third chapter, Amel Boubekeur explains the weaknesses of Algeria's policies for reducing youth unemployment through two case studies. Algeria has implemented many programs in an attempt to support Algerian youth, but Boubekeur argues that these programs simply reduce the unemployment numbers at a superficial level. Boubekeur takes the position that these programs need to be monitored and evaluated better, in order to gauge their true overall impact.

In the final chapter, Mohamed-Dhia Hammami uses the ICT sector in Tunisia as his case study. He argues that economic reforms and liberalization in Tunisia have not delivered as planned, and that the state should have a larger role in coordinating economic activities as well as encouraging state ICT institutions to innovate, while increasing investments in internet infrastructure.

## About the Editor:

Adel Abdel Ghafar is a nonresident fellow in the Foreign Policy program at Brookings, and was a fellow at the [Brookings Doha Center](#), where he was previously acting director of research. He is also an Adjunct Professor at Georgetown University's School of Foreign Service in Qatar. He specializes in political economy and his research interests include state-society relations, socio-economic development, and foreign policy in the MENA region.

He is the author and editor of several volumes and reports including : "[Egyptians in Revolt: The Political Economy of Labor and Student Mobilizations 1919-2011](#)" (Routledge, 2017), [A Stable Egypt for a Stable Region](#) (European Parliament, 2018), [The European Union and North Africa: Prospects and Challenges](#) (Brookings Institution Press, 2019), [China and North Africa: Between Economics, Politics and Security](#) (I.B Tauris, 2021), [The European Union and the GCC: Towards a New Path](#) ( Palgrave MacMillan, 2021) and «[The Middle East: Revolution or Reform?](#)» (Melbourne University Press, 2014). He has prepared studies and consulted for various international and intergovernmental organizations and government agencies including the European Union, the U.K. Foreign, Commonwealth and Development Office, and the Australian Department of Foreign Affairs and Trade. He holds a doctorate in political science and international relations from the Australian National University.



CHAPTER

# 1

# Youth Unemployment in Egypt: From Job Creation to Youth Economic Inclusion



*Mohammed Dahshan*



# Chapter 1.

## Youth Unemployment in Egypt: From Job Creation to Youth Economic Inclusion

*Mohamed El Dahshan<sup>2</sup>*

### Introduction

It is one of the Middle East's most alarming crises, or it should be. Youth unemployment in the Arab World stands at 23%, and 30% in North Africa;<sup>3</sup> Egypt, the region's most populous nation, is no exception. Officially standing at 24% in 2019,<sup>4</sup> following a noticeable drop over the previous eight years, youth unemployment remains one of Egypt's intractable challenges, as well as one of its most poorly diagnosed. Nevertheless, it is one of the most pressing concerns on the minds of young people themselves. In a YouGov/Bayt survey, 83% of respondents in the MENA Region, aged between 18 and 35, stated that unemployment was a major issue in their country, a figure rising to 93% in Egypt.<sup>5</sup>

Beyond unemployment, the question extends to employment vulnerability, informality, and quality of work. The share of youth in vulnerable employment has increased steadily over the past two decades, from 18% in 1998 to 30% in 2018; they are three times more likely to be 'low-earners' and among the 'working poor' than the average worker.<sup>6</sup>

Throughout the political transitions that Egypt has found itself engaged in over the course of the past decade, government leaders frequently touted their youth development policies, but often fell short of effectively responding to actual needs.<sup>7</sup> The issue is of even more pressing concern, as young people aged 18 to 29 constitute a whopping

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2 Mohamed El Dahshan is an associate fellow with the Chatham House Middle East and North Africa Programme, where he focuses on economic development, regional cooperation, and fragile states. He is also managing director of OXCON, a public sector consulting firm, advising governments and international organisations on Africa and the Middle East.

3 Shireen AlAzzawi, Vladimir Hlasny, "Precarious employment for youth in Egypt, Jordan, and Tunisia". UNU-WIDER, May 2021. <https://bit.ly/3kJRR3n>

4 The World Bank, "Unemployment, youth total (% of total labor force ages 15-24) (national estimate) - Egypt, Arab Rep.". <https://data.worldbank.org/indicator/SL.UEM.1524.NE.ZS?locations=EG>

5 Bayt and YouGov, "The Bayt.com Millennials in the Middle East and North Africa survey", February 2014.

6 Shireen AlAzzawi, op.cit.

7 Jennifer Bremer, "Youth Unemployment and Poverty in Egypt". Poverty and Public Policy review, Volume 10, Issue3, September 2018, pp. 295-316



21% of the population;<sup>8</sup> it is thus not a youth priority, but a national one. However, successive governments have generally perceived youth unemployment through the lens of macroeconomic development and simple indicators, rather than a complex question, affecting multiple constituencies, each requiring tailored policy interventions. It is also one with long roots; in fact, the young people concerned were born alongside or after the country's 1991 Economic Reform and Structural Adjustment Programme (ERSAP), which brought in important labor challenges, unresolved until today.<sup>9</sup>

Far from being solely an economic issue, it is also overwhelmingly socio-political, a characteristic that has seen the problem oversimplified (as well as amplified) by many analysts. Youth unemployment is “a major cause for rebellion”, in the words of a foreign International Labor Organisation (ILO) official in Cairo in 2011<sup>10</sup>. It is often cited, usually in a matter-of-fact tone and with shrugged shoulders, as shorthand causes for extremism, despite “the literature offer(ing) no conclusive answers as to the relevance of employment-related factors on radicalisation.”<sup>11</sup>

The past decade and the economic mismanagement that the country endured, culminating in difficult economic reforms implemented 2016 onwards, entail that job creation for young people will remain an important precondition for political stability.<sup>12</sup>

Following an overview and analysis of the issue at hand, this chapter will explore particularly salient issues in youth unemployment, especially those of young women, who are four times more likely to be unemployed as young men. Furthermore, the impact and lessons of the COVID-19 pandemic and ensuing economic crisis will be considered. Following this, we look at two case studies with particularly interesting angles and lessons. The first case looks at German-supported ‘Dual System’ vocational education, originally named after the two heads of states that launched it in the nineties, Mubarak-Kohl, and its impact assessment study conducted in 2010. The second case addresses a more recent ILO funded project supporting women’s employment, which represents, in its versatility and multi-pronged approach, an interesting development in such projects. Crystallising learnings from previous sections, the chapter concludes with a few recommendations for the Egyptian government and its international partners.

8 Shorouk News, “المركزي للإحصاء: 20.2 مليون شاب في الفئة العمرية «18-29 عاماً» خلال 2019” (“CAPMAS: 20.2 million young people in the age group (18-29 years) in 2019”), 7 August 2019. <https://bit.ly/3i5eVYH>

9 Saad Eddin Ibrahim and Hans Lofgren, “Successful Adjustment and Declining Governance? The Case of Egypt”. The World Bank, PSD Occasional Paper no.8, December 1995. <https://documents1.worldbank.org/curated/en/236971492969652301/pdf/multi0page.pdf>

10 ILO, “Youth unemployment in the Arab world is a major cause for rebellion”, 5 April 2011. <https://bit.ly/2Ztxr6p>

11 Valeria Izzì, “Promoting decent employment for African youth as a peacebuilding strategy”. Evidence Synthesis paper series 4/2020, INCLUDE Knowledge Platform, 2020.

12 Bremer, op.cit.

## Structural issues require structural solutions

Egypt's 2010 Youth Employment National Action Plan identified that labor-market problems are "mainly relating to" insufficient job creation, particularly in the formal sector; the increasing supply of labor, which fails to achieve market readiness; and inadequate labor-market policies, which "could not resolve the existing mismatch between labor demand and supply." Of particular note, the latter two are particularly challenging for youth, suggesting that national priorities should centre around technical education and vocational training (TVET), enterprise development, and labor-market policies and programs.<sup>13</sup> A decade later, government policy focus has scantily veered from these priorities, reflecting the enduring, challenging nature of those structural challenges.

As such, strategies to increase youth employability begin in schools: developing technical and vocational education, as well as improving language, technology, and soft skills, in general secondary, technical, and university education. 'Providing more job opportunities in key economic sectors' would go through the development of entrepreneurship and Micro, Small & Medium Enterprises (MSMEs), by providing technical assistance and support for those companies, as well as alleviating administrative and legal procedures. Finally, bridging the gap between labor supply and demand would go through the development of public and private employment offices and agencies, and incentivising enterprises to hire young people.<sup>14</sup>

Some elements of this ambitious plan have successfully been implemented. The economic reform programme launched in 2016 has heralded the enacting of several laws and legislations, including a new investment law, a bankruptcy law, a law on restructuring and reconciliation, and amended the capital markets law. Support for MSMEs and entrepreneurs remains a challenge, which is the subject of an attempted new three-year plan, announced in April 2021.<sup>15</sup>

Policies to encourage self-employment and entrepreneurship are also not meeting their goals, reaching a much smaller subset of the target population. According to the 2012 Egyptian Labor Market Panel Surveys, 26.1% of employed youth were self-employed; unpaid family workers represented the majority of this group, with 17.2% of employed youth; own-account workers (6.3%) and employers (2.6%) made up the rest. The remaining 73.9% were wage workers.<sup>16</sup> Indeed, most entrepreneurs

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13 Egyptian Ministry of Manpower and Migration and ILO, "Egypt: Youth Employment National Action Plan (Summary)", January 2010.  
14 Ibid.

15 Abdel Latif Wahba, Mirette Magdy, "Egypt Vows to Boost Private Sector Growth in New Economic Plan". Bloomberg, 27 April 2021. <https://www.bloomberg.com/news/articles/2021-04-27/egypt-vows-to-boost-private-sector-growth-in-new-economic-plan>

16 Ghada Barsoum, Mohamed Ramadan and Mona Mostafa, "Labour market transitions of young women and men in Egypt". Geneva: ILO, 2014

are not representative of unemployed Egyptians, who are disproportionately educated and female: entrepreneurs are mostly male, less educated and older.<sup>17</sup>

Moreover, the education system itself offers scant preparation for the modern workplace. The skills mismatch between graduates and workplaces, with needs remaining significant. Soft and managerial skills education, not unlike career guidance, are largely non-existent<sup>18</sup> In addition, nearly half of working youth suffer from an education-occupation mismatch;<sup>19</sup> unsurprisingly, four out of five of them are undereducated for their work positions, which inevitably impacts their livelihoods and their workplace's productivity, while simultaneously increasing their job precarity.<sup>20</sup>

In parallel, other reforms directly challenged unemployment policies, at times with unforeseen, or misunderstood consequences. The growth of military-owned enterprises, which has accelerated over the past decade,<sup>21</sup> has put additional competitive pressure on the private sector and crowded out investment. They enjoy "an unfair competitive advantage due to direct and hidden subsidies,"<sup>22</sup> and heavily rely on labor from young conscripts, rather than paying other workers well. The army has launched a vocational training programme for civilian jobseekers, but this will do little in the way of redressing market distortions.<sup>23</sup>

The appeal of the public sector, often maligned for representing an unrealistic aspiration for newcomers on the job market, is also a structural question, and deserves a closer look. With the public sector at the core of the reforms enacted in the 1990s,<sup>24</sup> its employment has been on an overall declining path for over two decades, notwithstanding an increase in public employment in 2012, with half a million temporary government employees awarded permanent contracts in the aftermath of the January 25<sup>th</sup>, 2011 revolution.<sup>25</sup> Unsurprisingly then, for permanent employment in a sector witnessing less and less fresh recruitment, the average public sector employee is aging.

But the pull of public sector employment is not abating. Government employees below the age of 35 are better-educated and more qualified than their older colleagues,

17 Caroline Krafft, Reham Rizk, "The promise and peril of youth entrepreneurship in the Middle East and North Africa", in International Journal of Manpower, 2021. (forthcoming)

18 Holly Young, "Egyptian education system doesn't prepare the youth for modern jobs". The Guardian, 20 August 2014. <https://www.theguardian.com/global-development-professionals-network/2014/aug/20/youth-unemployment-interactive-salma-wahba>

19 Adel Abdel Ghafar, "Educated but unemployed: The challenge facing Egypt's youth". Brookings Doha Center policy briefing, July 2016. [https://www.brookings.edu/wp-content/uploads/2016/07/en\\_youth\\_in\\_egypt.pdf](https://www.brookings.edu/wp-content/uploads/2016/07/en_youth_in_egypt.pdf)

20 Ghada Barsoum, Mohamed Ramadan and Mona Mostafa, op.cit.

21 Reuters, "From war room to boardroom. Military firms flourish in Sisi's Egypt", 16 May 2018. <https://www.reuters.com/investigation/special-report/egypt-economy-military/>

22 Ibrahim Said, Ahmed Ghoneim, "The Private Sector in Postrevolution Egypt". Carnegie Middle East Center, June 2013. [https://carnegieendowment.org/files/egypt\\_private\\_sector1.pdf](https://carnegieendowment.org/files/egypt_private_sector1.pdf)

23 Shadia Nasralla, "Egypt turns to army in war on unemployment". Reuters, 20 May 2014. <https://reut.rs/2XPdNBh> and Egyptian Army Spokesperson Official Page, "Cooperation protocol between the Armed Forces Vocational Education and Training Department and the Technical Education and Vocational Training Support and Development Program". 10 December 2019. <https://www.facebook.com/EgyArmySpox/posts/1794157137381927>

24 African Development Bank, "Egypt ERSAP Project performance evaluation report". Operations Evaluation Department, 15 May 2000. <https://bit.ly/3iawjuV>

25 Marwa Hussein, "Half a million public servants will get minimum wage: Official". Ahram Online, 12 March 2012. <https://english.ahram.org/OlympicsNews/36314.aspx>

reflecting increased competition for the available spots; 56% of them are university graduates or higher, compared to 46% of those aged 36 to 47, and 34% of those aged 48 to 60.<sup>26</sup> However, that also entails crowding out their less educated cohort-mates, who are finding fewer opportunities in this relatively more appealing sector.

## Young women unemployment, a traditional misunderstanding

Youth unemployment is, unsurprisingly, a very gendered problem. While official figures place young men's unemployment rate at 10.6%, young women's stands at 44.6% (2019).<sup>27</sup> The problem is structural here as well. The Global Gender Gap index of 2021 ranks Egypt 146<sup>th</sup> out of 156 countries in terms of 'economic participation and opportunity'.<sup>28</sup> Ten years prior, it ranked 122<sup>nd</sup> out of 135 countries. But educational achievement is not the stumbling block: after all Egypt has achieved considerable gains in women's educational achievement, reaching parity in enrolment in various levels of education. In fact, with higher women's enrolment in secondary education than men<sup>29</sup>, rates of women's labor-force-participation hover around 20% all across the Arab world, compared to more than 50% of women aged 15 and above in Sub-Saharan Africa, East Asia & the Pacific, Europe & Central Asia, as well as Latin America and the Caribbean.<sup>30</sup>

Traditional policy and thinking have emphasised supply-side factors, such as religiously driven social conservatism, an import resurgence of patriarchal norms, and the burden of domestic work,<sup>31</sup> essentially blaming women themselves for their low rates of economic participation. Still, those supply-side factors have evolved, with declining fertility, and delayed age of marriage, without being met with commensurate increases in labor market participation.<sup>32</sup> That being said, women are not the only ones favoring public sector employment. In a 2018 survey, 89% of unemployed women reported that they would accept a job in the public sector and 77% of unemployed men also did:<sup>33</sup> the better social and health insurances, paid leaves, and shorter working days appeal to all.

The slowdown of public sector recruitment has not been met with commensurate increases in formal, private sector recruitment. While the share of young women in the

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26 Ghada Barsoum Dina Abdalla, "Still the Employer of Choice: Evolution of Public Sector Employment in Egypt," Working Papers 1386, Economic Research Forum, April 2020.

27 Masrawy, "2019 عام 17.3% البطالة ومعدل العمل ومعدل الشباب في قوة مساهمة الشباب 39.5% للمركزي للإحصاء: ("CAPMAS: youth contribution to the labor force at 39.5%, unemployment rate at 17.3% for 2019"), 11 August 2020. <https://bit.ly/3CU04bD>

28 World Economic Forum, "Global Gender Gap Report 2021" [http://www3.weforum.org/docs/WEF\\_GGGR\\_2021.pdf](http://www3.weforum.org/docs/WEF_GGGR_2021.pdf)

29 Ibid.

30 Ragui Assaad et al, "Explaining the MENA paradox: Rising educational attainment yet stagnant female labor force participation", in Demographic Research, Volume 43, 2020. pp 817-850. <https://www.demographic-research.org/volumes/vol43/28/default.htm>

31 Ragui Assaad, "Why is female labour-force participation so stagnant in Egypt, Jordan and Tunisia despite rapid increases in educational attainment?". ESRC country briefing paper no. 06.17.5 London, June 2017. <https://www.soas.ac.uk/fedil/research-out-pub/file137450.pdf>

32 Ragui Assaad, Caroline Krafft, "An Empirical Analysis of the Economics of Marriage in Egypt, Morocco, and Tunisia", in Celestin Monga, Justin Yifu Lin, "The Oxford Handbook of Africa and Economics: Volume 2: Policies and Practices". Oxford University Press, 2015.

33 Ghada Barsoum Dina Abdalla, "Still the Employer of Choice: Evolution of Public Sector Employment in Egypt," Working Papers 1386, Economic Research Forum, April 2020.

public sector has marginally increased over time, with women below the age of 35 representing 43% of all public sector employees in 2018, compared to 40% in 1998, the aforementioned crowding out of less educated employees, with a declining share of employment of the least educated in favour of the most educated is more pronounced among women.<sup>34</sup> In parallel, the fallback position for men is to seek employment in the informal sector, while women opt for unemployment, or withdraw from the labour market altogether.<sup>35</sup>

## Youth unemployment and the COVID-19 crises

Egypt's young women and men are very much a part of the global 'lockdown generation' - young people around the world who are the major victims of the economic and social consequences of the COVID-19 pandemic, enduring disruptions to their education, employment, income, and job hunt.<sup>36</sup> Even pre-crisis, compared to an 8% national unemployment rate pre-COVID, young people aged 20-24, and those aged 25-29, were facing unemployment rates of 14.2% and 20.1% respectively.<sup>37</sup>

This disparity was only exacerbated by the crisis, as youth are overly represented in sectors most affected, including tourism and other services, along with specific labour market reactions to the crisis. According to the Central Agency for Public Mobilization and Statistics (CAPMAS), 55.7% of workers interviewed were working fewer days or fewer hours than they were before the pandemic; 26.2% of them lost their jobs; and 18.1% only work sporadically.<sup>38</sup> In addition, young workers, though easily presumed more at ease with remote work, found themselves at no advantage when it came to working from home during the pandemic, with only 12% of those aged 18-24, and 16% of 25-34s able to work from home.<sup>39</sup> Suffering from additional structural precarity, both in terms of economic sectors of employment and in lack of social or labour protection, youth were disproportionately impacted.<sup>40</sup>

Finally, a survey of women entrepreneurs and MSME managers impacted by the crisis, identifies numerous possible interventions required. The survey,<sup>41</sup> conducted in June and July 2020, showed that 79% of respondents saw a negative impact on their businesses; 60% mentioned cash flow problems as the main challenge hindering their

34 Ibid.

35 Ragui Assaad et al., op.cit.

36 ILO, "ILO Monitor: COVID-19 and the world of work. Fourth edition Updated estimates and analysis". 27 May 2020 <https://bit.ly/3o6TIS1>

37 Al Shorouk, "CAPMAS: 20.2 million young people 18-29 age group in 2019", 7 august 2019 <https://bit.ly/3kGYHGF>

38 Federation of Egyptian Chambers of Commerce, "28. دراسة لقياس أثر فيروس كورونا على الأسر المصرية" ("Study measuring the impact of COVID-19 on Egyptian families") March 2021. <https://bit.ly/3CS31J6>

39 ILO, "The Impact of COVID-19 On Employment and Wages in Egypt". February 2021. <https://bit.ly/3EVkeUf>

40 Mohamed Gad, "Suffering from additional structural precarity, both in terms of economic sectors of employment and in lack of social or labour protection, youth are disproportionately impacted". Alternative Policy Solutions, 2021. <https://aps.aucegypt.edu/en/articles/500/is-the-pandemic-exacerbating-youth-unemployment-in-egypt>

41 ILO, "استطلاع رأي صاحبات المشروعات متناهية الصغر والمتوسطة حول أهم التحديات التي تواجههن بسبب أزمة فيروس كورونا" ("Survey of women owners of MSMEs on the most important challenges they face due to the COVID-19 crisis"). ILO: Cairo, July 2020.

ability, followed by movement restrictions and the lack of marketing outlets. Marketing, promotion and financial support were the top needs reported. They also reported a need for e-marketing & e-commerce training, financial crisis management training, new product development, and mentoring/coaching. Furthermore, demonstrating that the best available resource is often the concerned individuals themselves, 71% of respondents expressed willingness to provide services and support to other women entrepreneurs in various forms, from training and mentoring to business partnerships.

## Case studies One: Mubarak-Kohl Initiative (since 1991)

Vocational training in Egypt focuses heavily on Initial Vocational Education and Training (IVET), at the expense of Continuing Vocational Training (CVT) programmes.<sup>42</sup> The primary actor in this field is the Ministry of Education and Technical Education (MoETE), which administers more than 2250 'technical secondary schools', offering students an alternative track to general secondary education.<sup>43</sup> Their curriculum offers students a technical diploma for technicians; some offer sectoral specialisation (agricultural, industrial, commercial, hospitality). A small number of schools implement a Dual System (DS), a learning-cum-apprenticeship hybrid, or the Applied Technology Schools (ATS) system, touted as "model schools for technical education" by the Egyptian authorities.<sup>44</sup>

The most renowned of those is the Mubarak-Kohl Initiative-Dual System (MKI-DS) that was launched in 1994, in the flurry of the reforms that Egypt engaged in around that time. The MKI-DS was a recognition of a key bottleneck regarding the transition from secondary vocational training to the labor-market, with half of private sector firms surveyed by a World Bank study, pointing to skill mismatches as the primary cause of youth unemployment.<sup>45</sup> MKI-DS adapted the German apprenticeship system into the Egyptian educational system, establishing partnerships between schools and employers and providing training to students throughout their schooling.<sup>46</sup> Students spend two days a week in a secondary technical school, and four in an apprenticeship post at an actual workplace, learning practical skills. In comparison, most technical schools usually have both the theory and practical education components at the school.

The program witnessed a reasonable level of success and was promptly expanded across Egypt, sometimes with mixed results. The main review of the program, commissioned by the German Cooperation Agency (GTZ), in 2010, highlighted the high employability of trainees; 86% of companies offered employment contracts to their

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42 European Training Foundation, "Torino Process 2018-2020 -- Egypt national report". ETF: Torino, April 2020 <https://bit.ly/3m7iN-Hk>.

43 Ibid.

44 Daily News Egypt, "Egypt opens 11 applied technology schools since 2018". 4 March 2020. <https://bit.ly/3o8VqjE>.

45 Diego Angel-Urdinola et al., "Non-Public Provision of Active Labor Market Programs in Arab-Mediterranean Countries: An Inventory of Youth Programs". SP Discussion Paper no. 1005. Washington DC: The World Bank, 2010. <https://openknowledge.worldbank.org/handle/10986/27730>

46 Arvil V. Adams, "The Mubarak Kohl Initiative-Dual System in Egypt An assessment of its impact on the school to work transition". Cairo: GTZ, 2010. <https://bit.ly/39CulW0>.

apprentices. The review also minimised earlier criticisms levied at the program, such as its undefined legal status, high cost, and gender imbalance, among others.<sup>47</sup>

After thirteen years and 28.5 million euros, Germany formally phased out its assistance, as Egypt took full ownership of the Dual System programme in 2007. However, it has maintained another support program, the “Employment Promotion Project”, now in its third iteration. This program aims at “supporting the Egyptian government to prepare Egyptian youth for the demands of the labor market, to promote sustainable employment and income as well as economic and social participation.”<sup>48</sup> In 2015, the program was subject to an additional enhancement project, launched during a visit to Germany by Egyptian President Abdel Fattah Al-Sisi.

By 2020, 50,000 students were trained in apprenticeship positions via the program. An investigation by ARIJ, a media organisation dedicated to promoting investigative journalism in the Arab world, identified a dearth of supervision from the Ministry of Education, resulting in a large number of violations by employers, including violations of child labour laws’ working hours, insults, abuse, and at times workplace injuries resulting in permanent disability or death.<sup>49</sup> Labour law 12/2003, which also regulated apprenticeships, has included provisions regarding the employment of juveniles between 14 and 18 years of age, but also allows for children to be ‘trained’ (article 99) beginning at the age of twelve.<sup>50</sup>

The multiplicity of supervisory bodies - including the Ministry of Education, schools, and regional units, has allowed each institution to pass the blame unto others. Ultimately, these violations, routinely underreported or prosecuted, could stand in the way of the development of vocational training in Egypt, and should be seriously addressed before the next phase of expansion of the program.

## Case Study Two: ILO Decent Work for Women in Egypt and Tunisia (2012-2021)

The two-phase project (2012-2017 & 2018-2021) was developed and launched in the aftermath of the 2011 January 14th & 25th revolutions in Tunisia and Egypt respectively, buoyed by the realisation that women’s exclusion from political and economic decision-making had endured in the post-revolution phase.<sup>51</sup> In 2016, Egyptian women represented 2% of entrepreneurs - the lowest percentage in the MENA region (4%). Women business owners accounted for 11% of all businesses, compared to a global average of 30%.<sup>52</sup> The cost of this systemic failure is even larger, when taking

47 Ibid.

48 Employment Promotion Project, “EPP Factsheet”. Snapshot from the Internet Archive, 25 July 2018, <https://bit.ly/3CLWccw>.

49 Rahma Diaa, “Students of the “Mubarak-Kohl” initiative become victims of sweatshops while the Ministry of Education turns a blind eye”. ARIJ, 2020. <https://arij.net/investigations/MobarakKol-en/r/a>

50 Law No. 12 of the Year 2003, Promulgating Labour Law <https://sadanykhalifa.com/uploads/Laws/1576695424.pdf>

51 ILO, “The Way Forward after the Revolution: Decent Work for Women in Egypt and Tunisia (Phase II)”. <https://bit.ly/3CJ3a1K>

52 International Labour Organization, “Women’s entrepreneurship development assessment”. ILO DWT for North Africa and ILO Country Offices for Egypt and Eritrea. Cairo: ILO, 2016. <https://bit.ly/3ic4ZIX>

into account the foregone multiplier effect that a more balanced economic participation would've brought, as enterprises owned by women are more likely to employ other women.

With the support of state institutions and social partners, the project's aims included strengthening women's abilities to participate in the labor-market, as well as improving labor-market institutions to better assist women by supporting the development of an enabling environment for gender equality in the workplace, creating an enabling environment for women's entrepreneurship development, and strengthening women leadership in employers' and workers' organisations.

An interesting aspect of this program is the clear distinction between the two phases. Rather than merely extending the project timeline and budget of the first, which had primarily sought to address challenges to women's work environments at a higher level, the project design pivoted for the second phase. Phase two focused on more tailored, personalised support to the variety of stakeholders; women in the workplace, but also other constitutions of the UN agency along with the government, businesses, workers' and employers' organisations, to help reduce the barriers to women's participation in the labor-market.<sup>53</sup>

One example of this wide-reaching project was the 2017 launch of the Human Resources and Gender Academy, "which works with Human Resources managers to create more gender-sensitive work environments."<sup>54</sup> The project posits that, rather than a deliberate violation of the law, many small enterprises discriminate against women, particularly at the entry-stage, out of ignorance. An important component of the project was therefore to educate enterprises on sound, gender-sensitive human resources management; but rather than educate enterprises on the rights and obligations of women employees, it opted instead to create and disseminate a full, gender-sensitive human resource management curriculum, made available to over 60,000 enterprises through the 102,000 enterprise-strong Federation of Egyptian Industries (FEI), accounting for more than 2 million workers and 18% of the national economy.<sup>55</sup>

## Conclusion: From Job Creation to Youth Economic Inclusion

A mindset change is necessary to shift the policymakers' thinking away from the traditional emphasis on 'job creation', oversimplifying youth participation in the labor-market and reducing it to the single metric of number of jobs created. Instead, emphasis should be on *youth economic inclusion*.

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53 ILO, "The Way Forward after the Revolution: Decent Work for Women in Egypt and Tunisia (Phase II)". [https://www.ilo.org/africa/technical-cooperation/WCMS\\_673357/lang-en/index.htm](https://www.ilo.org/africa/technical-cooperation/WCMS_673357/lang-en/index.htm)

54 Federation of Egyptian Industries (FEI), "Unleashing the potential of women entrepreneurs in Egypt". FEI Position Paper, 2018. <https://bit.ly/39F0buR>

55 Federation of Egyptian Industries, "About the FEI". <http://www.fei.org.eg/index.php/en/fei/about-fei>



The structural adjustment reforms of the 1990s in Egypt led to a contraction of public sector recruitment; they did not, however, kickstart the growth of the formal private sector, and growing numbers of graduates found themselves compelled to begin their professional careers in the informal sector. In the mid-80s, fewer than 20% of educated first-time job seekers were employed in the informal sector; by 2010, the figure stood at 45%.<sup>56</sup>

Policies to address female youth unemployment tend to be haphazard and suffer from an incoherent approach, with the young women unfairly blamed for their lack of labour market participation. Yet while a preference for public sector employment is noticeable, it is key to recognize that the private sector has not made up for the deceleration of public sector recruitment, and nowhere more so than in MSMEs, where most enterprises have fewer than five workers, overwhelmingly men. In addition, women face particular friction when attempting to join the labour market; for instance, women are less likely to rely on informal, personal connections in their job search, and are more reliant on registration in government offices than men.<sup>57</sup> Young women's low labor-market participation is circumstantial rather than deliberate and should instead be viewed as an economic asset waiting to find a more welcoming labor-market to re-enter the workforce.

*Youth Economic Inclusion* must also look beyond numbers of jobs created, and address issues of job quality; that not only concerns new jobs, but also existing ones. A recent study identified that more than 90% of employees surveyed in 2018 suffered from at least one dimension of precarity, or 'deprivation' - which include working without a contract, insufficient income for basic necessities, excessive working hours, lack of social insurance, and lack of a fixed working location - vs 71% in 2006.<sup>58</sup> As these rates exceed those of informal work in Egypt, a proportion of people in formal employment also suffer from a form of precarity. Of no less importance, Egypt's main cities, Cairo and Alexandria, produce the least precarious workers in the country;<sup>59</sup> targeted programs should therefore be skewed in favor of young workers from smaller and more rural districts, rather than focus on those residing in metropolises, as is currently the case for most government and international organisation's programs.

Improving the quality of jobs for young Egyptians would benefit from the following recommendations:

**First, a more robust, and creative, contractual oversight.** Beginning with regularising informal workers within formal companies, this target can be accomplished with employment subsidies, targeted at the young and more vulnerable workers, in which Egypt could benefit from the experience of other countries. France, for instance, offers

56 Ragui Assaad, Caroline Krafft, "The Structure and Evolution of Employment in Egypt: 1998-2012", in R. Assaad & C. Krafft (Eds.), "The Egyptian Labour Market in an Era of Revolution" (pp. 27–51). Oxford: Oxford University Press, 2015.

57 Somaya Abdel Mowla, "Women's job search behavior in the Egyptian labor market," Gender and Work in the MENA Region Working Paper no. 21. Cairo: Population Council, 2011. [https://knowledgecommons.popcouncil.org/departments\\_sbsr-pgy/108/](https://knowledgecommons.popcouncil.org/departments_sbsr-pgy/108/)

58 Kirsten Sehnbruch, Rocío Méndez Pineda, Samer Atallah, "Multidimensional Quality of Employment (QoE) Index in Egypt. American University in Cairo, Alternative Policy Solutions policy paper, February 2021. <https://bit.ly/3ucl2Oo>

59 Sehnbruch et al., op.cit.

financial support to employers hiring people below the age of 26;<sup>60</sup> in the Egyptian case, tax breaks could be used to achieve similar results. In addition, in recognition of the fact that informal employment is sometimes favored by employers for its flexibility, particularly in industries with important hiring swings (for cyclical or seasonal reasons for instance), new types of temporary contracts could be introduced, going from vocational training to short term contracts. In doing so, it must be careful not to allow employers to abuse this new system, thus protecting employees.

**Second, a guaranteed minimum income for employed youth.** Minimum wages, a subject of heated debate in Egypt over the past decade, ought to be revisited, through a participatory approach that includes worker unions and employer groups.<sup>61</sup> However, there remains much debate over the impact of the minimum wage on firms, with negative repercussions, likely dwarfed by social gains. A minimum wage increase would not be the tide that lifts all precarious boats, as it would, in effect, miss self-employed, the informal sector, and small farmers - nearly three out of four Egyptian workers.<sup>62</sup> As such, complementary measures to ensure young workers have access to a reasonable, living wage should also be instituted and expanded, such as the Social Fund for Development's Public Works program,<sup>63</sup> Active Labour Market Programmes (ALMPs),<sup>64</sup> training programs for informal and self-employed youths and targeted wage subsidies, offering a salary complement, in effect, to underpaid young people.

**Third, develop social safety nets and social insurance for young workers in both the formal and informal sectors of the economy.** Only 23% of employed youth, most of whom are in the public sector, have access to social insurance schemes;<sup>65</sup> social insurance coverage in Egypt is "alarmingly low."<sup>66</sup> The 2019 Social Insurance Law extended insurance protection to new categories of employees and employers, including temporary and seasonal workers, housekeepers, small-scale agricultural tenants, and rural and family-based industries.<sup>67</sup> This helps rebalance access for young people, but better targeting remains necessary, particularly those in the informal sector, with matching contributions. The experience of the social stipend, provided by the government to informal workers at the onset of the COVID-19 pandemic, provides a good blueprint for a non-restrictive insurance fund, only requiring self-assessment and declaration.<sup>68</sup>

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60 Ministère du travail, de l'emploi et de l'insertion, «Aide à l'embauche des jeunes - Plan 1 jeune, 1 solution» (« Assistance to youth hiring – the « 1 youth, 1 solution » plan), August 2021. <https://bit.ly/3ET7y0e>

61 Sehnbruch et al, op.cit.

62 Shanta Devarajan, Tara Vishwanath, "Is higher minimum wage the solution?". Mada Masr, 28 February 2014. <https://www.madamasr.com/en/2014/02/28/opinion/economy/is-higher-minimum-wage-the-solution/>

63 Social Protection, "Social Fund for Development (Public Works Programme)". August 2021. <https://socialprotection.org/fr/discovier/programmes/social-fund-development-public-works-programme>

64 International Labour Organisation, "Towards Evidence-Based Active Labour Market Programmes in Egypt: Challenges and Way Forward". Geneva: ILO, 2017 <https://bit.ly/3kJ8ZG1>

65 The American University in Cairo, "Ghada Barsour: The Informal Sector Creates Worsening Job Quality", 2021. <https://bit.ly/3zNATFw>

66 Sehnbruch et al, op.cit.

67 Dahlia Hakim, "Egypt: New Social Insurance Law: A Unified Code For Pensions And Employees In Egypt", 24 March 2020. <https://bit.ly/2XVvT1a>

68 Mohamed El Dahshan, "How has Egypt navigated the ongoing global economic fallout as a result of COVID-19?". Tahrir Institute for Middle East Policy, 11 May 2020. <https://bit.ly/3ANS3nY>



CHAPTER

# 2

## The Role of International Partners in Promoting Youth Employment in Morocco: Opportunities and Challenges

*Anna Jacobs*



# Chapter 2.

## The Role of International Partners in Promoting Youth Employment in Morocco: Opportunities and Challenges

*Anna Jacobs*<sup>69</sup>

### Introduction

This chapter aims to focus on some best practices in youth employment interventions in Morocco, done in coordination with international partners. The first part of this chapter focuses on some of the strengths and weaknesses of Morocco's institutional landscape, to highlight key challenges to tackling youth unemployment, which relate primarily to questions of governance. The first section also lays out the many ways in which Morocco is unique in the North African context along with areas where Morocco has made some progress, including in developing a National Youth Strategy with an action plan, as well as improving the business environment and private sector. Youth unemployment is a major policy priority for the Moroccan government and many of its international partners, but often programs are implemented with varying degrees of success, often due to structural, political and economic constraints.

The first case study examined was implemented by the German development agency GIZ, in collaboration with the Moroccan government, in two phases (2015-2017 and 2018-2020). This case study was chosen because it focuses on improving youth employment opportunities in rural areas, through a unique and integrated approach that includes 1.) both sides of the labor-market and 2.) working at the national, regional, and local levels of governments, thus offering institutional support for Morocco's decentralization policy.

Given the current tensions in the German-Moroccan relationship and Morocco's decision to rupture diplomatic ties over "deep disagreements" with Berlin's position on the disputed Western Sahara,<sup>70</sup> this case study also reveals one of the risks of working with international partners; these partnerships are often subject to the volatility of domestic and international politics, which means they can be quickly dismantled. Morocco's decision to cut ties included cutting all contacts with the embassy and "with coopera-

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<sup>70</sup> DW, "Morocco cuts contact with German embassy-reports," March 2, 2021, <https://www.dw.com/en/morocco-cuts-contact-with-german-embassy-reports/a-56741809>.

ting German organizations and political foundations linked to it.”<sup>71</sup> The impact of political tensions on governance and development partnerships, notably regarding youth employment programs, can be significant and can damage longstanding programs between North African countries and international partners. Youth employment interventions require long-term engagement and evaluation for their implementation, along with effectively measuring their impact on the local job markets—something that is difficult when programs are paused or ended prematurely over political disputes.<sup>72</sup>

The second case study in this chapter looks at the ILO’s Taqueem initiative and its survey of the MEDA Maroc “100 Hours of Success” program (the survey took place in 2012 and 2015 with findings published in 2017). These represent the first ever attempt at a comprehensive impact evaluation of a youth employment training program in Morocco, and one of the few in the wider MENA region. These two case studies focus on private sector development partnership, developing training skills for workers, as well as supporting local governance and better access to resources in rural areas—where the challenges related to youth and women’s unemployment are especially acute.

The COVID-19 pandemic has intensified many of the problems contributing to the youth unemployment problem, but this also presents an opportunity for more ambitious reforms in Morocco. It’s important to note there is considerable political will to improve the education system, the private sector, entrepreneurship, employment, and the situation of youth and women in Morocco. A recent example of this is the Intelaka Program, a royal initiative that was launched in February 2020. The program focuses on young graduates, self-employed entrepreneurs, small businesses, and particularly export businesses focused on Africa. It was also aiming to contribute annually to creating more than 27,000 and 13,500 additional jobs in the banking sector. However, this program has been paused and resources have been allocated elsewhere, due to the COVID-19 pandemic.<sup>73</sup>

Some progress has been made on improving educational and employment opportunities, notably for women and youth. However, the reform programs display varying degrees of success, due to well-known structural challenges, related primarily to questions of governance, economic growth, inflexible labor markets, and a limited education system. Moving forward, it will be essential to support specific local and regional projects that focus on youth unemployment, in order to support the implementation of Morocco’s National Youth Strategy across the country’s diverse regions.

71 Ibid.

72 Moroccan foreign minister Nasser Bourita officially signed the letter ending relations, stating “Because of the deep misunderstandings with the Federal Republic of Germany, on the subjects of fundamental questions of Morocco, the ministerial departments and the bodies under their supervision, must suspend all contact, interaction, or cooperation action both with the German chancellery and with cooperating German organizations and political foundations linked to it.” (Translated from the French) «En raison des malentendus profonds avec la République fédérale d’Allemagne, aux sujets de questions fondamentales du Maroc, les départements ministériels et les organismes relevant de leurs tutelles, doivent suspendre tout contact, interaction, ou action de coopération tant avec la chancellerie allemande qu’avec les organismes de coopération et les fondations politiques allemandes qui lui sont liées». See Finances News Hebdo, “Maroc-Allemagne: le milieu des affaires marocain droit dans ses bottes,” [Morocco-Germany: the Moroccan business community right in its boots], March 12, 2021, <https://fnh.ma/article/actualite-economique/maroc-allemande-le-milieu-des-affaires-marocain-droit-dans-ses-bottes>.

73 Medias 24, “Le programme de financement Intelaka eclipse par la crise et les produits Relance,” [The Intelaka funding program eclipsed by the crisis and Relance products], April 11, 2021, <https://www.medias24.com/2020/09/08/le-programme-de-financement-intelaka-eclipse-par-la-crise-et-les-produits-relance/>.

# Background: Morocco's Institutional Challenges and Opportunities

Youth unemployment in the Middle East and North Africa region has been the highest in the world for nearly three decades, at around 30 percent, and significant research and policy programs have been implemented across the region, to varying degrees since the early 2000s, with the aim of addressing this structural challenge.<sup>74</sup> After the largely youth-led protests broke out across the region in 2011 calling for political and economic reforms, policymakers in the region and international partners doubled down to try and tackle the stubborn persistence of high youth unemployment. The immensity of the so-called “Arab Spring” protests raised alarm bells among governments across the region that the region’s youth were suffering more than ever and if the protests were to cease, reforms needed to be made.

In the aftermath of these uprisings, regional governments, with the support of international partners, began focusing more on public policy together with channelling more resources toward youth employment and engagement, but not much has changed since. Many of these youth-led protests continue to this day, in what some have dubbed “Arab Spring 2.0,” as feelings of political and economic disenfranchisement continue to permeate the region’s youth. In many cases, youth unemployment has significantly increased since 2011.<sup>75</sup> The countries of the region face similar challenges related to issues of weak governance, inadequate education systems, inflexible labor markets and business environments, significant informal employment, and bloated public sectors, as well as the intensified impact of these issues on women’s employment and empowerment.<sup>76</sup> However, while each country faces a unique set of issues, if we examine them more closely, we can find some promising examples of helpful practices and programs, amidst the persistent structural issues.

Morocco is a helpful case study that sheds light on some promising practices and programs at the national, regional, and local levels. According to the most recently available data, Morocco’s youth unemployment is the lowest in North Africa at 22.3 percent (compared to Egypt at 26.5 percent, Algeria at 29.6 percent, Tunisia at 35.8, and Libya at 49.5 percent), as well as lower than the regional MENA average of 25.7 percent.<sup>77</sup> After the economic and public policy responses to the COVID-19 pandemic in 2020 and 2021, these numbers are likely much higher.

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74 Nader Kabbani (2019), “Youth Unemployment in the Middle East and North Africa: Revisiting and reframing the challenge,” Brookings Doha Center, <https://www.brookings.edu/research/youth-employment-in-the-middle-east-and-north-africa-revisiting-and-reframing-the-challenge/>.

75 Marwan Muasher, “Is This the Arab Spring 2.0?” Carnegie Endowment for International Peace, October 20, 2019, <https://carnegieendowment.org/2019/10/30/is-this-arab-spring-2-0-pub-80220>.

76 Ibid.

77 “Unemployment, youth total (% of labor forces ages 15-24)(modeled ILO estimate 2019)-Middle East and North Africa, Algeria, Morocco, Tunisia, Egypt, Libya,” The World Bank, <https://data.worldbank.org/indicator/SL.UEM.1524.ZS?locations=ZQ-DZ-MA-TN-EG-LY>, accessed June 26, 2021.

It's also important to note that this data does not capture the huge informal employment sectors in the North African states, as well as the issue of underemployment and employment without contracts, all of which characterize the majority of youth employment in Morocco. As Abdelhak Kamal contends in his study on national youth policies in Morocco, "Youth employment is characterized by high levels of precariousness and great fragility. The family continues to play a central role and is often a substitute for public policies, notably in terms of housing (most young people still live in the family home), finding work and funding projects, etc."<sup>78</sup>

However, there are other positive indicators besides Morocco's relatively lower youth unemployment rates. Morocco is ranked 53<sup>rd</sup> in the World Bank's Ease of Doing Business, the highest in North Africa and the fourth highest in the entire Middle East and North Africa region after the UAE, Israel, and Bahrain.<sup>79</sup> This points to how Morocco has made significant progress in developing its private sector and foreign investment portfolio, which can help contribute to much needed employment opportunities outside of the bloated public sector.

The National Committee for the Business Environment (CNEA) was created to prioritize creating a more business-friendly environment; important reforms related to encouraging greater competition, entrepreneurship, reducing bureaucratic hurdles, and supporting key sectors like manufacturing have led to improvements, even if significant challenges related to competition, access to financing, and corruption remain.<sup>80</sup> However, Morocco's GDP growth rates remain inconsistent and unable to keep up with the number of people entering the job market every year, so unemployment challenges remain significant.

Overall, economic growth has generally increased, and unemployment has broadly decreased over the last few decades in Morocco. However, Ezzahid and El Alaoui argue that "The overall growth-elasticity of employment is positive but low."<sup>81</sup> In other words, economic growth does not lead to equally robust job market growth in Morocco. There can be job growth in certain sectors as unemployment rises in other sectors, all while economic growth improves. Morocco's growth rates have slowly risen over several decades but not at a sufficiently high enough rate to accommodate the growing population. They highlight several factors behind this, including the under-utilization of labor in certain sectors, as well as the dominance of sectors like agriculture, which employ many workers but are characterized by low productivity rates.<sup>82</sup>

78 Abdelhak Kamal, "National Youth Policies: the case of Morocco," Barcelona Center for International Affairs, Sahwa Policy Paper, 2017, [https://www.cidob.org/en/publications/publication\\_series/project\\_papers/sahwa\\_papers/policy\\_paper/sahwa\\_papers\\_national\\_youth\\_policies\\_the\\_case\\_of\\_morocco](https://www.cidob.org/en/publications/publication_series/project_papers/sahwa_papers/policy_paper/sahwa_papers_national_youth_policies_the_case_of_morocco), accessed June 27, 2021.

79 "Ease of doing business index-Morocco-2019," The World Bank, 2019, [https://data.worldbank.org/indicator/IC.BUS.EASE.XQ?contextual=region&end=2019&locations=MA&most\\_recent\\_year\\_desc=false&start=2019&view=bar](https://data.worldbank.org/indicator/IC.BUS.EASE.XQ?contextual=region&end=2019&locations=MA&most_recent_year_desc=false&start=2019&view=bar), accessed June 25, 2021.

80 Jesko Hentschel and Xavier Reille, "Sustainable pathways to strengthen Morocco's private sector resilience," The World Bank, December 17, 2020, <https://www.worldbank.org/en/news/opinion/2020/12/17/sustainable-pathways-to-strengthen-moroccos-private-sector-resilience>.

81 Elhadj Ezzahidi, and Aicha El Alaoui (2014): Economic Growth and Jobs Creation in Morocco: Overall and Sectors' Analysis. MPRA Paper, University Library of Munich. <https://mpra.ub.uni-muenchen.de/57841/>

82 Elhadj Ezzahid and Aicha El Alaoui, "Economic Growth and Jobs Creation in Morocco: Overall and Sectors' Analysis," MPRA Paper No. 57841, February 17, 2014, [https://mpra.ub.uni-muenchen.de/57841/3/MPRA\\_paper\\_57841.pdf](https://mpra.ub.uni-muenchen.de/57841/3/MPRA_paper_57841.pdf).

Kabbani lays out the supply and demand side factors causing high youth unemployment across the MENA region, including in Morocco. On the supply side, experts highlight population bulges across the region in the 1990s and 2000s that put pressure on already limited labor markets, under-resourced educational systems leading to a lack of necessary skills for the job market, among other issues. On the demand side, a bloated public labor sector that is already overstretched, coupled with a weak and over-regulated private sector, limits job creation. Other systemic problems, like corruption, also further weaken economic growth, productivity, and job availability.<sup>83</sup>

Morocco was one of the earliest in the MENA region to adopt a National Youth Policy in 2003. Morocco's 2011 constitution lays out a broad commitment toward youth integration in the "social, economic, cultural, and political life of the country,"<sup>84</sup> as well as calling for the creation of the Consultative Council of Youth and Social Work,<sup>85</sup> which was just formalized through passage in parliament in 2018.<sup>86</sup> In 2012, soon after the new constitution was passed, the Ministry of Youth and Sports spent several years holding a national dialogue on youth and in 2014 passed the 2015-2030 National Youth Strategy. An action plan was also created by the Ministry of Youth and Sports to implement this broad strategy across government sectors, and the Consultative Council of Youth is supposed to take over its implementation.<sup>87</sup>

For the first time, youth advisory boards were created in 2016, to advise policymakers on youth priorities and concerns in Morocco. As of 2019, around a dozen have been formed, according to the National Democratic Institute (NDI). International non-governmental organizations like NDI have worked extensively with Morocco's youth consultative councils, conducting training courses on organizational skills and how to become involved in local governance. These councils also work with similar youth councils in other countries like the United States and in Europe to share experiences and best practices. These efforts to encourage greater youth participation in the political process and civil society also help contribute to more youth voices in policy formation and local decision-making.<sup>88</sup>

Other national strategies impacting youth unemployment include the National Employment Strategy 2015-2025 and the National Strategy for Vocational Training 2021, which also aim to explore issues related to youth education and employment along with how to better integrate young people into the development and implementation of youth policies through the Ministry of Employment and Social Affairs, the Ministry of Edu-

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83 Nader Kabbani (2019), "Youth Unemployment in the Middle East and North Africa: Revisiting and reframing the challenge," Brookings Doha Center, <https://www.brookings.edu/research/youth-employment-in-the-middle-east-and-north-africa-revisiting-and-reframing-the-challenge/>.

84 Article 33, "Morocco Constitution's of 2011," Constitute Project, [https://www.constituteproject.org/constitution/Morocco\\_2011.pdf](https://www.constituteproject.org/constitution/Morocco_2011.pdf).

85 Article 170 and 171, "Morocco Constitutions of 2011," Constitute Project, [https://www.constituteproject.org/constitution/Morocco\\_2011.pdf](https://www.constituteproject.org/constitution/Morocco_2011.pdf).

86 Le Matin, "Le Conseil consultatif de la jeunesse et de l'action associative, une instance qui se fait toujours attendre," [The Advisory Council for Youth and Associative Action, a body that is still long overdue], August 20, 2020, <https://lematin.ma/journal/2020/conseil-consultatif-jeunesse-laction-associative-instance-se-attendre/342987.html>.

87 Euromed, "Youth work in Morocco and youth participation projects at a local level," [https://www.salto-youth.net/downloads/4-17-3140/def\\_p\\_1-40\\_youth\\_work\\_morocco.pdf](https://www.salto-youth.net/downloads/4-17-3140/def_p_1-40_youth_work_morocco.pdf).

88 National Democratic Institute, Morocco program Facebook Page, 2019, <https://www.facebook.com/NDIMorocco/posts/morocco-can-youth-consultative-councils-exchange-experiences-with-us-youth-advisory/10158464828533782/>.



cation, as well as other public institutions.<sup>89</sup> Other government organizations such as the National Agency for the Promotion of Employment and Competencies (ANAPEC), and many others, support the government drive toward mitigating high unemployment across the country, with a focus on youth, women, and, paradoxically, graduates as the main groups most impacted by systemic unemployment.

Two other key indicators of youth disenfranchisement in Morocco are the continued high rate of irregular immigration and distrust of government. The desire of young Moroccans to immigrate continues to increase, a reflection of their continued economic and political marginalization. According to the most recent Arab Barometer survey published in 2019, 44 percent of those surveyed said they wanted to leave their country, a 17 percent increase since 2016. The survey shows a strong link between a desire to emigrate and age; 70 percent of those aged 18-29 said they wanted to leave.

The Arab Barometer survey also reveals a major generational gap in Morocco, whereby young people have much less trust in governmental institutions than older generations. Among those surveyed, they are also more prone to naming corruption as the number one problem facing their country, though all age groups cite it as a major issue; 71 percent responded that corruption is found within state institutions to a large or medium extent. In other words, the issue of youth unemployment is multifaceted and related to young people feeling both economically and politically excluded by what they view as a corrupt government.<sup>90</sup>

Morocco began to implement an ambitious regionalization/decentralization program in the aftermath of the 2011 protests, to improve local and regional governance, as well as the flow of resources and implementation of national programs. However, progress on this has been slow and inconsistent. Annabelle Houdret argues that “historical legacies of centralised control, few opportunities for participation, low institutional capacities and weak accountability, and also unclear regulations within the reform, are still hindering effective decentralisation.”<sup>91</sup> Moreover, the issue of limited monitoring and evaluation of programs and policies inherently limit the ability to really determine which programs and practices are particularly successful or not.

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89 Abdelhak Kamal, “National Youth Policies: the case of Morocco,” Barcelona Center for International Affairs, Sahwa Policy Paper, 2017, [https://www.cidob.org/en/publications/publication\\_series/project\\_papers/sahwa\\_papers/policy\\_paper/sahwa\\_papers\\_national\\_youth\\_policies\\_the\\_case\\_of\\_morocco](https://www.cidob.org/en/publications/publication_series/project_papers/sahwa_papers/policy_paper/sahwa_papers_national_youth_policies_the_case_of_morocco), accessed June 27, 2021.

90 Arab Barometer, “Arab Barometer V Morocco Country Report,” 2019, [https://www.arabbarometer.org/wp-content/uploads/ABV\\_Morocco\\_Report\\_Public-Opinion\\_Arab-Barometer\\_2019.pdf](https://www.arabbarometer.org/wp-content/uploads/ABV_Morocco_Report_Public-Opinion_Arab-Barometer_2019.pdf).

91 Annabelle Houdret, “Decentralisation in Morocco: a solution to the ‘Arab Spring?’” *The Journal of North African Studies*, Pgs 935-960, April 2018, <https://www.tandfonline.com/doi/full/10.1080/13629387.2018.1457958>.

# Case study One: Promoting Youth Employment in Rural Areas (PEJ II)-GIZ

The objective of phase I of this project (2015-2017) was to improve the employment opportunities for youth and women aged 15-35 living in rural areas in the regions of Fes-Meknes and Beni Mellal-Khenifra. It was commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ), implemented by the German development agency GIZ in cooperation with Morocco's Ministry of Employment and Professional Integration (MTIP) and the National Agency for Promoting Employment and Skills (ANAPEC), two of Morocco's most important public institutions devoted to tackling employment. The project supports the work of national and regional institutional actors in Morocco and implemented a second phase from 2018-2020 with the aim of expanding this project and creating a model for promoting youth employment in rural areas across Morocco's diverse regions.<sup>92</sup>

This project is unique in that it published impact related to not just the number of youth enrolled in the project, but also how many of these young people were able to directly benefit through either finding work or increasing the money they earned. The results of phase one included 2,500 young women (aged 15-35) who benefitted from the various services provided, and among this group, 47 percent "either found a job or were able to increase their earnings."<sup>93</sup> The second phase included support for an additional 3000 young people through pilot projects in other regions.

The approach of this project included 1.) analysis of labor markets at the local level and the holding of dialogues at the levels of regions/provinces among public and private sector representatives from the regional employment councils. The aim of these dialogues is to highlight promising sectors for greater employment 2.) grow and support the network of vocational advice centers (employment centers run by ANAPEC) to support young entrepreneurs and to help place young people looking for jobs with the right employers, and 3.) offer services including short-term training courses to improve skills-needs in labor-markets in rural areas.<sup>94</sup> These include orientation, entrepreneurship and soft skills training, and short-term vocational training, all based on the needs of the labor-market in the specific province.<sup>95</sup>

This project is also prioritizing a sustainable institutional model that could offer opportunities for further development and collaboration. The project description underlines that "To ensure the long-term effectiveness of the project at interregional and national levels, the project supports key actors in employment promotion at national and regional levels. This contributes to the permanent establishment of dialogue aimed at dissemina-

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92 GIZ, "Promoting youth employment in rural areas (PEJ II), <https://www.giz.de/en/worldwide/33842.html>, accessed June 25, 2021.

93 Ibid.

94 Ibid.

95 Sector Network SNRD Africa and GIZ, "What Works in Rural Youth Employment Promotion: Good practices and lessons from GIZ projects on rural youth employment," webinar, December 5, 2019, <https://www.youtube.com/watch?v=xGlrVqaduVM&t=1769s>, accessed June 26, 2021.

ting the model and to securing funding via national and regional partners.”<sup>96</sup> This project also helped advance Morocco’s decentralization strategy by supporting the entry of ANAPEC into these rural areas for the first time. Moreover, the project particularly benefited young women, who find it especially challenging to enter the rural labor market, by having trainings sometimes specifically for women and offering childcare services to facilitate their ability to participate.<sup>97</sup> The strategy of ‘proximity to the people’ is crucial to the project’s aim to include young people as much as possible in the project.

This demonstrates a promising and unique example for how international actors can support employment programs and governance in Morocco, through strengthening the country’s decentralization strategy and its integrated youth policy, as well as through an approach that includes both the demand and the supply side of the labor market, at both the national and regional levels of government. Moreover, the project’s bottom-up approach to tackling youth unemployment, while difficult and less common in Morocco, established an important institutional framework for better outreach to unemployed youth in rural areas.<sup>98</sup> This helps encourage better governance practices, a better allocation of resources at the local level, and intergovernmental partnerships to tackle issues of youth unemployment for some of the most vulnerable communities and regions in Morocco.

This has a significant practical contribution of supporting young people’s access to resources and jobs in rural areas, where unemployment and precarious informal employment is particularly high among young people and women. In addition, it supports better governance in Morocco, through facilitating and streamlining coordination among institutions. Moreover, the more that youth are included in the dialogue process for strategy creation and implementation, the more they feel included in the decision-making processes. This could help mitigate feelings of disenfranchisement and mistrust.

## Case study Two: Mennonite Economic Development Associates (MEDA) Maroc and the ILO Taqueem initiative impact evaluation process

Mennonite Economic Development Associates (MEDA) Maroc has been operating in the country since 2009. The Canadian non-profit organization has been active since 1953 and focuses its efforts on creating and implementing market-driven economic development programs to support the UN Sustainable Development Goals, with the goal of “working to provide 500,000 decent jobs for people who experience poverty

<sup>96</sup> GIZ “Promoting youth employment in rural areas (PEJ II)”, <https://www.giz.de/en/worldwide/33842.html>, accessed June 25, 2021.

<sup>97</sup> Sector Network SNRD Africa and GIZ, “What Works in Rural Youth Employment Promotion: Good practices and lessons from GIZ projects on rural youth employment,” webinar, December 5, 2019, <https://www.youtube.com/watch?v=xGirVqaduVM&t=1769s>, accessed June 26, 2021.

<sup>98</sup> Ibid.

by the year 2030.” In Morocco, they ran the YouthInvest project for five years that was sponsored by the MasterCard Foundation. According to the ILO, the project benefited more than 42,600 young people in Morocco.<sup>99</sup>

The project sought to improve the economic opportunities available for youth through soft skills trainings, to encourage employability; on-the-job training opportunities, access to finance through loan programs to help cultivate greater entrepreneurship as well as support to civil society and financial service providers, to better develop financial and non-financial products. Among the projects’ four training programs, the largest one is the “100 Hours to Success,” which targeted youth between the ages of 15 and 25, and provided them with training modules in life skills, entrepreneurship, and financial management. The participants were also mandated to open a bank account with Al Barid Bank and around 5-10 percent benefited from international placements in internship programs. Since the program began in 2009, 20,000 young people have taken part in the training program.<sup>100</sup>

The ILO’s Taqueem evaluation report highlights about the program, “While there are many programs, both within the Arab region and internationally, that seek to provide training to young people to support the transition from school to work MEDA Maroc feels that it is the mix of training it offers – covering life skills, financial skills and entrepreneurship skills, coupled with tangible experience provided through internships and the instilling of healthy savings habits – that makes its program unique. Moreover, MEDA Maroc believes that this mix of training is key to providing young people with a foundation on which to transition successfully from school to work.”<sup>101</sup> The project was largely framed as a compliment to Morocco’s education system by offering trainings, to cultivate better financial habits and entrepreneurial skills for young people still enrolled in school or those who have recently graduated.

MEDA Maroc’s Monitoring and Evaluation Officer employed a Performance Measurement Framework to monitor performance, data collection, and to help set targets, using both quantitative and qualitative measurements and periodic evaluations. The aim was to monitor the impact on savings behavior in conjunction with inclusion in the workforce. This program offers a helpful case study because of its own Performance Measurement Framework and because it was one of the case studies in the Taqueem impact evaluation project, as a part of the ILO’s “What Works in Youth Employment” initiative. The goal of this was to try and address the persistent lack of data and impact evaluations of youth employment programs, a key obstacle to understanding best practices and projects across the region.<sup>102</sup>

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99 International Labor Organization, “Mennonite Economic Development Associates (MEDA) Maroc,” [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/meetingdocument/wcms\\_237069.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/meetingdocument/wcms_237069.pdf).

100 Ibid.

101 Jochen Kluge, Paul Dyer, Drew Gardiner, and Elena Mizrokhi, “Boosting Youth Employability in Morocco-II: Randomized Controlled Trial Baseline Report,” International Labor Organization, Impact Report Series, Issue 3, 2015, pgs 5-6, [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_450737.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_450737.pdf).

102 Ibid.

Since the largely youth-led protests across the Middle East and North Africa in 2011, the ILO has sought to improve the effectiveness of youth employment programs through the Taqueem initiative, which works with regional partners such as Silatech, the International Fund for Agricultural Development and the International Initiative for Impact Evaluation to conduct technical studies and improve data collection and evidence on what works in youth employment.

Many youth-employment programs frame results through the number of youth who participated, an important indicator of reach and some impact, but they do not have the capacity for a comprehensive impact evaluation on whether the programs directly led to either employment or higher wages. MEDA Maroc worked very closely with the Taqueem Evaluation team to conduct the baseline survey of the participant group in Oujda, Jer-rada, and Taourirt in 2012. After all the trainings were completed in August 2013, the Taqueem team collected the follow-up data from August-October 2015.<sup>103</sup> It was the first such experimental, evaluation study to be conducted on training programs for youth in Morocco,<sup>104</sup> and not many others have been conducted since.

The evaluation focused broadly on the following questions: 1.) “What is the impact of the intervention on labour market outcomes such as the employment and self-employment rate earnings and duration of job search? 2.) What is the average impact on non-labour market outcomes such as leadership, confidence, and empowerment, and 3.) How do impacts differ by socio-economic criteria such as gender, age, and urban/rural.”<sup>105</sup> There was also a focus on better understanding youth financial behavior, including their saving and investing habits. The evaluations surveyed 1,815 youth (915 individuals in the treatment group and 900 in the control group) across youth centers where MEDA Maroc’s trainings took place.<sup>106</sup>

The Taqueem impact evaluation baseline survey noted that women were well-represented among the participants; the participants are generally more highly educated than those in the control group, as well as from lower socio-economic backgrounds. Eighty-three percent of the sample size said that their monthly household incomes were less than 5000 MAD a month, revealing that the project did have greater outreach with poorer communities. Major challenges to the study included high dropout rates in the program and a limited sampling size, which are very common in these phased training programs.

The survey revealed that the “100 Hours of Success” impacted the lives of participants in several key areas: 1.) participants were more likely to open and maintain a savings

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103 Jonas Bausch, Paul Dyer, Drew Gardiner, Jochen Kluge, and Sonja Kovacevic, “The impact of skills training on the financial behaviour, employability and educational choices or rural young people: findings from a Randomized Controlled Trial in Morocco,” International Labor Organization, Impact Report Series, Issue 6, 2017, [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_565085.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_565085.pdf).

104 Ibid.

105 International Labor Organization, “Mennonite Economic Development Associates (MEDA) Maroc,” [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/meetingdocument/wcms\\_237069.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/meetingdocument/wcms_237069.pdf).

106 Jonas Bausch, Paul Dyer, Drew Gardiner, Jochen Kluge, and Sonja Kovacevic, “The impact of skills training on the financial behaviour, employability and educational choices or rural young people: findings from a Randomized Controlled Trial in Morocco,” International Labor Organization, Impact Report Series, Issue 6, 2017, [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_565085.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_565085.pdf), p 4

account more than two years after the program 2.) some groups (men, older participants, and wealthier ones) were more likely to continue their education and delay their entry into the labor market. Importantly the effect was only observed for these three groups and did not include women, younger participants, and those from lower socio-economic backgrounds. 3.) generally, older participants benefit more directly from the trainings, likely related to the stage they are in regarding the school to work transition. Many of the younger participants still had time left in school before attempting to enter the job market.

In other words, the study reveals that “by addressing the constraints faced by specific socio-economic groups, skills training interventions could become more effective. Moreover, key barriers to the successful economic integration of young people need to be closely analysed.” Finally, given the limited resources, these training programs need to more carefully target participants that will perhaps more directly benefit due to where they are positioned in the school to work transition, such as some of the older participants.<sup>107</sup>

This Taqueem initiative survey marked the first attempt to fill a significant gap in impact and evaluation studies on youth employment intervention programs in Morocco, and in the wider MENA region. The impact evaluation of the MEDA Maroc “100 Hours of Success” program highlights several important practices that need to continue with any youth employment intervention in Morocco. To begin with, youth employment projects must have much stronger impact-evaluation mechanisms internally and should invest in working with international and regional programs, such as through ILO, to encourage great monitoring and evaluation to improve their own projects, as well as to contribute to greater evidence and data on “what works in youth employment.” Additionally, the close partnership between MEDA Maroc, as the implementing organization, and the professional technical team conducting the Taqueem study was crucial. Furthermore, maintaining high participation rates in the program is necessary for a successful and statistically significant study. Finally, mobile data collection equipment can help to increase data quality with fewer resources.

## Conclusion and Recommendations

Morocco has invested significant efforts into forming a strategy on youth, often in partnership with international partners like USAID, GIZ, and the European Union, as well as an action plan. Nevertheless, youth unemployment continues to be a significant problem given the persistence of the structural challenges listed above, notably problems related to implementation and monitoring and evaluation. In other words, the case of Morocco especially highlights how poor governance is arguably the most significant factor contributing to the consistently high level of youth unemployment. To fully tackle the roots of youth unemployment in Morocco, this chapter offers two recommendations:

**First, youth policies require a bottom-up, decentralized approach.** Youth employment projects require a bottom-up, decentralized approach for both design and implementation. For this reason, youth policies must go hand-in-hand with Morocco’s decen-

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<sup>107</sup> Ibid.

tralization strategy. This bottom-up, decentralized approach means that policies should be developed through the inclusion of youth dialogues and local governments, which are at the front lines of these issues. However, youth employment strategies will never go far in Morocco if they are not accompanied by the political will and financial resources from the national level. More political will at the national level must be accompanied by better coordination between local, regional, and national governments.

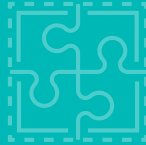
As the first case study on rural youth unemployment showed, international partners helped improve the outreach of national employment agencies like ANAPEC into rural areas through regional and local government. This helped many of the unemployed in rural areas to access services that are available in Morocco but are often out of reach for those living far from urban areas. This first case study not only contributed to tackling youth unemployment, but it also helped improve institutional coordination and service delivery to communities in rural areas. In other words, this encourages better governance practices, a better allocation of resources at the local level, and intergovernmental partnerships to tackle issues of youth unemployment for some of the most vulnerable communities and regions in Morocco.

**Second, youth employment projects must include robust evaluation processes.**

As the second case study showed, the study on the Taqem initiative survey marked the first attempt to fill a significant gap in impact and evaluation studies on youth employment intervention programs in Morocco, and in the wider MENA region. The impact evaluation of the MEDA Maroc “100 Hours of Success” program highlights several important practices that need to continue with any youth employment intervention in Morocco: 1.) Youth employment projects must have much stronger impact-evaluation mechanisms internally and should invest in working with international and regional programs, such as through the ILO, to encourage great monitoring and evaluation to improve their own projects, as well as to contribute to greater evidence and data on “what works in youth employment.” 2.) the close partnership between MEDA Maroc, as the implementing organization, and the professional technical team conducting the Taqem study was crucial, 3.) maintaining high participation rates in the program is necessary for a successful and statistically significant study, and 4.) mobile data collection equipment can help to increase data quality with fewer resources.







CHAPTER

# 3

## Opportunities And Paradoxes Of The Political Regulation Of Youth Unemployment In Algeria

*Amel Boubekour*



# Chapter 3.

## Opportunities And Paradoxes Of The Political Regulation Of Youth Unemployment In Algeria

*Amel Boubekour*<sup>108</sup>

### Introduction

Since the country's independence in 1962, the Algerian state has positioned itself as the main actor in the regulation of the labor market by implementing a policy of employment subsidies, particularly within state enterprises, and by limiting the emergence of an autonomous private sector. This political monopolization of the redistribution of jobs has long reflected a conception of wage labor as a means of ensuring a sense of dignity and equality among citizens to allow them to overcome the collective trauma of colonial dispossession.<sup>109</sup>

Over the last twenty-five years, this politicization of youth unemployment has materialized through the dominant role public agencies have been given in its management. A large part of the placements dedicated to young Algerians are indeed not regulated by the market. They rather emanate from specific programs for which a surplus of positions in public administration is created or that allocate state-sponsored, interest-free loans, to encourage business creation.<sup>110</sup> This specific calibration of work opportunities for youth has allowed Algerian leaders to keep a part of the very large number of young candidates for a first work experience occupied, despite the low quality and sustainability of the positions and support offered.

By opting for a top-down model of economic integration, the country's decision-makers have certainly remained faithful to a tradition of the welfare state, as demanded by a large part of society itself. They have also placed an important part of young people joining the labor market in a relationship of dependence on the state, maintaining subordinate forms of social cohesion through the shared idea of "granted" work. As citizens are more likely to demand jobs from their leaders than to hold them accountable on

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<sup>109</sup> On the influence of the colonial experience on employment, see Bourdieu, Pierre, Alain Darbel, Jean-Paul Rivet, and Claude Seibel, *Travail et travailleurs en Algérie* (Work and workers in Algeria). Paris: Mouton, 1963. Safir, Nadji. «Algérie 2015: enjeux rentiers, dérives autoritaires et perspectives» (Algeria 2015: rentier issues, authoritarian drifts, and prospects) «Maghreb-Machrek 3 (2014): 77-89 and Amarouche, Ahcène « Régime politique, société civile et économie en Algérie: une analyse institutionnaliste » (Political regime, civil society and economy in Algeria: an institutionalist analysis) *Developing Worlds 3* (2012): 45-57.

<sup>110</sup> According to the National Statistics Office, 4.09 million workers, or 37% of the employed population, were employed in the public sector in 2018. <https://www.aps.dz/economie/76904-emploi-63-des-travailleurs-employes-par-le-secteur-privé-en-algerie>.

resource management. A real public debate on the limits of rentier governance, which hinders the emergence of an open market that produces wealth and adequate professional opportunities, has still not taken place.<sup>111</sup>

This chapter focuses on this ‘assisted’ professional integration of unemployed Algerian youth.<sup>112</sup> The two case studies selected illustrate the two main principles of labor redistribution on which Algerian youth employment policy is based; that of subsidized, short-term job placements for young graduates (in this case, the Graduate Integration Contract / Contrat d’Insertion des Diplômés – CID, and the Social Integration Scheme for Young Graduates / Dispositif d’insertion sociale des jeunes diplômés - PID) and that of encouraging the creation of businesses through interest-free loans (The National Youth Employment Support Agency / Agence Nationale de Soutien à l’Emploi des Jeunes - ANSEJ, the National Unemployment Insurance Fund / Caisse Nationale d’Assurance Chômage – CNAC and the National Agency for the Management of Microcredit/Agence Nationale de gestion du Micro-crédit - ANGEM).<sup>113</sup>

The capacity of these measures to absorb youth unemployment has already been analyzed:<sup>114</sup> it is real, but it does not have an impact on the quality and profitability of the jobs created.<sup>115</sup> How can we explain their durability then? This research attempts to answer this question by analyzing the literature on employment policies in Algeria since the 2000s, by comparing available official data on these programs, and by interviewing young people between 18 and 40 years old who have experienced them.<sup>116</sup>

It argues that, contrary to official discourse, these programs do not aim to curb the informal market, but rather, to coexist with it. This duality is maintained because it allows the state to give substance to an official employment policy, and thus to remain unavoidable in the formal regulation of economic resources, while allowing the informal sector to continue to employ most of the unemployed youth. The blurring of distinctions between the “social” and the “economic” features of these policies also seems to be maintained for main political reasons. Thus, their promotion of the “young unemployed”

111 For an analysis of the evolution of the rentier social pact and the limits of Algeria’s neopatrimonialism see Belguidoum, Saïd. «Hirak et crise du système néo-patrimonial en Algérie : rupture générationnelle et nouvelle temporalité historique.» (Hirak and the crisis of the neo-patrimonial system in Algeria: generational rupture and new historical temporality) *Insaniyat. Revue algérienne d’anthropologie et de sciences sociales* 88 (2020): 31-50.

112 Active labour market policies (ALMPs) are common in countries that experience transitory economies. A lot of what is described here has been put in place in Tunisia and Morocco as well with not much success although with more international donors funds than Algeria. In 2010, there were 14 internationally sponsored youth unemployment programs active in Morocco, five in Tunisia and only one in Algeria according to Angel-Urdinola, Diego, Arvo Kuddo. Key characteristics of employment regulation in the Middle East and North Africa. World Bank, 2010. Instead of the ALMPs label, I will use the words “assisted”, “granted”, “sponsored” or “subsidized” to underline how the specific rentier nature of the Algerian governance influences the State’s political willingness to remain in control of the job market. For a more developed comparison of Maghreb’s youth unemployment policies see Subrahmanyam, Gita, “Tackling youth unemployment in the Maghreb. North Africa policy series”. African Development Bank Group, Tunis, Tunisia, 2011.

113 Renamed National Agency for Support and Development of Entrepreneurship / Agence nationale d’appui et de développement de l’entrepreneuriat - ANADE in late 2020 but still identified as ANSEJ, including in official documents. <http://www.ansej.org.dz/index.php/fr/presentation-de-l-ansej/presentation-du-l-ansej>.

114 All studies point to a continuous decline in unemployment, from 29.29% in 1999 to 11.4% in 2019 based on figures provided by the National Statistics Office / Office National des Statistiques - ONS: <https://www.ons.dz/spip.php?rubrique204>. This decline is also often explained by the increase in oil prices until 2014 and the injection of funds into the administration and public procurement.

115 Hamidi Aïssa. “The impact of government subsidy for Micro and Small Enterprises (MSEs) in job creation: An empirical evidence-case of Algeria (1997-2017)” *Social and human sciences review*, 21, no. 2 (2020): 849-864. In Arabic.

116 23 interviews of young people from Algiers, Tizi-Ouzou, Bordj Bou Arreridj, Oran, and Laghouat. Conducted in 2020 and 2021.

figure to whom the state lends a hand has largely helped Algeria's successive governments to obscure their failure to reduce unemployment through a functioning job market.

## Case Study One: Subsidized Integration of CID and DIP Graduates

The structural adjustment plan (*Plan d'ajustement Structurel* – PAS) imposed in 1994 by the IMF on Algeria (then in default of payments), as well as the policy of privatization of public enterprises that followed in 1995, have profoundly influenced the social and economic nature of State policies, especially those dedicated to young people. They have caused the merging of first-time applicants and unemployed youth in one, unique category to whom a state-subsidized placement in public institutions and private enterprises are to be offered.

In 1996, the Pre-Employment Contracts formula (CPE), placed under the direction of the Social Development Agency (Direction de l'Action Sociale - DAS, part of the Ministry of National Solidarity), started to promote the integration of young graduates through 'transitory' fixed-term contracts,<sup>117</sup> initially designed for precarious groups.<sup>118</sup> Because of their low pay and a certain bureaucratic rigidity, the CPEs were shunned by young people working in the informal sector<sup>119</sup> and those whose family networks entitled them to direct employment in public companies.<sup>120</sup> Therefore their main audience shifted to young people from the working classes, increasingly numerous in the formal labor market due to the expansion of secondary and higher education, but whose diplomas or training alone are not sufficient for a stable integration into the job market.

In 2008, President Bouteflika, who was then preparing his re-election for a third term, decided to implement a new "National Employment and Fight Against Unemployment Policy" (*Politique Nationale de l'Emploi et de lutte contre le Chômage* – PNEC). Its main tool became the Professional Integration Assistance Program (*Dispositif d'Aide à l'Insertion Professionnelle* – DAIP), managed by the National Employment Agency (*Agence Nationale de l'Emploi* – ANEM), under the responsibility of the Ministry of Labor.<sup>121</sup>

The DAIP offers three types of contracts: one for young people from professional training centers, the second for applicants without training or qualifications, and the third

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117 Named as "in the waiting" (emplois d'attente) contract as candidates are supposed to expect the confirmation of their transitory contract to access a proper first job experience.

118 Youth Employment Program / Programme d'emploi des jeunes -PEJ, created in 1987, was mainly designed for young people without qualifications.

119 The informal market represented 45% of all economic activities in the 2010s according to the ONS. <https://www.aps.dz/regions/91321-le-commerce-informel-reprend-de-plus-belle-a-alger>

120 A set of official and tacit practices have long existed in the country giving the possibility to former Algerian war veterans (moudjahidine), but in fact also ordinary citizens, to "transmit" their public company jobs in priority to their child once retired. For the moudjahidine see the Art. 38, 39 and 40 of the Official Journal, April 12, 199. [https://www.mfdgi.gov.dz/images/pdf/textes\\_reglementaires/F1999025.PDF](https://www.mfdgi.gov.dz/images/pdf/textes_reglementaires/F1999025.PDF)

121 The ANEM was created in 1990. Since 2004, this public organization has centralized job applications, guiding and informing candidates, and presenting them with job offers. In 2007, private recruitment agencies were allowed to conduct the same missions, but no information is available at all on their performance. 42 private agencies were supposed to be active in 2021. <http://www.anem.dz/fr/pages/agences-privées.html>

for higher education graduates, the Graduate Integration Contract (*Contrat d'Insertion des Diplômés – CID*), the impact of which this chapter focuses on.

The CID consists of a renewable three-year contract for young, unemployed people aged between 19 and 35, in theory first-time applicants. It provides a state-subsidized remuneration (as well as social security benefits) of 15,000 DA for higher-education graduates and 10,000 DA for senior technicians (equivalent to 95 and 64 Euros a month in 2021).<sup>122</sup>

If a promise of employment is made at the end of the CID, another state-sponsored contract will be drafted, the “State-Assisted Contract” (*Contrat de Travail Aidé – CTA*). It will be offered for three non-renewable years if for public institutions and administrations and one non-renewable year if in the economic sector. The state’s contribution to the young person’s salary is 15,000 DA for graduates and 12,000 DA for senior technicians (95 and 75 euros in 2021).

Thus, the CTA is designed as an incentive for the employer to hire young people by also adding various measures of assistance towards its employer contributions and taxes. Additional subsidies are directed towards the recruitment of young people from the country’s disadvantaged regions, such as the South and the highlands, or the field of agriculture and other “necessary” sectors.

Despite these rules, young graduates often complained about having their first CTA replaced by another CTA, never reaching a final integrative contract as planned. They also mentioned the case of companies that do not supplement their salary, leaving them only with the modest state sponsored part that does not differ that much from their previous CID pay. Some were also told that their contract was terminated at the end of the one-year CTA despite good performance.

By multiplying the subsidies for short-term professional experience, the CID’s operating mode paradoxically transforms the worth of being a young graduate into a handicap. It delays the age of stable professional integration, leading some to leave these subsidized programs to join those that help create businesses thanks to government loans.<sup>123</sup>

Access to work through these mechanisms can be even more discriminating if, in addition to being young and qualified, the applicant is also disadvantaged, disabled, or from a rural area. Indeed, these characteristics are those targeted by another job scheme: the Social Integration Scheme for Young Graduates (*Dispositif d’insertion sociale des jeunes diplômés – PID*).

122 Source: The National Youth Employment Support Agency, “Social Integration Scheme for Young Graduates” <http://www.anem.dz/fr/pages/dispositifs.html>

123 This is the case for two people in my panel. It is also reported in: Morana, Joëlle, Dominique Bonet Fernandez, and Fouzia Brahimi. «La gestion des compétences en Algérie: une analyse du discours des professionnels et des étudiants.» (Competency management in Algeria: a discourse analysis of professionals and students) *Maghreb-Machrek* 3 (2011): 65-80.

The so-called 'social' equivalent of the CID, the PID, was also set up in 2008 and is managed by the Social Development Agency (*Direction de l'Action Sociale* – DAS). While it replaces very low-paid employment programs such as the CPEs, the PID illustrates the assimilation of job creation policies with the more political argument of the fight against the 'social exclusion of young graduates', in this case between the ages of 19 and 35. This contract is for one year and renewable, with a salary subsidy of 10,000 DA for graduates and 8,000 DA for senior technicians (64 and 50 Euros in 2021) as well as the benefit of social insurance. Although salary is often not a primary motivation,<sup>124</sup> this lower remuneration, despite similar qualifications and assignments, also adds to the discrimination of young first-time applicants,<sup>125</sup> as the criteria for allocating candidates towards CIDs and PIDs that both target precarious candidates are unclear.

The two managing structures of these programs, the ANEM and the DAS, provide few public statistics that would allow for an accurate assessment of the CID and the PID. While CIDs appear to account for most CTA placements, a comparison with global market figures reveals the limitations of both programs. In fact, in April 2021, 37% of placements were in the service sector, and only 2% were in agriculture, which is supposed to be a priority area. Thirty-nine percent of the offers came from the national private sector, though the primary motivation of joining these programs is supposed to lie in the possibility of working in the private sector (but by only 25% closely followed by the remuneration at 24%, while refusals without reason represented 40%). Finally, official figures state that CIDs represent most of CTA placements, while graduates still form the majority of job seekers at 36%.<sup>126</sup>

As it has been the case during each political crisis, a reform of these programs was once again discussed in December 2019. Amid HIRAK protests and three days before the organization of the presidential elections, a decree was issued for the integration of CIDs and PIDs as administrative civil servants, according to their seniority.<sup>127</sup> In July 2021, the Joint Sectoral Commission in charge of monitoring this integration process (chaired by the Minister of Labor) announced, however, that this integration process only reached an integration of 13.51% of the oldest beneficiaries and that these arrangements needed to be reformed in view of "the fragility and quality of jobs, the low level of wages, the lack of social security coverage that does not guarantee retirement, and

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124 As underlined as well as by Bensmain, Lamia, "Reconnaissance perçue, motivation et engagement au travail. Cas du dispositif d'aide à l'insertion professionnelle (DAIP)" (Perceived recognition, motivation and commitment to work. Case of the system of assistance for professional integration (DAIP)), *Revue Economie, Gestion et Société* 10 (2017).

125 According to our observations, CIDs appear to be more frequently placed in private companies than PIDs. Both can be found in public administrations and public services that are also state subsidized by the State but of low quality like social services, reception desks in municipalities, community health centers, public companies' complaints services or public schools. Both programs employ a majority of women. Djamilia Mendil gives the figure of 53% women in 2014 and explains the importance of this number by a significantly higher unemployment rate for women (20.4% against 9.1% for men in 2019) and a very low activity rate (17.3% against 66.8% for men). Mendil, Djamilia, « Analyse macro-économique des politiques de l'emploi en Algérie dans une perspective d'un développement durable » (Macroeconomic analysis of employment policies in Algeria from a sustainable development perspective), *Mondes en développement* 2 (2020): 91-110.

126 The economic impact of COVID-19 may also explain these inconsistencies. Statistics from: "Employment Indicators, April 2021" National Employment Agency. <http://www.anem.dz/ressources/pdf/2021/avril-2021.pdf>.

127 "Provides that "these persons, active in public institutions and administrations on October 31, 2019, shall be integrated into the grades of civil servants as trainees, or as contractual employees of indefinite duration in jobs corresponding to their qualifications." [http://www.ilo.org/dyn/natlex/natlex4.detail?p\\_lang=fr&p\\_isn=110237&p\\_count=8&p\\_classification=08#:~:text=Name%3A1%27insertion%20social%20of%20dipl%C3%B4m%C3%A9s](http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=fr&p_isn=110237&p_count=8&p_classification=08#:~:text=Name%3A1%27insertion%20social%20of%20dipl%C3%B4m%C3%A9s).

the low stabilization rate” which are responsible for “the gap between the resources allocated to these agencies and the results obtained.”<sup>128</sup>. These criticisms are the same that were expressed during the 2008 reform of young employment policies.<sup>129</sup>

The project of an additional reform of the job placement system for permanent integration was publicly announced in July 2021. Under the supervision of the ANEM, this new mechanism was supposed to offer two-months integration contracts and grant employees the right to create their own side-line private business if they wish to.<sup>130</sup>

## Case Study Two: Government-Loan Business Programs: Ansej (Youth Employment Support), Angem (Micro-Credit) And Cnac (Unemployment Insurance)

The second main state-policy intervention in its struggle against youth unemployment is based on its sponsoring of the startup of small businesses, thanks to interest-free loans. The most frequently used formula is the one of ANSEJ, managed by the Ministry of Labor and created in 1996.

Intended for young, unemployed people, aged 19 to 35 and who are supposed to have specific qualifications (although this condition has been rarely applied), it is presented as an individualized support and training program for business creation. Applicants must submit a feasibility project to one of their local agencies and choose between three possible financing options: personal contribution without loans, personal contribution of 71% + 29% of ANSEJ interest-free loans, or the most popular - 1% personal contribution + 70% bank and 29% ANSEJ interest free loans.

The projects can reach 10 million dinars (62,600 euros in 2021), to which other loans can be added for the rent of premises in the context of the creation of professional offices, for the purchase of professional vehicles and as well as tax exemptions (on land, profits, VAT, employment of employees, etc.). The repayment of the loan can be spread over eight years.

128 Seghiar, Saliha, « Les jeunes, le chômage et la valeur du travail » (Youth, unemployment, and the value of work), *Specificites* 1 (2014): 256-265.

129 Ibid.

130 In the absence of any official text, this information comes from cross-checking press articles. These, quoting stakeholders, put forward the figure of 350,000 young people concerned by the promise of being fully integrated. See Al Khabar, Meeting of the new Minister of labor on professional integration”, July 15, 2012. In Arabic. <https://www.elkhabar.com/press/article/190120/>

Although the impact of ANSEJ for supporting business creation, and thus for the short-term reduction of the number of unemployed youths is real, the plethora of literature dedicated to its analysis highlights three limitations.<sup>131</sup> Firstly, the type of business plans accepted does not meet the needs of the market; there is an overrepresentation in services and fast-return activities (cybercafés, transport of passengers and goods, fast food, etc.), or dependent on public orders (construction and public works), these companies create little wealth and are not innovative.<sup>132</sup>

Secondly, despite being designed as a program for individualized support and training in business management skills, the problem of candidates' level of qualification, often unprepared to enter the market as independent entrepreneurs, has been overshadowed by the political use of the ANSEJ as a tool to lower youth unemployment. The result is a failure rate of companies and debts that, according to official figures, is up to 70%.<sup>133</sup> In addition to this, there is a greater impermanence of jobs the company may have helped to create.<sup>134</sup> Finally, the lack of data makes it difficult to evaluate the program in terms of its cost-benefit ratio for the state.<sup>135</sup>

As with the CID and PID, the ANSEJ is coupled with so-called social schemes. The National Unemployment Insurance Fund (*Caisse Nationale d'Assurance Chômage* – CNAC, Ministry of Labor), launched in 1994, in view of the economic layoffs linked to the PAS, has been managing a business creation program for disadvantaged unemployed people between 30 and 50 years old with loans of 10 million DA since 2004.<sup>136</sup>

The National Agency for the Management of Microcredit (*Agence Nationale de Gestion du Micro-crédit, Ministry of Solidarity*), created in 2004, targets housewives and rural populations (especially in the south and highlands), craftsmen, farmers, or those involved in a small family service business over the age of 18. The loans can reach 1,000,000 DA (6,250 euros in 2021, an amount revised upwards in March 2011 in the middle of the Arab Spring).<sup>137</sup> The financing formulas by loans are identical to those of the ANSEJ for both programs. In contrast to the CID and PID, and except for ANGEM, women are in the minority in these programs.<sup>138</sup> They may even be used as nominees by the men in their families, particularly to accumulate loans.

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131 According to the official figures on the websites of ANSEJ and ANGEM – the micro-credit state agency (those of the CNAC are unavailable), these programs have contributed up to 20% to the total 2016 employment rate. The ANSEJ with only 9% of the candidates graduates from higher education and 92% of young people under 35 years. Since its creation in 2004 and until March 31, 2020, the ANGEM declared to have created 1,383,308 jobs.

132 Nasri, Nassreddine, Ayadi, Abdelkader, "Accompagnement de l'entreprenariat en Algérie, entre nécessité économique et enjeu politique (Cas des TP/PME créées par le biais de l'ANSEJ)" (Business support in Algeria, between economic necessity and political stake (Case of TP/PME created through ANSEJ)" 5, no. 1 (2020): 368-384.

133 The figure was put forward by the Minister Delegate in charge of micro-entreprise. See <https://www.aps.dz/economie/115291-ansej-plus-de-70-des-entreprises-creees-nessitent-une-prise-en-charge>

134 Merzouk, Farida. « L'entreprise familiale dans le contexte de l'Algérie : Quelles facettes cachées? » (Family business in the Algerian context: What hidden facets?), *African Review of Management*, 3, no. 1 (2018).

135 Musette, Mohamed Saïb, M. Lassassi, and M. M. Meziani. "Employment policies and active labour market programs in Algeria." Torino: ETF (2014).

136 [https://www.cnac.dz/site\\_cnac\\_new/Web%20Pages/Fr/FR\\_Dispositif.aspx](https://www.cnac.dz/site_cnac_new/Web%20Pages/Fr/FR_Dispositif.aspx)

137 Source: National Agency for the Management of Microcredit <https://www.angem.dz/article/le-dispositif-du-micro-credit/>

138 Women beneficiaries of these programs are mainly active in services and crafts. They account for less than 10% for the ANSEJ and the CNAC but for twice the number of credits granted to men by the ANGEM.



## Conclusion and Recommendations

The set of measures for the professional integration of young Algerians analyzed here has led to a reduction in their unemployment. An analysis of their political use, however, substantiates their weak macroeconomic impact and shows their fragility to the weakness of their institutional and market environment. New tools are therefore needed to understand the paradoxical sustainability of these policies, the different ways in which candidates use them to enter the market, and their future in a context of increased economic, social, and political crises.

Having considered the historical legacy of the state-patronage allocation of jobs as a provider of 'dignity' along with choosing a sociological approach to the conditions of entry and exit from these programs, has helped us understand why they resonate with young people, despite the relative failure of their initial objectives. Indeed, young candidates aptly perceive that being framed as unemployed, precarious or first-time applicants increases their vulnerability and influences the way they may enter the job market (low wages, devaluation of the diploma, pending loans and weak legal and economic security...). However, it is also because of their specific vulnerability that the compensatory character of these policies convinces young candidates to apply.

Sponsored youth employment policies have been mainly used to reduce youth unemployment figures, but other issues seem more pressing. This chapter offers three recommendations to address many of these issues:

**First, establish partnerships between small, medium, and major private companies.** The fate of the public sector as the main employer of young graduates and sponsor of young entrepreneurs appears to bear irresolvable contradictions as illustrated by August 2021 president Tebboune's announcement to both increase the "unemployment allocation" and open public companies to private capitals.<sup>139</sup> With regards to ANEM's failure to attract and place most qualified young people, a reflection on the role of local firms and private labor market intermediation structures is needed. Semi-private arrangements that do not provide genuine forms of social and work protection will not bring more stable forms of employment. Instead of simply passing on the problem of youth unemployment to private companies, a coherent partnership should be offered to small, medium and major private companies. The latter should include objectives of training-on-the-job for young jobseekers and a better implementation of legal measures to make them fully answerable in case of any misuses.

**Second, Algeria's international partners can help by providing more targeted assistance.** In the same vein, self-employment through the renewed mechanisms of ANSEJ and the promotion of start-ups seems to have been chosen as the new panacea to reduce youth unemployment and generate jobs. However, permanent and decent

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<sup>139</sup> Algeria Presse Service, Le Président Tebboune annonce une augmentation de l'allocation chômage, (President Tebboune announces an increase in unemployment benefit), 8th August 2021, <https://www.aps.dz/societe/125873-le-president-tebboune-annonce-une-augmentation-de-l-allocation-de-chomage>.

jobs can only be offered if they match the qualifications and skills of the candidates, and little has been planned to improve them before they enter the job market. The country's international partners, and the European Union, have been encouraging the emergence of young entrepreneurs as well, but in a very limited and out of context manner. Beyond usual recommendations on reinforcing young people's soft skills then, Algeria could ask to benefit from more target-oriented policies that will help ministries and employment agencies to operate a genuine transition towards microcredit training management.

**Third, better monitoring and evaluation of programs is needed.** Whatever option will be chosen, it seems crucial to unpack the 'unemployed youth category' and end the catch-all logic of the programs analyzed above. Easing access to official figures, then encouraging in-depth policy analyses and reports to be produced, will significantly help in improving the monitoring and evaluation of these policies. The stability of the Algerian model, where the State continues to monopolize the regulation of youth employment in the name of the fight against poverty while having few means to offer them a sustainable integration into the labor-market, seems to be put in question for the years to come.



CHAPTER

# 4

## Youth Employment and the Role of the State: The Tunisian ICT Sector as a Case Study



*Mohamed-Dhia Hammami+*



# Chapter 4.

## Youth Employment And The Role Of The State: The Tunisian Ict Sector As A Case Study

Mohamed-Dhia Hammami<sup>140</sup>

### Introduction

Since Tunisia's independence in 1956, the overall unemployment rate has been persistently high, fluctuating around 15 percent of the active workforce. Ten years after the revolution, unemployment is still one of the most pressing issues that need to be addressed. During the last decade, one-third of Tunisians have persistently identified unemployment as the most pressing problem facing Tunisia and job creation as the expected top priority the government should be focusing on to improve the country's economic conditions.<sup>141</sup> In contrast, more than two-thirds of Tunisians evaluate the governmental performance in creating jobs as bad or very bad.<sup>142</sup>

Since Tunisian authorities started paying attention to the problem of unemployment, they relied heavily on Active Labor Market Policies. Programs such as the *Introduction to Professional Life Internship (SIVP)* were initiated, multiplied, and continuously renewed with a few adjustments. In line with the literature on Active Labor Market Policies in OECD countries,<sup>143</sup> this type of intervention was found inefficient,<sup>144</sup> with positive yet minimal results.<sup>145</sup> In other words, these policies failed to address the structural sources of high unemployment. Moreover, most of them were not subject to rigorous and critical evaluations.<sup>146</sup> As a result, authorities were not able to overcome their limits. Neither were they able to identify the replicable good practices.

Instead of looking at a successful and scalable policy, this chapter will look at one of the few sectors, if not the only one that doesn't suffer from the structural unemployment characterizing the Tunisian economy: The Information and Communication Technologies industry. A recent survey published by the Arab Institute of Business Leaders

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141 IRI, "IRI Poll: Employment, Economy Most Important Priorities for Tunisians."

142 Arab Barometer.

143 Crépon and van den Berg, "Active Labor Market Policies."

144 Aloui, "Cost-Effectiveness Evaluation of SIVP Training Program."

145 World Bank, "Toward Solutions for Youth Employment."

146 ILO, L'inventaire de l'emploi des jeunes en Tunisie.

revealed that the post-graduation waiting period among ICT specialists is significantly shorter than in other specializations. On average, engineers<sup>147</sup> remain unemployed for three months once they are in the job market.<sup>148</sup> Technicians,<sup>149</sup> however, need ten months to find a job. We look at the specificities of the ICT sector to understand why ICT specialists do not suffer from the high level of unemployment we see in other sectors. Retracing the historical trajectory of the ICT sector, we explain how the shift from a state-led development to a *laissez-faire* policy, where private actors were expected to take the lead that led to the emergence of coordination problems, including a mismatch between the demand and the supply side of the digital labor market.

## A tale of state-led development

Although Tunisia's ICT sector seeds were planted under Bourguiba's rule in the late 1970s, its burgeoning started with the tenth development plan, covering 2002 to 2006. Combining the system of five-year plans with other mechanisms of market coordination, the government proactively allocated efforts and resources towards the development of an export-oriented ICT sector, able to shape the external image of Tunisia as a modern country and define its economy as a peripheral market to emerging European ICT companies looking for reliable, low-cost digital workers and subcontractors.

In parallel, the government focused on the expansion of the local consumer-market of technology users. The first steps were driven by state institutions and state-owned companies that invested heavily in developing the necessary infrastructure and facilitated the acquisition of computers. The National Bank of Solidarity funded a program commonly known as the "family computer" aiming to popularize the use of new technologies.<sup>150</sup> Tunisie Telecom oversaw the development of the national wired telecommunications network required to develop the ICT sector. The Tunisian Internet Agency, established in 1996, continued to preserve a monopoly on the country's bandwidth and leased it to all the national internet providers.

While such a monopoly allowed Ben Ali to maintain tight political control over the use of the internet and facilitated the enforcement of surveillance and censorship policies, it allowed the government to keep leverage over internet pricing. These early policies led to the explosion of internet subscribers from 86 in September 1996 to 330,000 in 2001. Today (2021), Tunisia has around 8 million internet users and ranks as the second most connected country in Africa after Morocco.<sup>151</sup> In parallel, the number of ICT companies grew from a handful of state-owned enterprises in the mid-1990s to a whole community of interconnected public and private actors.

147 The term "engineers" is used in reference to holders of the "Diploma dingier" equivalent to "Master of Science in Engineering."

148 IACE, "Rapport National sur l'Emploi [National Report on Employment]."

149 In the Tunisian context, the word "technician" is commonly used in reference to holders of technical degrees comparable to the Bachelor of Technology.

150 Guermazi and Satola, "Creating the 'Right' Enabling Environment for ICT."

151 International Telecommunication Union (ITU), "Individuals Using the Internet (% of Population) in Tunisia."

Starting from the 2000s, under the assistance of the World Bank, governmental officials began to focus on the liberalization of the sector. New operators were allowed to share the local mobile telecommunication with *Tunisie Telecom*. A ‘National Telecommunications Authority’ was established to enforce contracts and solve conflicts between operators. Furthermore, aside from a pro-business Telecommunication Code described by the World Bank as an “adequate environment for the growth of the ICT industry,” the government left the emerging sector as largely unregulated.<sup>152</sup> A ministry of telecommunication created in the mid-2000s became in charge of the supervision of state institutions operating in the ICT sector. Since then, it progressively positioned itself as the designer and implementer of ICT-related policies, and a coordination point between the private sector and political authorities responding to their demands.

In the early 2000s, the private sector was reluctant to invest in new technologies or recruit ICT specialists. By then, 7000 of the 12,500 jobs generated in the emerging industry were in the public sector, mainly composed of small and medium short-lived companies. Nevertheless, the World Bank was already noticing a “shortage of skilled ICT labor force of 2000 people,”<sup>153</sup> distinguishing Tunisia from other markets for low-cost digital labor such as India, where training centers for qualified tech workers were already popping up across the country.

Creating a network of *Higher Institutes of Technological Studies (ISET)*, parallel to the traditional university curricula, followed a similar logic as India’s promotion of extra-academics; building a critical mass of workers with narrow and specialized technical skills to meet the needs of the industrial sector in hands-on middle-technical skills, which were deemed in short supply. The overproduction of this new type of middle-skilled workers would theoretically lead to an increased labor supply and lower the cost of production in the rapidly emerging sector. However, the proliferation of technology schools focused on technical skills did not succeed. According to recent IACE statistics, most ISET students remain unemployed for more than 30 months before finding their first job. The only exception is with computer technologies programs. The total number of students enrolled in ICT programs went from 6141 in 2000 to 52,155 in 2009. In parallel, the yearly number of digital workers entering the job market went from 1231 in 2001 to 9790 in 2008.<sup>154</sup>

The World Bank’s optimistic projections from the early 2000s gave the impression that the development of the ICT sector in Tunisia “would lead to a decline in the overall unemployment rate, from a projected 11.6 percent in 2006 to about 9 percent” in the high-case scenario and 11 percent in the low-case scenario. However, despite high GDP growth, the ICT failed to deliver its promises. By 2006, the revenue from the emergent sector was higher than in the World Bank’s best case, but the rate of unemployment could not fall below 12.5%. Nevertheless, according to official estimates,

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152 Ibid.

153 World Bank, “Republic of Tunisia.”

154 Kamoun et al., “Tunisia ICT Sector Performance Review 2009/2010.”

the governmental policies succeeded in reaching the 2006 goal of 31,000 jobs in ICT expected by the World Bank in its high-case scenario.<sup>155</sup>

If we assume that official statistics on employment from the Ben Ali era are correct and reliable, the problem would be the absence of a spill-over effect of the ICT sector onto other sectors. The ability of ICT to drive a spontaneous creation of indirect jobs was exaggerated. The Country Assistance Strategy of the mid-2000s failed to reach its employment goal. We should learn from this first policy failure that the ICT's spill-over effect can easily be overestimated. In countries like Tunisia, where economic actors are used to a culture of government-led market coordination, public policies should proactively push conventional sectors to integrate ICT in their processes, while considering the usual job-destructing and job-displacing potential effect on traditionally labor-intensive activities. To truly benefit from the potential of new technologies in terms of job creation, public authorities should play the role of coordinator between the different sectors of the economy. We will return to these points in the following sections.

Until the mid-2000s, the Tunisian private sector was still unwilling to invest in new technologies. The state, through its companies and agencies, was the main driver of job creation. Aside from *Tunisiana*, co-founded by Qatari and Egyptian investors and active since 2003, only a few private companies were interested in recruiting ICT specialists graduating from the higher education system. The state was the main contributor to the emergence of an ICT sector, through public involvement in state-owned communication companies along with the creation of both consumption and labor markets. Such an expansion could not have been possible without the training of thousands of ICT specialists.

Similar to the development of the internet users' market, creating a labor market of digital workers resulted from state policies that multiplied the number of university programs focused on acquiring general and technical skills, needed by the emergent sector. The small number of students graduating every year from the *National School of Computer Science (ENSI)* established in 1984, the *Higher School of Communication of Tunis (Sup'Com)* of 1998, the IT department of the *National School of Engineers of Tunis (ENIT)* created in 2000, and the network of the *Higher Institutes of Technological Studies (ISET)* developed during the 1990s, could not respond to the rising demand on ICT specialists. Therefore, authorities started multiplying the number of departments specialized in computer science and integrated programming skill in many non-ICT programs in both public and private universities. However, similar to the global trends, the development of the ICT sector outpaces the formation of a digital labor army, and the shortage of skilled labor remains persistent.

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155 Ibid.

## The liberalization phase and its failed promises

During the second half of the 2000s, this dynamic changed radically. While public universities preserved their position as the leading suppliers of digital workers to the Tunisian industry, the overall private investment “rose from 35.2% of ICT sector investment in 2003 to 72% in 2010 (against a target of 65 percent).”<sup>156</sup>

During the late 2000s, the World Bank pushed towards improving the competition between the emerging ICT private sector actors. Nevertheless, when we look at the ecosystem in which these actors are embedded, we can notice patterns of non-price coordination. For example, in 2006, a group of businesspeople created the ‘National Federation of Information Technologies and Communication’, a branch of UTICA representing the corporatist interests of IT services and engineering companies (SS2I), call centers, computer industry, mobile phone importers, and other IT-related activities. Since then, employers in the ICT sector have started coordinating their actions and reducing the labor market competitiveness to recruit their employees.

Theoretically, since Tunisia-based employers compete over the small pool of non-unio-nization digital workers graduating every year from Tunisian universities, wages should be significantly high. However, structures of deliberate coordination, such as the ICT Federation, allow cartelized employers to contain wages at a very low level. This strategy comes with a significant cost typical to most low and middle-income countries that invested in ICT education: brain-drain. According to the Tunisian Order of Engineers’ estimates, around 3000 engineers. Most of them who are trained in computer science<sup>157</sup> migrate to France every year to find better job opportunities and higher salaries than those offered by Tunisia-based employers.<sup>158</sup>

Instead of benefiting from the skills of highly qualified IT engineers and investing in innovative solutions, oriented towards the local or regional markets, the Tunisian private sector preferred positioning itself as a peripheral subcontractor to Western European companies, reproducing the same patterns of the post-1970s industrial policies. Nevertheless, thanks to its high ‘Human Capital & Research’ score resulting from the substantial investment in education, Tunisia’s overall Global Innovation Index is undoubtedly higher than most African, Arab, and lower-middle-income countries.<sup>159</sup> However, Tunisia’s very low ‘Market Sophistication’ and ‘Business Sophistication’ scores reflect the inability of Tunisia-based businesses to absorb the available knowledge, their incapacity to create ‘knowledge-intensive’ jobs, and the lack of connectivity between academic and industrial research.<sup>160</sup> The development of research programs between

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156 Independent Evaluation Group, “Tunisia Country Program Evaluation FY2005-13.”

157 L’Économiste Maghrebin and Cabinet ADVI, “Pour Une Migration Professionnelle Efficente.”

158 Jennene, “Fuite des cerveaux.”

159 WIPO, Global Innovation Index 2020 (Country Profiles).

160 WIPO, “Annex 1: The Global Innovation Index (GII) Conceptual Framework.”



universities and Tunisian private or state-owned businesses can improve the innovative capacity of the Tunisian economy, reduce the level of unemployment among graduates of fundamental sciences, and the quality of STEM education.

The concepts of innovation and employment goals appear as key elements of the national strategy 'Tunisie Digitale 2020', drafted by the Ministry of ICT, in close collaboration with other governmental and private sector actors and implemented through 'Smart Tunisia,' a public-private partnership. Nevertheless, the orientations of the late 2010s do not break with the historical trends. The Memorandum of Understanding (MoU) between Smart Tunisia and the Tunisian government defines the "promotion and development of offshore activities in Tunisia," reinforcing the position of the Tunisian economy as a peripheral low-cost subcontractor of global innovators. The words jobs, employment, or unemployment do not appear anywhere in the MoU. However, the rhetorical emphasis on the potential job creation was undoubtedly used to justify fundraising from international financial institutions.<sup>161</sup>

The hundreds of ICT-focused companies supported through the "revolutionary" institutional framework created by the Startup Act succeeded in creating a few thousand subsidized jobs, with an average of eleven employees per company.<sup>162</sup> Nevertheless, most of these jobs are underpaid or precarious. According to a BIAT Foundation survey, 30% of the digital workers employed by the startups supported by the Smart Tunisia program are recruited under the SIVP or Karama program, 14.4% short-term contracts, 7.2% are interns. Additionally, 75% of these companies are concentrated in coastal urban centers.

A member of the Startups College recognized that "innovative sectors will not be able to provide answers on their own to the question of youth employment."<sup>163</sup> Such a statement confirms the existence of significant divergence between the declared goals of governmental actors and the views of private investors. Tunisian authorities expect a commitment to job creation, in exchange for subsidies and institutional support from the private sector. Since expectations are unrealistic in an environment where investment managers, venture capitalists, and business angels expect from the startups in which they invest a high level of cost-efficiency and profitability. Small and new startups are not the only companies unable to create enough jobs to reduce youth unemployment. Large, established, and competitive companies such as China's technology giant Huawei, established in Tunisia in 1999, failed to absorb skilled digital workers. Despite its evident presence and connectedness with private and state actors, and its control of large proportions of market shares, the Chinese company employs only 200 individuals, out of which 80% are Tunisians.

161 African Development Bank, "Support Project for the Implementation of the 'Digital Tunisia 2020' National Strategic Plan."

162 African Manager, "Tunisia: Parliament Passes Start-up Act."

163 Africa News Agency, "Khaled Ben Jilani 'The innovative ecosystem provides solutions, not all of them but a breath of fresh air to young people.'"

In March 2021, Huawei, PricewaterhouseCoopers (PWC), and UNESCO published a study confirming the scarcity of qualified ICT workers in the Tunisian labor market, despite the satisfactory level of education provided by both public and private universities. The report offers quantitative indicators, confirming the issues we raised in this chapter. The average monthly wage of a junior IT engineer is 456 EUR. An expert with more than ten years of experience gets on average 1492 EUR per month. In a globalized context, where digital workers can easily access remote employment, such salaries are drastically low.

The rapidly changing dynamics of the sectors require them to remain up to date with the most recent technological innovation. With such low compensations, they can barely afford performant technological devices. Suppose the low cost of digital labor is currently seen as a competitive advantage. In that case, it may become, in the long run, an impediment to Tunisia's progress. When asked about their significant concerns, 26% of recruiters mentioned brain-drain, and 18% mentioned a "bad salary-experience ratio" (salary curve). These findings converge with similar concerns raised by the OECD in 2017. The Huawei, PricewaterhouseCoopers, and UNESCO study found that 93% of surveyed students were interested in migrating to more innovative countries, where wages and living standards are higher than in Tunisia. A significant proportion of those, who do not leave directly after graduating, leave within two or three years. As a result, employers complain about a high turnover rate.

## Conclusion: Structural Problems and Potential Solutions

During the last decades, international institutions, including the International Labor Organization, encouraged governments across all continents to adopt similar policy orientations, focused on the labor market's deregulation to reduce frictions and distortions, consequently facilitating the recruitment and firing of workers. However, such policy recommendations did not adequately consider the norms, traditions, and unspoken, informal rules governing economies where non-price coordination and collaboration matter more than the usual supply and demand dynamics.

In the Tunisian case, where the private sector is divided between informal businesses with no legal protection of workers and formal businesses relying heavily on precarious recruitment mechanisms, increasing the flexibility of the labor market will have only a marginal and unsatisfactory effect. Discussing the relation between wages elasticity and employment level without considering the cartelization of employers who collude to maintain wages at an unsustainable low level is methodologically misleading.

Many policy actors working in Tunisia would like to see a transition from a coordinated market economy, led by powerful state-owned companies, to a liberal market economy led by independent private businesses competing through price mechanisms and innovation. This option is theoretically possible, but it would take decades, and the results are highly uncertain. To reach such a goal, authorities would have to dismantle the wide complex system formed by interlocking directorships, cross-shareholding ties,

and even family ties. They would also have to dissolve all the institutions of deliberate coordination such as chambers of commerce, business associations, policy groups that distort the competition. Aside from the normative acceptability of such policies, the resistance of private-sector actors, used to non-market coordination, is inevitable. In practice, a shift from a paradigm to another is costly, risky, and almost impossible to achieve.

Tunisia cannot afford such a risky journey towards an uncertain destination. It needs a more realistic and pragmatic strategy that considers the predominance of non-price coordination as a difficult-to-change reality. To stimulate job creation, policymakers should not go against the tide. Instead, they should follow the same logic of proactive coordination of economic activities. Historically Tunisia did use a variety of non-market mechanisms to reach government-defined goals. Yet, it has never tried to use them to stimulate job creation. Proposals like a 'well-targeted employer of last resort program' gradually implemented by state actors (government, state-owned companies, and the Central Bank) in collaboration with the private sector can be a source of inspiration for coordinated job-creation policy Tunisian authorities can follow.<sup>164</sup>

If we look at the historical trajectory of Tunisia's ICT sector, we can notice that, similarly to other sectors of the Tunisian economy, governmental institutions, state-owned companies, and banks played the roles of risk-taking leaders and catalyzers. This finding is far from an unusual anomaly specific to Tunisia or African countries that follow a state-led developmental path. Economist Mariana Mazzucato demonstrated that even in the most market-oriented Western economies, states play a central role in driving technological advancement.<sup>165</sup> To that end, this chapter offers a number of recommendations:

**First, encourage ICT state institutions to innovate.** *Tunisie Telecom* and STEG played a historical role in developing the electricity and telecommunication infrastructure used by all ICT companies established in the twenty-first century. State-owned banks and governmental funds, such as FOPRODI, played historical roles in financing emerging economic activities. Unlike private companies, these historically established giants were more driven by developmental ideals than short-term capitalistic, cost-efficiency logic. Their organizational cultures are still infused with the ideas of the post-independence state-rebuilding phase.

They can be used by Tunisian authorities to re-shape the ICT sector without being concerned by short-term return-on-investment. They should be encouraged to become role models for innovation, employee-friendly work environment. Since innovation often results from the reduction of structural holes between economic sectors, these state institutions should be used as brokers between unconnected economic actors.<sup>166</sup> The strategically central positions they already occupy in Tunisia's economic networks should be appropriately exploited.

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164 Kaboub, "ELR-Led Economic Development."

165 Mazzucato, *The Entrepreneurial State*.

166 Ahuja, "Collaboration Networks, Structural Holes, and Innovation."

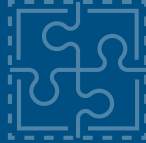
**Second, increase investments in internet infrastructure.** To upgrade its education system and adapt it to the imperatives of the twenty-first century, Tunisia needs to invest more heavily in internet infrastructure without following the logic of profitability. The internet is progressively shifting to becoming a necessary utility. Educational curricula need to be modernized by including ICT in languages, humanities, and social sciences. If Tunisia has been historically praised for its educational system, today's Tunisian policy-makers are missing the EdTech boom of the last decade, with job creation potential and its long-term impact on human capital. Instead of freezing recruitment in the public education sector or waiting for entrepreneurs to pay attention to the importance of EdTech and the potential it has locally and regionally, Tunisian authorities should instead work towards the inclusion of non-teaching ICT specialists who can support traditional teachers in the digital transformation of classrooms.

Although the idea of further intervention of the state in the economy, as an investor and lender, instead of limiting itself to bureaucratic regulation of the private sector may face some resistance from corporate groups in today's Tunisia, it does offer a potential solution to the stagnation of the Tunisian economy and its inability to create jobs adapted to young Tunisians' expectations and ambitions. It is undeniable that state-owned companies do occupy strategic positions in the national economic networks. Under a multi-sectoral national strategy framework, they should be incentivized to use their strategic position to engage in proactive bridging between ICT and the rest of the Tunisian economy.

**Third, facilitate the development of a national smart grid system.** Connecting STEG, the leading actor of the energy sector in charge of the electricity grid, to *Tunisie Telecom* and ATI, the owners and manager of the national, wired telecommunication grids, through joint ventures, can facilitate rapid development of a national smart-grid system. The transportation sector, still dominated by state-owned companies, needs the integration of ICT tools. Deliberate coordination between metro, buses, airline, and train companies can improve the quality of services significantly, rebuild the trust into public services, and allow their further expansion in a way that would create more jobs in remote and still disconnected regions. Similar reflections can be made regarding the diffusion of new technologies in institutions of democratic governance and the health-care sector.







# Conclusion



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# CONCLUSION

The 2030 Agenda for Sustainable Development and the 8<sup>th</sup> SDG clearly identify the need to incorporate youth development policies into comprehensive, sustainable development strategies.<sup>167</sup> Over the past decades, and especially since the 2011 Uprisings, governments in North Africa and their international partners have attempted to do that, albeit with mixed results.

As the collective experience has shown, there is no silver-bullet solution for tackling youth unemployment in North Africa. Only through long term, sustainable policies, can regional governments, working with their international partners, address the challenge. The chapters in this report highlight four broad areas where efforts should be focused over the coming decade.

First and foremost, a focus on improving the quality of education and training is critical. As the Egypt chapter has highlighted, the skills mismatch between graduates and workplace needs remains significant. States in the region need to continue to reform their educational systems, invest in ICT & internet infrastructure, focus on STEM education, and facilitate school to work transitions.

Second, rather than focus solely on the metric of jobs created, the focus should be broadened to emphasize youth, economic inclusion. As the Egypt and Tunisia chapters have highlighted, decades of economic reform and liberalization had failed to deliver and this has had an adverse impact on segments of the population, including youth. In that regard, policy interventions focused on minimum wage<sup>168</sup> and robust safety nets<sup>169</sup> become crucial.

Third, the region's international partners play a larger, more focused role beyond only funding. The Morocco chapter, while highlighting the risks of working with international partners, shows how they can work with national and regional governments to support employment through strengthening a country's decentralization strategy and its integrated youth policy, with an approach that includes a focus on both the demand and the supply side of the labor market.

Fourth, the need for impartial, concise monitoring and evaluation of youth targeted policies. As all the chapters have highlighted, youth employment projects must have much stronger impact-evaluation mechanisms internally; they should invest in working with international and regional programs, such as through ILO, to encourage great monitoring and evaluation in order to improve their own projects, as well as to contri-

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167 ILO, Youth Employment in North Africa: A Regional Review, Sept 2017, p.6.

[https://www.ilo.org/wcmsp5/groups/public/--africa/--ro-abidjan/documents/meetingdocument/wcms\\_577306.pdf](https://www.ilo.org/wcmsp5/groups/public/--africa/--ro-abidjan/documents/meetingdocument/wcms_577306.pdf)

168 Abdel Latif Wahba, For the First Time, Egypt Private Sector Workers Get Minimum Wage, Bloomberg, June 28, 2021. <https://www.bloomberg.com/news/articles/2021-06-28/for-first-time-egypt-private-sector-workers-get-minimum-wage>

169 Tunisia: World Bank Funds US\$300 million to Consolidate Social Safety Nets for Children and Poor Households, March 21st, 2021

<https://www.worldbank.org/en/news/press-release/2021/03/31/tunisia-world-bank-funds-us-300-million-to-consolidate-social-safety-nets-for-children-and-poor-households>

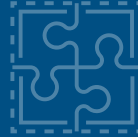


bute to greater evidence and data on which policy interventions actually work to tackle youth unemployment.

Finally, political dimensions should not be ignored at the expense of socio-economic ones. Resurgent authoritarianism and repression in North Africa have contributed to the exclusion and marginalisation of youth in the region and will continue to do so if they remain unchallenged. A focus on security, stability, and economic prosperity should be paired with an emphasis on human rights, dignity, and political inclusion for the region's youth to truly prosper.







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