



**Ministry of Labor, Employment &  
Social Insurance - Algeria**



**Arab Labor Organization**

## **The First Arab Conference For Youth Employment**

**( Algeria, 15 – 17 November 2009 )**

# **Youth Employment Regional and International Experiences**

**ILO Sub Regional Office for North Africa**

**ILO HQ**

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## 1. Introduction

Never before has a generation of Arab youth been trained as today's young people. This well trained generation plays a critical role in building the future of their countries, they represent a great resource for the Arab region. At the same time this enormous potential is wasted to a certain extent in many countries: High rates of unemployment, especially amongst the highly educated and bad and unproductive work amongst less educated people not only hinder growth but ruin the perspective of many young people.

The governments of the region recognize that young people are a major asset. As a result, they have been responding to the youth employment challenge through different levels of interventions. But are these measures enough? Could there be more efficient ways of tackling the challenge? How do other countries in the world respond to youth unemployment and underemployment? And what are the proposed solutions from the ILO?

To answer these questions this paper first analyses regional and worldwide youth labour market trends (part 2). It then proceeds to discuss how youth employment issues need to be embedded into national development strategies. Based on the findings of part 2 and 3 main challenges in the region are identified (part 4). Part 5 of the paper draws lessons learned from the analysis specifically for the Arab region. Part 6 identifies a set of issues which need further discussion and analysis.

### **Main findings<sup>1</sup>:**

- The decent work deficit for young people in the Arab region is worrisome and bigger than in other regions. Mainly because of the region's accelerated population growth rates over recent decades, the low participation of women and the inability of countries to create jobs, the Arab Region now has the very high dependency ratios – the ratio of economically active to economically inactive people.
- Economies of the region are also affected by conflict and occupation and have experienced multiple shocks to stability, exacerbating youth unemployment, underemployment and poverty. Algeria, Djibouti, Iraq, Lebanon, the occupied Palestinian territories, Somalia and Sudan are examples. These conditions have contributed to the vulnerability of young people as their transitions to the working world are hampered by political, social and economic uncertainties. All too often, their full potential cannot be realized and in many cases the costs may be their involvement in risky or socially adverse behaviour, including violence.

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<sup>1</sup> This paper heavily draws on several documents published by the ILO Youth Employment Programme. It also draws on the following publications: 1) Tariq Haq, forthcoming (2009): Promoting Employment Opportunities for Young Men and Women in the Arab Region. Originally this paper was an ILO Contribution to the Arab Forum on Development and Employment, Issue Paper, Arab Forum on Development and Employment Doha, Qatar 15 - 16 November 2008. 2) ILO, Growth, employment and decent work in the Arab Region: Key policy issues; Arab Employment Forum: A Jobs Pact for Recovery and Growth; Beirut, Lebanon; 19-21 October 2009. The paper was put together by Tariq Haq, Diego Reí, Gianni Rosas and Dorothea Schmidt. The paper greatly profited from comments from Tanja Lohmann (GTZ), working as Intern at the ILO SRO Cairo.

- On the supply side, many of the Arab youth of today find themselves ill-equipped for the labour market. This is a result of a structural imbalance between the education and training system outputs and labour market demand – a recurrent characteristic within the region resulting in unemployable new entrants to the labour market.
- All these reasons make innovative policies and interventions necessary.
- In the final analysis, success in tackling the many youth employment challenges facing the Arab region will be dependent on a diversified and growing economy but also on the design of policy interventions.
- These interventions should address both demand and supply side considerations, and should encompass both the upstream policy and downstream programmatic arenas.
- Addressing perceptions and attitudes towards employment must form an integral part of the response.
- The value of effective partnerships in developing employment policies and programmes should not be underestimated.
- In view of the problem's strong gender connotations, particular attention should be paid to initiatives that support the integration of young women into the labour market.

## 2. Regional trends in comparison with worldwide trends in youth labour markets

Despite country specificities and the intra-regional diversity within the Arab world, youth labour market outcomes are quite similar in the majority of economies in the region; and the majority of countries have not yet found solutions for the challenges. High population growth rates, high levels of unemployment and few opportunities for young women to participate in labour markets are all persisting characteristics of the broad Maghreb, Mashreq and Gulf sub-regions, even though youth populations are more educated than ever before. The magnitude of the challenge becomes clear when comparing the situation of the Arab region with other regions in the world. The decent work deficit for young people in the Arab World is larger than anywhere else.

### 2.1. Demographic trends

Overall the working age population in the Arab region was 229 million people in 2008. Thereby the region counts for 4.6 per cent of the world's working-age population. With 70 million young people, the region counts for 5.8 per cent of the world's youth population, an indication of the youth rich population structure.

Total working-age population has grown by 34.2 per cent between 1998 and 2008. This increase was driven by the increase of the working age population in the Middle East which was 38.4 per cent in comparison with 29.8 per cent in North Africa.<sup>2</sup> Youth population increased by 23.6 per cent, more so in the Middle East (25.3 per cent) than in North Africa (19.0 per cent). The difference between the two regions can be explained by the fact that the observed decline in fertility rates started later in the Middle East than in North Africa. In spite of this decline, the working-age population as well as a youth population have been growing faster than anywhere else in the world with the exception of sub-Saharan Africa (see table 1).

**Table 1: Total Working age population and youth population, world region**

	1998	2008	Change between 1998 and 2008 in %
<b>Total Working age population ('000)</b>			
World	4,170,917	4,991,468	19.7
Developed Economies & European Union	810,056	883,267	9.0
Central & South Eastern Europe (non-EU) & CIS	284,814	306,797	7.7
East Asia	983,803	1,148,638	16.8
South East Asia & the Pacific	344,103	423,799	23.2

<sup>2</sup> The Arab region includes 22 countries: Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Occupied Territories, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, United Arab Emirates and Yemen. The estimates for the Arab region include, whenever possible, all 22 countries and were specifically produced for this publication. The list of countries of North Africa and Middle East (taking the ILO list of countries within each region, see e.g. Global Employment Trends January 2008 for the grouping) is not completely identical to the Arab region which is why the total numbers of the two regions do not add up.

South Asia	856,592	1,084,512	26.6
Latin America & the Caribbean	344,993	418,967	21.4
Sub-Saharan Africa	339,585	448,349	32.0
<b>Arab region</b>	170,156	228,453	34.3
Middle East	98,489	136,346	38.4
North Africa	108,482	140,792	29.8
<b>Adult population ('000)</b>			
World	3,114,375	3,782,996	21.5
Developed Economies & European Union	680,163	754,386	10.9
Central & South Eastern Europe (non-EU) & CIS	223,114	242,461	8.7
East Asia	771,705	904,875	17.3
South East Asia & the Pacific	243,747	314,741	29.1
South Asia	593,200	770,660	29.9
Latin America & the Caribbean	246,432	314,184	27.5
Sub-Saharan Africa	219,028	289,981	32.4
<b>Arab region</b>	113,317	158,203	39.6
Middle East	64,343	93,568	45.4
North Africa	72,643	98,141	35.1
<b>Youth population ('000)</b>			
World	1,056,542	1,208,472	14.4
Developed Economies & European Union	129,894	128,881	-0.8
Central & South Eastern Europe (non-EU) & CIS	61,700	64,335	4.3
East Asia	212,097	243,763	14.9
South East Asia & the Pacific	100,357	109,059	8.7
South Asia	263,392	313,853	19.2
Latin America & the Caribbean	98,560	104,783	6.3
Sub-Saharan Africa	120,557	158,368	31.4
<b>Arab region</b>	56,839	70,250	23.6
Middle East	34,147	42,779	25.3
North Africa	35,839	42,651	19.0

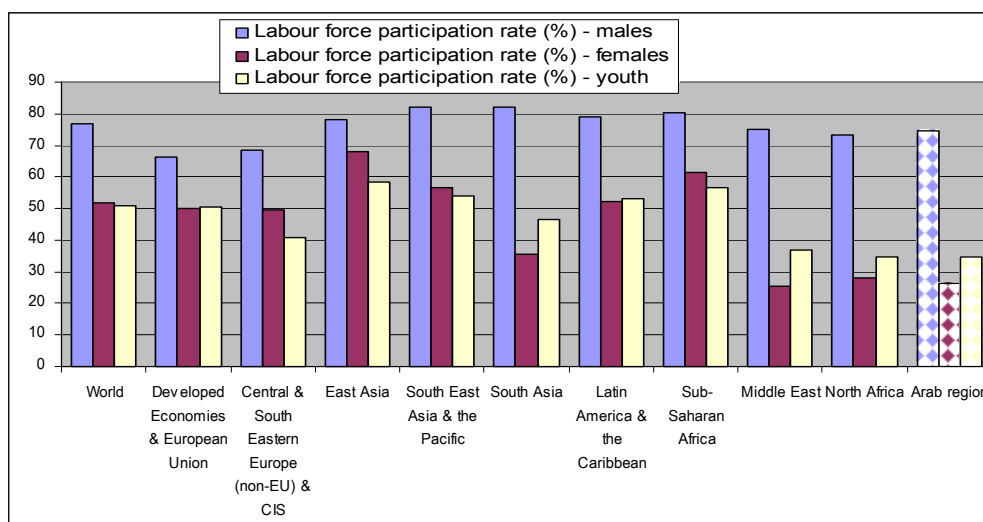
Source: ILO, Trends Econometric Models, September 2009; see Annex 1 of ILO, Global Employment Trends for Youth 2008, October 2008 for information on the methodology

## 2.2. Trends in labour force and labour force participation

With 50.9 per cent, labour force participation rates<sup>3</sup> in the region are the lowest in the world, resulting from the very low participation rates for women. In 2008, only 2.5 out of every 10 women were active in labour markets, in other words, more than 7 out of 10 women were inactive. For men the figures are the opposite: of 10 men at working age, 7.5 are active and 2.5 are inactive (see figure 1). Labour force participation rates for women are slightly higher in North Africa than in the Middle East, the region with the lowest female labour force participation rate in the world. Estimates for female labour force participation rates on the country level vary between just above 14 per cent in the Occupied Territories and 54.3 per cent in Somalia. The variations for male rates are also considerable; they range from 65.9 in Yemen up to over 90 per cent in Qatar and United Arab Emirates (all estimates are for 2008<sup>4</sup>).

During the past decade however, the labour force participation rate for women has increased steadily (see figure 1). This is true for 20 out of the 22 countries in the region. The highest increase of female participation rates was observed in Algeria, Qatar and United Arab Emirates.

**Figure 1: Labour force participation rates, 2008**



Source: ILO, Trends Econometric Models, September 2009; see footnote 2 for a definition of the Arab region.

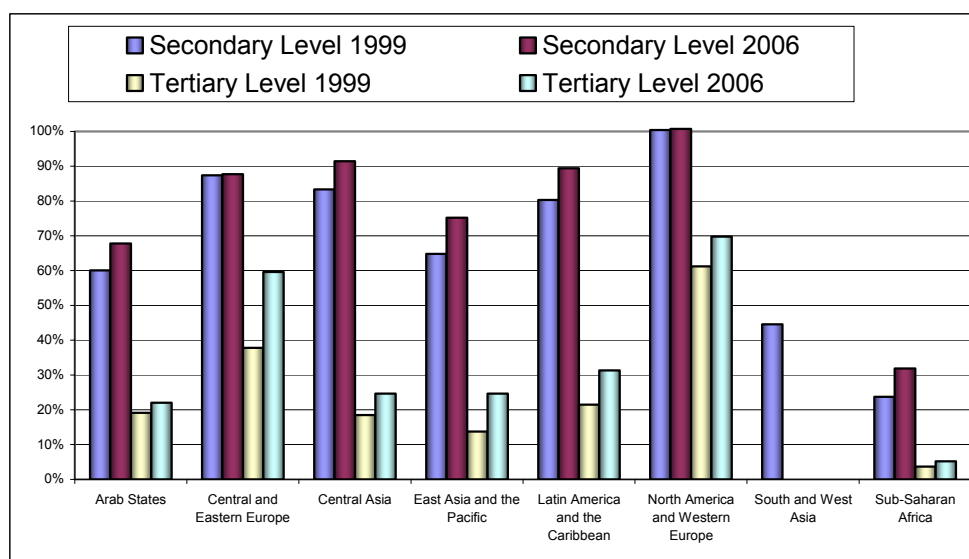
<sup>3</sup> The labour force is the sum of the employed and the unemployed. These are the two groups that are considered to be “active” in labour markets. The labour force participation rate is calculated by taking these active people and dividing this number by the total number of people at working age. The calculated labour force participation rate indicates how many people are active within the entire working age population. The counter-piece is the inactivity rate which is all people not active in labour markets as a share of the working age population. This number gives a first indication of the human potential the economy does not use. One has to be careful though, as persons enrolled in education and those voluntarily not engaged in labour markets are also considered inactive. There is no “correct” labour force participation rate but there are rates that can be identified as being too high (which is often the case in poor countries where all people have to work in order to survive and take up any job available) or too low. The industrialized economies are taken as a reference point.

<sup>4</sup> ILO, Key Indicators of the Labour Market 6<sup>th</sup> Edition, Geneva 2009. When a country does not provide real data on labour force participation rates, the ILO estimates a rate based on an econometric model. See Steve Kapsos, World and regional trends in labour force participation: Methodologies and key results, ILO Labour Market Papers, International Labour Office, Geneva, 2007.

Young people in general have a lower participation rate than adults because at least a certain part of them should be in education (thereby counted as inactive). Taking the Developed Economies & EU region as a reference point one can see the Arab region's challenge: while the labour force participation rate for young men (46.9 per cent in 2008) is very close to the one in the Developed Economies & EU (52.7 per cent), the labour force participation rate for young women is far too low, 21.6 per cent in 2008 in comparison with 48.2 per cent in the Developed Economies & EU. In Qatar, the Occupied Territories, Saudi Arabia and Iraq labour force participation rates for young women are estimated to be below 10 per cent.

Over time, labour force participation rates of young men have decreased whereas those of young women have increased. The decrease in the participation rates of young men can mainly be explained by their increased enrolment in education especially at secondary level (see figure 2). Educational attainment of young women has increased as well but even more young women entered labour markets, leading to a rise in their labour force participation rates over time. Higher female participation in the labour force is attributable to push and pull factors including a shift from the one male breadwinner family model towards a multiple livelihood strategy family model, and growth in the numbers of jobs considered accessible to women (e.g. administrative), particularly in the growth sectors of information and communication technology and other services.

**Figure 2: Enrolment rates**



Source: UNESCO, <http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=182>, and <http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=167>

The UNESCO regions are not identical to the regions used in the report, for a list of countries included in each region see source above.

Despite the positive and significant steps in improving access to higher education opportunities in the region for both men and women, in several countries most of the unemployed are actually university graduates. This growth in university qualification has resulted in stronger competition among educated graduates for professional level jobs. In many instances, young people are forced to accept employment below their



skill level. The supply of qualified workers outpaces the increase in the number of professional and technical employment opportunities available, which is leading to both underemployment and a ‘brain drain’, whereby educated professionals are migrating in search of better opportunities. The Arab Human Development Report (2002) found that more than 450,000 Arab university graduates were settled in European countries and the United States in 2001 and that 50% of young Arabs who were surveyed wanted to emigrate to mainly industrialized nations.

### **2.3. Employment trends**

A closer look at the components of the labour force – the employed and the unemployed – shows the following trends over the last decade.<sup>5</sup>

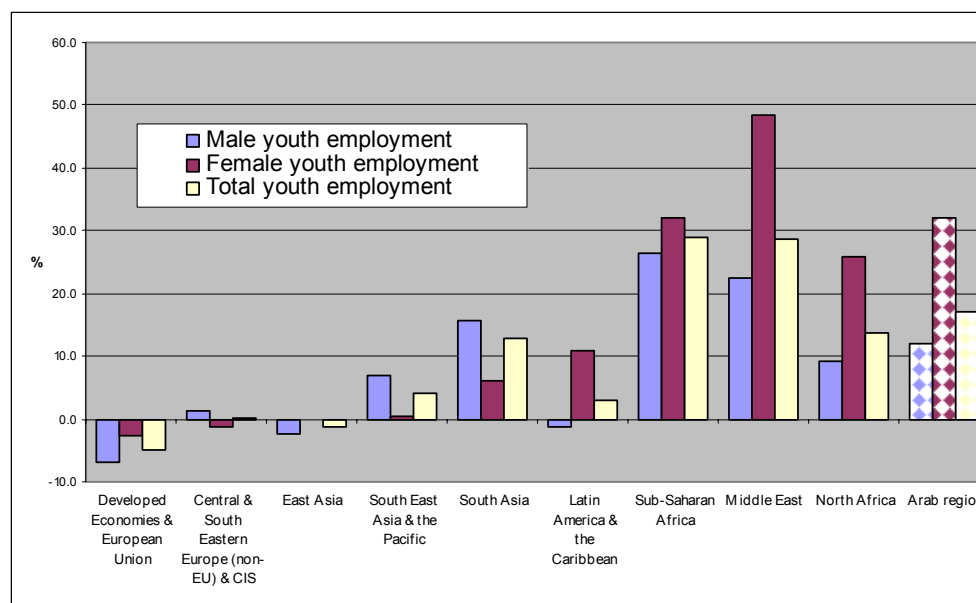
While the working-age population increased by 34.3 per cent between 1998 and 2008, employment increased by 38.8 per cent during the same period. This explains the upward shift in the employment-to-population-ratio from 44.5 per cent in 1998 to 46.0 per cent in 2008. Women have profited much more from the job increase than men: jobs for women increased by 56.0 per cent whereas for men the increase was only 34.1 per cent. This has reduced the gap between women’s and men’s employment-to-population ratios, but the gap is still the largest in comparison to other regions of the world. Women have an employment-to-population ratio of only 22.7 per cent which is significantly lower than 68.3 per cent for men.

Young people too have benefited from job growth. Employment growth for young people has been the largest in the Middle East (relative to all other regions), also North Africa has seen youth employment increase considerably (see figure 3).

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<sup>5</sup> Employment trends can best be analysed by using the development of the total number of employed as well as the employment-to-population ratios. As described in the ILO publication “Key Indicators of the Labour Market” employment-to-population ratios indicate the efficiency of an economy to provide jobs for those who want to work. Employment-to-population ratios express the number of people in employment as a percentage of the population for the corresponding age group (either 15 years and over or youth). There is no “correct” employment-to-population ratio, but there are certain “benchmarks” and favourable trends that have a positive impact on reducing decent work deficits in the short and long run. For example: 1) ratios should be lower for youth than for the overall population as more young people (as a share of their age group) participate in education in comparison with adults. Also, a reduction of employment-to-population ratios for young people can be seen as a positive sign if this is caused by an increase of them in education. 2) Efforts to increase employment-to-population ratios are needed when unemployment is very high in a country, indicating that people are looking for work but not finding it. 3) Efforts to increase ratios are also needed whenever they are low as a result of discouragement, indicating that people have probably given up hope of finding a job. 4) Ratios for women can be lower than those for men as long as this is the result of women voluntarily staying at home and not participating in labour markets. However, if the difference is the result of involuntarily low labour force participation for women, ratios should increase over time. 5) On the other hand, employment-to-population ratios should not be too high. Ratios above 80 per cent, for instance, often occur in very poor countries and usually indicate an abundance of low quality jobs. 6) In addition, increases in employment-to-population ratios should be moderate as sharp increases could be the result of decreases in productivity.

**Figure 3: Percentage changes between 1998 and 2008 in youth employment**



Source: ILO, Trends Econometric Models, April 2008; see footnote 2 for a definition of the Arab region.

In the Middle East, jobs for young women have increased by an impressive 48.4 per cent. Again, in both sub-regions, young women profited more than young men. Still, while the youth population grew by 23.6 per cent (19.0 per cent in North Africa and 25.3 per cent in the Middle East), the employment number for young people only grew by 17.1 per cent. Sub-regional differences in job creation for young people were huge with an increase of jobs for young people of only 13.8 per cent in North Africa and of 28.6 per cent in the Middle East. Thereby the job creation was smaller than the youth population increase in North Africa but considerably higher in the Middle East (see table 2). As is the case with the overall employment-to-population ratios, the ratios for the youth point out at a decreasing gender gap however the female employment-to-population ratio continues to be the lowest in the world: out of 10 young women in the Arab region only 1.5 have a job compared to 4 out of every 10 young men.

**Table 2: Youth Employment and youth employment-to-population ratios**

	Youth employment-to-population ratio		youth employment ('000s)	
	1998	2008	1998	2008
<b>Total Youth</b>	<b>47.6</b>	<b>44.6</b>	<b>519,059</b>	<b>557,941</b>
World	47.6	44.6	519,059	557,941
Developed Economies & European Union	45.8	43.9	59,467	56,555
Central & South Eastern Europe (non-EU) & CIS	34.7	33.3	21,387	21,427
East Asia	61.6	53.0	130,701	129,235
South East Asia & the Pacific	47.2	45.2	47,352	49,293
South Asia	44.4	42.0	116,828	131,897
Latin America & the Caribbean	46.6	45.2	45,931	47,343

Sub-Saharan Africa	51.0	50.1	61,451	79,281
<b>Arab region</b>	28.3	26.8	16,095	18,850
Middle East	29.2	30.0	9,987	12,842
North Africa	27.5	26.3	9,861	11,218
<b>Male youth</b>				
World	54.9	51.4	293,515	315,142
Developed Economies & European Union	48.4	45.3	32,108	29,896
Central & South Eastern Europe (non-EU) & CIS	39.4	38.2	12,319	12,477
East Asia	58.3	48.7	63,709	62,282
South East Asia & the Pacific	53.2	52.0	26,914	28,777
South Asia	60.5	58.6	82,520	95,536
Latin America & the Caribbean	59.4	55.0	29,405	29,017
Sub-Saharan Africa	57.3	55.0	34,487	43,640
<b>Arab region</b>	41.6	37.7	12,054	13,518
Middle East	43.4	42.5	7,595	9,291
North Africa	39.2	35.9	7,117	7,765
<b>Female youth</b>				
World	40.0	37.5	205,697	218,740
Developed Economies & European Union	43.0	42.4	27,359	26,659
Central & South Eastern Europe (non-EU) & CIS	29.8	28.3	9,068	8,950
East Asia	65.2	57.8	66,991	66,953
South East Asia & the Pacific	41.1	38.2	20,438	20,516
South Asia	27.0	24.1	34,309	36,361
Latin America & the Caribbean	33.7	35.2	16,526	18,326
Sub-Saharan Africa	44.7	45.1	26,964	35,641
<b>Arab region</b>	14.5	15.5	4,041	5,332
Middle East	14.4	17.0	2,392	3,551
North Africa	15.5	16.4	2,744	3,453

Source: ILO, Trends Econometric Models, September 2009; see Annex 1 of ILO, Global Employment Trends for Youth 2008, October 2008 for information

#### 2.4. Unemployment trends

What has been the impact of increasing labour force and rapidly growing employment on unemployment? The overall unemployment rate in the region<sup>6</sup> continues to be the highest in the world with 9.7 per cent in 2008, with an unemployment rate in North Africa of 10.0 per cent and in the Middle East of 9.0 per cent. The unemployment rate has seen a moderate decrease over the last decade. (See table 3).

<sup>6</sup> The unemployment rate is calculated as the share of people in the labour force who did not work for more than one hour but were looking for work during the reference period (the unemployed). This is the internationally agreed upon ILO definition. For more details see ILO, Key Indicators of the Labour Market, 6<sup>th</sup> Edition Geneva 2009.

The data also show that it remains more difficult for women to find a job than for men despite the fact that fewer women are active in labour markets. Out of the 12 countries with more recent data on unemployment rates, 10 have a higher unemployment rate for women than for men. In the case of Egypt and Syria, the percentage point difference between male and female rates is more than 15. Such a difference may easily discourage women and result in them dropping out of the labour force thereby taking away the progress that has been made in lowering female inactivity. This would be a huge loss of investment allocated into female education. Female unemployment rate stood at 13.8 per cent in 2007 in comparison to 8.2 per cent for men for the region as a whole.

**Table 3: Unemployment and unemployment rates**

	Unemployment ('000s)		Unemployment Rate (%)	
	1998	2008	1998	2008
<b>Total</b>				
World	170,165	188,326	6.3	5.9
Developed Economies & European Union	33,779	30,865	7.1	6.1
Central & South Eastern Europe (non-EU) & CIS	20,506	15,978	12.2	9.0
East Asia	35,366	36,154	4.7	4.3
South East Asia & the Pacific	11,485	16,142	4.8	5.5
South Asia	20,867	31,789	4.1	4.9
Latin America & the Caribbean	18,155	19,787	8.4	7.2
Sub-Saharan Africa	18,499	24,191	7.7	7.6
<b>Arab region</b>	9,570	11,238	11.2	9.7
Middle East	4,600	6,312	9.4	9.0
North Africa	6,908	7,111	12.8	10.0
<b>Male unemployment ('000s)</b>				
World	98,178	108,022	6.0	5.7
Developed Economies & European Union	17,609	16,800	6.6	6.0
Central & South Eastern Europe (non-EU) & CIS	10,998	8,809	12.0	9.1
East Asia	22,102	22,405	5.4	4.9
South East Asia & the Pacific	6,255	8,678	4.5	5.1
South Asia	14,382	20,976	3.9	4.6
Latin America & the Caribbean	9,281	9,170	6.9	5.7
Sub-Saharan Africa	9,806	12,792	7.2	7.2
<b>Arab region</b>	6,580	7,160	10.0	8.2
Middle East	3,259	4,292	8.4	8.0
North Africa	4,488	4,100	11.1	8.0
<b>Female unemployment ('000s)</b>				
World	71,986	80,304	6.7	6.2
Developed Economies & European Union	16,169	14,065	7.8	6.1
Central & South Eastern Europe (non-EU) & CIS	9,509	7,169	12.4	8.8

East Asia	13,264	13,749	3.9	3.6
South East Asia & the Pacific	5,230	7,464	5.2	6.1
South Asia	6,486	10,813	4.4	5.7
Latin America & the Caribbean	8,874	10,616	11.0	9.4
Sub-Saharan Africa	8,693	11,398	8.4	8.1
<b>Arab region</b>	2,990	4,078	15.5	13.8
Middle East	1,341	2,019	13.3	12.3
North Africa	2,420	3,010	18.0	15.1

Source: ILO, Trends Econometric Models, September 2009; see Annex 1 of ILO, Global Employment Trends for Youth 2008, October 2008 for information on the methodology

With 22.1 per cent, the youth unemployment rate is very high in the Arab region (24.4 per cent in North Africa and 18.8 per cent in the Middle East (see table 4). North Africa's rate is the highest in the world. Once again young women find it even harder than young men to find a job. Out of ten women active in the labour market almost three unsuccessfully look for a job. For men it is less than two out of ten. This represents a huge waste of potential given that it represents the most educated generation ever.

The youth unemployment problem (table 4) needs to be analysed carefully as the challenges vary with different education levels. In the majority of countries, workers with little or no education or highly educated people have a lower risk of being unemployed. Most of the unemployed are either semi-skilled or have intermediary or secondary education, a sign of the under-evaluation of their training in the economy. However, unemployment rates amongst university graduates show an increasing trend in some countries. In Egypt for example, they now face the highest unemployment rate of all educational levels. There are several reasons for the latter trend. University students are the fastest growing group among new entrants into the labour markets and the ones most dependent on government employment which is not growing as fast or even shrinking. As was the case in past, young people with university degrees want a job in the public sector. And they expect governments to provide them with such jobs. Given that these young people are most likely coming from a wealthier background, they are willing to wait for longer periods to get such an employment rather than taking up a private sector job. Instead of filling the employment gap, the private sector continues to discriminate against young persons, in particular against young women, for reasons like the added cost of maternity leave and child care that the companies are reluctant to bear, and the suspected limited geographic mobility of women. The private sector also complains that the graduates do not have the type of skills they need.

**Table 4: Youth Unemployment and youth unemployment rates**

	youth unemployment ('000s)		Youth unemployment rate (%)	
	1998	2008	1998	2008
Total	64,810	69,194	12.3	12.3
World	64,810	69,194	12.3	12.3
Developed Economies & European Union	9,591	8,532	13.9	13.1
Central & South Eastern Europe (non-EU) & CIS	6,236	4,857	22.6	18.5

East Asia	13,760	12,997	9.5	9.1
South East Asia & the Pacific	6,880	9,375	12.7	16.0
South Asia	11,594	14,797	9.0	10.1
Latin America & the Caribbean	8,534	8,499	15.7	15.2
Sub-Saharan Africa	8,215	10,139	11.8	11.3
<b>Arab region</b>	4,877	5,362	23.3	22.1
Middle East	2,415	2,972	19.5	18.8
North Africa	3,545	3,613	26.4	24.4
<b>Male youth</b>				
World	37,378	39,892	12.2	12.1
Developed Economies & European Union	5,142	4,833	13.8	13.9
Central & South Eastern Europe (non-EU) & CIS	3,520	2,751	22.2	18.1
East Asia	8,058	7,528	11.2	10.8
South East Asia & the Pacific	3,799	5,122	12.4	15.1
South Asia	8,171	10,308	9.0	9.7
Latin America & the Caribbean	4,317	3,987	12.8	12.1
Sub-Saharan Africa	4,371	5,363	11.2	10.9
<b>Arab region</b>	3,270	3,266	21.3	19.5
Middle East	1,607	1,861	17.5	16.7
North Africa	2,241	2,016	23.9	20.6
<b>Female youth unemployment ('000s)</b>				
World	27,433	29,302	12.5	12.7
Developed Economies & European Union	4,449	3,698	14.0	12.2
Central & South Eastern Europe (non-EU) & CIS	2,717	2,107	23.1	19.1
East Asia	5,702	5,469	7.8	7.6
South East Asia & the Pacific	3,082	4,253	13.1	17.2
South Asia	3,422	4,489	9.1	11.0
Latin America & the Caribbean	4,217	4,511	20.3	19.8
Sub-Saharan Africa	3,845	4,776	12.5	11.8
<b>Arab region</b>	1,606	2,096	28.4	28.2
Middle East	808	1,112	25.2	23.8
North Africa	1,304	1,597	32.2	31.6

Source: ILO, Trends Econometric Models, September 2009; see Annex 1 of ILO, Global Employment Trends for Youth 2008, October 2008 for information on the methodology

### **2.5. Sectoral employment trends: moving out of agriculture and into service**

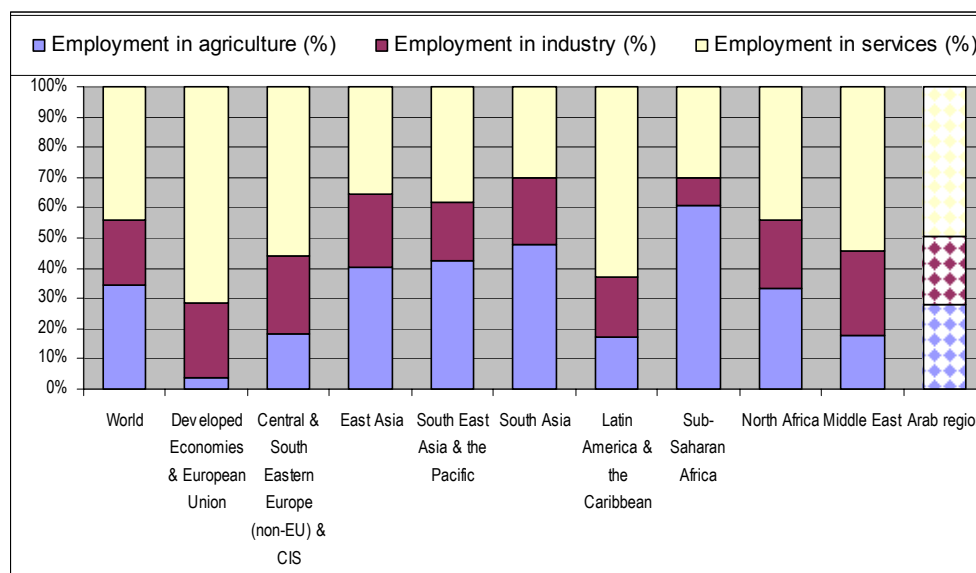
In terms of labour market trends, the sub-regions of North Africa and the Middle East are historically close. There is one striking difference, however, which should have an impact on the formulation of youth policies around the region. Specifically, the

agricultural sector in North Africa still plays a vital role, employing more than one-third of all workers.

As can be seen from the data on the sectoral distribution of employment (see figure 4), the service sector is by far the biggest employer in the region. It is also the sector that has seen the biggest increase in its share between 1998 and 2008. In 2008 the service sector provided 49.5 per cent of all jobs in the region. The industry sector has grown slightly between 1998 and 2008, from 19.1 per cent to 22.8 per cent of all jobs in the region. This sector plays a much bigger role in providing jobs for men than for women. Of 100 men in the region with a job, 23 worked in the industry sector, out of 100 women only 9. Finally, the agricultural sector has seen its share in employment decline over time. In 2008, it provided 27.8 per cent of all jobs in the region, down from 33.0 per cent in 1998. It is nevertheless very important for women, as 39.3 per cent of all jobs for women are found in this sector and its share has even increased slightly over time. For men the importance of this sector continues to decrease rapidly. In 1998, the share stood at 31.3 per cent and in 2008 it was down to 21.8 per cent.

However, the regional average should not mask the diverse realities of Middle East and North Africa. In North Africa, agriculture still represents an important sector in terms of employment: 33 out of 100 people with a job work in this sector. In the Middle East it is only 18 out of 100 people. Services play a smaller role in providing jobs in North Africa, 44 out of 100 jobs are in services whereas in the Middle East it is 54 out of 100. In terms of industry the shares are quite close with 22.6 per cent in North Africa and 28.1 per cent in the Middle East. But while in North Africa this share has increased between 1998 and 2008, it has decreased in the Middle East.

**Figure 4: Employment shares by sector (2008)**



Source: ILO, Trends Econometric Model September 2008; see footnote 2 for a definition of the Arab region.

Unfortunately, sectoral data is not available disaggregated by age but evidence from countries with data show trends for young people copy the trends for the adult

population with slight differences in the service sector that in general attracts more young people.

It is obvious that in countries where the agricultural sector plays a vital role, programmes and policies geared toward boosting youth employment should focus on the agricultural sector, with aims to boost productivity and job quality as a means to avoid the growing exodus of young people from rural to overcrowded urban areas in search of employment while also decreasing rural poverty. For the same reason, even in countries with smaller agricultural shares it can make sense to make this sector attractive for young people. The recent food crisis shows how important a well-functioning agricultural sector can become to lessen a country's dependence on food imports.

### 2.6. Trends in status of employment

Status of employment distinguishes between four categories: wage and salaried workers, employers, own-account workers and contributing family workers (see figure 5). The majority of people in the Arab region have jobs as wage and salaried workers; the share in 2008 was close to 60 per cent and had increased over time. This share is higher in the Middle East than in North Africa. Compared to other regions, employers count for quite a large share with 6.6 per cent of all jobs. Own-account workers count for 18.5 per cent and contributing family workers for 16.5 per cent. The latter two shares have decreased between 1998 and 2008.

**Figure 5: Employment shares by status (2008)**



Source: ILO, Trends Econometric Models, September 2009; see footnote 2 for a definition of the Arab region.



The own-account workers and the unpaid contributing family workers taken together, form a proxy indicator to “vulnerable employment”.<sup>7</sup> People in vulnerable employment are most likely to be employed under relatively precarious circumstances, most likely in the informal economy. Contributing family workers and own-account workers are less likely to have formal work arrangements, access to benefits or social protection programmes and are more “at risk” with respect to fluctuating economic cycle. The vulnerable employment share in the region has decreased between 1998 and 2008 around 40 per cent to around 35 per cent, still leaving more than 1/3 of the employed in vulnerable conditions.

The indicator is highly gender sensitive since, historically, contributing family work had been a status that was dominated by women. This is also the case in the Arab region: The female share in contributing family work (30.0 per cent) is much higher than the male share (12.2 per cent). Given that contributing family work is most likely to be seen in agriculture it is not surprising that it plays a bigger role in North Africa than in the Middle East.

There is a strong connection between vulnerable employment and working poverty: if the proportion of vulnerable workers is sizeable, it may be an indication of widespread working poverty. The connection arises because workers in the vulnerable statuses lack the social protection and safety nets to guard against times of low economic demand and often are incapable of generating sufficient savings for themselves and their families to offset these times. But does vulnerability always lead into working poverty? This depends on the levels of labour productivity. The higher the levels of productivity the weaker the link is to working poverty. The reason for that is that higher productivity levels translate into higher wages (of course not for all people and not immediately, but on average). In the case of the Arab region vulnerability is closely connected to the US\$ 2 a day working poverty, not so much to the US\$ 1 a day working poverty. This is typical for a region with productivity levels about to approach the levels of a middle income region. This relation is underlined by the fact that in the Middle East (with higher productivity levels compared to the regional average) the vulnerable employment rate of around 30 per cent goes along with a working poor share of close to 20 per cent whereas in North Africa with its lower productivity levels the almost identical vulnerable employment share of around 35 per cent goes together with a working poverty shares (US\$ 2 a day level) of around 40 per cent.<sup>8</sup>

Again, data on the status of employment is hardly ever available disaggregated by sex but when it is it becomes clear that there is a little difference between adults and young people – to the disadvantage of young people. Forced by high unemployment rates they often have no alternative but to take a vulnerable job. This is especially true for young people with low education background who are about to form a family. People with higher educational background and wealthier families can often afford to stay unemployed or stay out of the labour force for a longer period in the hope for a decent job.

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<sup>7</sup> The vulnerable employment rate is calculated as the sum of own-account workers and contributing family workers as a percentage of total employment. The indicator is not without its limitations; some wage and salaried workers might also carry high economic risk and some own-account workers might be well-off and not vulnerable at all. But, despite the limitations, vulnerable employment shares are indicative of employment in the informal economy. For more details on the indicator and its interpretation in tandem with other measures, see ILO, *Key indicators of the labour market*, 5th edition, ILO Geneva 2007, Chapter 1.

<sup>8</sup> See: ILO, *Global Employment Trends January 2008*, Geneva 2008.

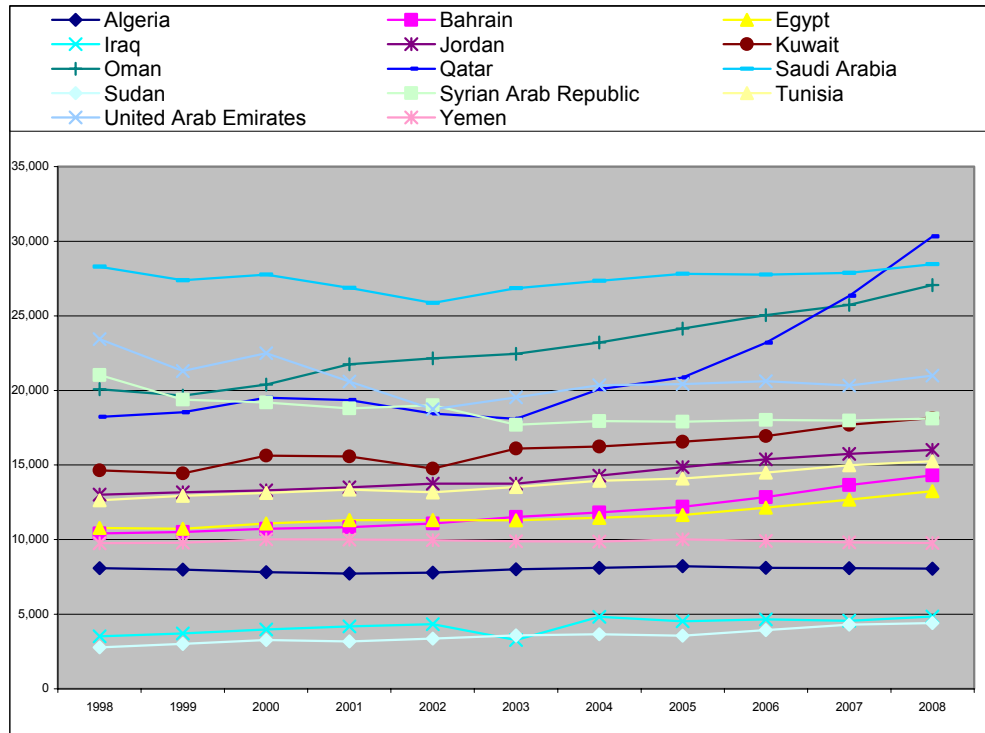
### 2.7. Trends in productivity

There is of course no productivity data disaggregated by age available, however a brief discussion on productivity shows clearly, that the lack of growth in productivity hinders the reduction of the decent work deficit for young people.

The region has seen growth in productivity (21.4 per cent between 1998 and 2008) but compared to the regions that were successful in reducing their decent work deficit, the growth has been relatively small, especially in the Middle East (see figure 6).

Countries vary a lot in terms of their level of productivity as well as productivity trends over time. Figure 6 also shows the slow growth in recent years in the majority of countries in the Middle East. The low productivity growth is one of the biggest challenges in the region.

**Figure 6: Productivity measured as output per person employed (constant 1990 US Dollars, PPP adjusted)**



Source: ILO, Key Indicators of the Labour Market 6th Edition, Geneva 2009 .

### 3. Prioritizing youth employment in national development agendas

#### 3.1 Introduction

Even in good times, young people find it hard to get the right foothold in the labour market. Young workers are the most vulnerable to the economic cycle: they are the last to be recruited during expansionary periods and the first to be laid-off during economic downturn, i.e. the last-in, first-out effect. The outbreak of the 2008 economic crisis has worsened the position of young people in the labour market (see Box 1). It will take longer for young workers to benefit from economic recovery.

#### **Box 1: Youth in the economic and financial crisis**

Prior to the onset of the crisis, young people were almost three times as likely to be unemployed compared to their adult counterparts. Over the past year, youth unemployment has been rising at a faster pace than overall unemployment, while already prior to the crisis, young people were nearly three times more likely than adults to be unemployed.

The number of unemployed youth is projected to reach between 78-90 million by the end of 2009, rising from over 72 million in 2007. In the countries of the European Union, youth unemployment has increased by almost four percentage points over the last year. In the first quarter of 2009, these countries reached the number of 4.9 million young unemployed. In China, an estimated 6.1 million new college graduates are entering the labour market this year and joining the four million graduates from previous years who are still seeking work.

In many countries, this grim unemployment picture is darkened further by the large numbers of young workers being engaged in poor quality and low paid jobs with intermittent and insecure work arrangements, including in the informal economy. In OECD countries, more than one-third of young workers were in temporary employment in 2008.<sup>9</sup> In developing countries, young people, especially young women, make up the bulk of the under-employed and working poor in the informal economy both in rural and urban areas.<sup>10</sup> More youth are poor or underemployed than ever before: some 125 million young people earn less than US\$1 per day.

To limit the long-lasting impact that lack of adequate employment and unemployment may have on the working life of the current generation of young people, many countries are designing employment programmes (or expanding existing ones) to help young people – especially the most disadvantaged – remain attached to the labour market.

This chapter outlines the main approaches to tackle youth employment through sustained interventions. The related annex 1 presents concrete examples of policies and programmes which proved to be particularly successful in the past. These examples are embedded in suggestions in the description of conditions for successful interventions. The chapter also provides a brief comparative review of national initiatives and practices that governments have put in place in response to the crisis and concludes with some issues for discussion.<sup>11</sup>

<sup>9</sup> OECD, *Helping youth get a firm foothold in the labour market*, Background document for the meeting of the Employment, Labour and Social Affairs Committee at Ministerial level (28-29 September 2009), Paris, July 2009. (please check title)

<sup>10</sup> The number of young working poor that live in extreme poverty and earn less than USD1 a day is estimated at 125million, i.e. one out of five young workers. ILO, *Global employment trends for youth*, op. cit.

<sup>11</sup> The chapter draws from previous work of the Youth Employment Programme of the ILO, including the recent review of the impact of the current economic crisis on youth employment outcomes. ILO: *The impact of the financial and economic crisis on the employment of young people: Key issues* (Geneva, 2009, unpublished draft)

### ***3.2 Fostering youth employment through policy integration and coherence***

Full, productive and freely chosen employment for young people cannot be achieved through isolated and fragmented measures; it needs long-term, coherent and concerted action over a wide range of economic and social policies. National policies and programmes promoting youth employment are most effective if they are integrated into the overall macroeconomic and sectoral policies (as the best practise example 1 (Egypt) shows, see Annex 1). Policy-makers have increasingly recognized that achieving decent and productive work for young people entails long-term action on a range of economic and social policies. This requires an integrated and coherent approach combining intervention at the macro- and the microeconomic level, focusing on labour demand and supply, and addressing both quantitative and qualitative aspects of employment.<sup>12</sup>

Given that youth employment is highly dependent on overall employment, policies seeking to improve young people's employment prospects are most effective if they are part of broader policies that increase aggregate demand. Employment must be central to economic and social policies, to ensure that growth translates into decent jobs (see best practise example 2 (Djibouti), Annex 1). This requires a comprehensive framework addressing youth employment through an integrated approach to employment growth (ILO, 2004)<sup>13</sup>.

However, the integration of national policies and programmes promoting employment into overall macroeconomic and development policies is a necessary, but not a sufficient condition. Young people's employment prospects vary according to factors such as age, sex, ethnic origin, social class, household size, and education and training levels. It is therefore crucial to complement broader employment and other economic and social policies with targeted measures to overcome the specific disadvantages many young people encounter when entering or remaining in the labour market.

Governments have an important role to play in creating an enabling environment that fosters employment-intensive growth, supports the private sector and creates jobs. For example, policies that seek to facilitate access to credit can foster investment and expand the capacity of the economic system to generate employment. Fiscal measures that reduce payroll taxes rather than favour capital investment can boost employment more. Other supportive measures are those simplifying the regulations governing business start-ups and expansion as well as those providing infrastructure and services at competitive prices (Jacobs et al., 2000)<sup>14</sup>. The most important point to note is that the adoption of such an integrated approach requires concerted and coordinated action by several relevant government ministries (e.g. trade and industry, finance, commerce, employment, education and training, youth affairs, etc.). It also requires effective coordination between central and local institutions as well as between public and private agencies (e.g. employment services, education and training providers). The social partners also have a key role in the design, implementation and evaluation of youth employment policies, (see best practice 3, Jordanian, Annex 1). Their involvement improves responsiveness to socio-economic needs, promotes job quality, and helps shape fair and inclusive intervention.

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<sup>12</sup> See "Conclusions of the Tripartite Meeting on Youth Employment: The Way Forward", Geneva 15 October 2004, in Note on the proceedings (Geneva, ILO, 2005); and Conclusions, Seventh European Regional Meeting, Budapest, 18 Feb. 2005, para. 17 at: <http://www.ilo.org/youth>.

<sup>13</sup> ILO: *Starting right: Decent work for young people*. Background paper prepared for the Tripartite Meeting on Youth Employment: The Way Forward, 13-15 Oct. 2004. (Geneva, 2004)

<sup>14</sup> G. Jacobs et al.: *Towards full employment: Approach Paper for the Youth Employment Summit*. Downloadable at <http://www.icpd.org/employment/Approach%20Paper%20for%20YES.htm> (2000, visited 29-10-2009).

Over the past three decades, many countries have sought to address the youth employment challenge. Despite these efforts, young people's prospects of securing full, productive and freely chosen employment have not improved. Several reasons explain the limited impact of these initiatives. First, most of them paid only modest attention to the development of policies and strategies promoting youth employment, focusing rather on specific programmes, many of them narrow in scope and limited in time. Second, a mostly random priority was given to these interventions and it was often linked to the business cycle, as young people are usually the first to be affected by recession and the last to benefit from economic expansion. Third, the focus was mostly on pre-employment programmes, with little attention paid to the poor working conditions of many young workers, who are over-represented in the informal economy or in temporary employment. Finally, many programmes failed to address numerous aspects of the youth employment challenge, focusing either on job creation or on enhancing the employability of young people.

### ***3.3 Giving priority to sectors with a high youth employment potential***

In addition to the impact of macroeconomic policies on overall aggregate demand, and the consequent greater opportunities for youth employment, there is scope for making certain policies more "youth-friendly". Promoting sectors with a high employment potential for young people (e.g. information and communication technologies, agriculture, textiles, hotel and tourism, retail and wholesale distribution) can significantly improve young people's employment prospects (ILO, 2004b)<sup>15</sup>. Sectoral policies work by channelling sets of measures (fiscal incentives, infrastructure development, enabling regulations, training, etc.) and resources towards one or more priority sectors. Provided that the chosen sector(s) has a relevant growth potential, such policies can generate considerable demand for labour in the medium-to-long run especially when they target sectors with high employment elasticity, applying employment-intensive methods, and if they are combined with human resource development and training strategies. The choice of sector varies widely from one country to another. In some countries, for instance, young people account for a large share of workers in information and communication technology because of the newness of the skills required. Sectoral development should also take into account the qualitative aspects of employment. Since young people are over-represented in the informal economy, in countries where agriculture is largely in the informal economy, for instance, a sectoral policy focusing on productivity and working conditions in agriculture could help young workers move into the formal economy.

Reviewing and assessing the impact on employment of past and current macroeconomic policies could be a key step for countries committed to assign priority to youth employment. Such a review should also assess the level of integration and coordination of employment with economic and social policies, as well as the impact and effectiveness of targeted policies. This exercise could help evaluate overall employment creation, and identify policy instruments to modify or enhance employment generation at national level, as well as narrow the focus on policy guidelines, national strategies, targets and action plans available to both developing and industrialized countries to promote youth employment.

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<sup>15</sup> ILO: Improving prospects for young women and men in the world of work: A Guide to youth employment. (Geneva, 2004)

### ***3.4 Promoting more and decent jobs for young people***

An integrated approach to decent and productive work for young people requires policies and programmes geared to the promotion not only of more jobs, but also of quality jobs. The challenge of youth employment is often depicted only in terms of reducing unemployment. This is surely a key feature of the youth labour market in most countries, but not the only one. The growing number of young people in intermittent and insecure work arrangements in some countries and their over-representation in the informal economy in others require urgent action to improve working conditions and to advance rights at work. This should be pursued through appropriate national legislation based on good governance of the labour market and international labour standards that promote rights at work, productive employment, social protection and social dialogue. Youth wages and employment protection legislation are two issues that have repeatedly attracted controversy in the debate on youth employment over the past two decades (see Box 2 below).

#### **Box 2: Wages and employment protection legislation**

The debate on youth wages has centred on the link between the minimum wage and youth employment. One key function of the minimum wage is to protect earnings at the lower end of the pay scale and, by redistributing income, to boost aggregate demand through the multiplier effect. Most importantly, it prevents labour market discrimination on any grounds, including age, sex, ethnic origin or disability. There is no general agreement about the impact of minimum wages on youth employment. Research on OECD countries suggests that any negative effects of minimum wages on youth employment are small compared with other factors, such as general economic and demographic conditions. In short, many authors believe there are few grounds for reducing minimum wages of young people as a means of cutting youth unemployment or increasing the demand for young workers. The application of lower wages to young workers may be justified when the job offered requires higher skills. In this case, a differentiated wage would have the specific purpose of encouraging enterprises to invest in training and to share the costs with young workers. If a sub-minimum wage is introduced, the critical issue is to determine how much lower it should be fixed in order to compensate for lower productivity. The social partners have an important role in determining a suitable level of remuneration. Moreover, both delivery and quality of training should be monitored to ensure that lower minimum rates are not used to mask cheap labour.

Employment protection legislation relates to the rules governing “hiring and firing” of workers. It is argued that young people seeking their first job may be penalized by strict EPL that makes it difficult for them to compete with workers who are already employed. EPL may thus lead to the insider-outsider effect – between workers with permanent contracts and jobseekers and temporary workers (ILO, 2004a). Studies on the impact of EPL on young workers, conducted mainly in OECD and Eastern European countries, do not provide a clear indication of the costs. Greater flexibility in the use of fixed-term contracts in many countries has increased the recruitment of young workers under this form of contract. Evaluations show a mixed picture, with no clear conclusions as to whether these contractual arrangements are a stepping-stone to stable employment or a trap leading young people into a spiral of short-term work combined with unemployment spells throughout their working lives. For instance, roughly one third of young employees in temporary employment in the European Union found a more stable job after one year. However, after six years, around 16 per cent of those on precarious contracts were still in the same situation, and 20 per cent had left employment.

Source: Adapted from Rosas and Rossignotti: “Starting the new millennium right: Decent employment for young people” in *International Labour Review* (Geneva, ILO, 2005) Vol. 144 pp. 139-160(2)

### ***3.5 Addressing labour demand and supply through youth-targeted employment measures***

Policies and programmes should aim to enhance the employability of young people as well as increase their employment opportunities, and should therefore address both labour supply and demand (see Annex 1, best practise 7, Yemen).

Some of these initiatives have a long-term perspective and apply over several stages of the lifecycle (e.g. labour legislation, education and training, labour market information and career guidance). Other forms of targeted and short-term intervention tend to react to education and labour market failures by addressing a specific life-stage.

On the demand side, these policies and programmes aim to increase young people's access to decent work. They include the promotion of sectors with high youth employment potential, action such as employment-intensive public works, labour market regulations, job placement schemes and entrepreneurship, including cooperatives and social enterprises.

On the supply side, policies and programmes for youth employment promotion aim to redress literacy deficits,<sup>16</sup> increase young people's employability, including work experience highly valued in the labour market. These policies cover issues such as access to universal basic education, quality vocational education and training and lifelong learning, measures and partnerships to link school with the world of work and employment services, career guidance and labour market information).

Active labour market policies (ALMPs) are an example of targeted initiatives addressing both the demand and the supply of labour through a combination of several initiatives.

Over the past 20 years, ALMPs have increasingly been used to raise demand for young workers and to enhance their employability. Their function is to mediate between labour supply and demand, to mitigate education and labour market failures, and to promote efficiency, equity, growth and social justice. They complement rather than substitute for macroeconomic policies and, if properly designed and implemented, can effectively target the most disadvantaged young people.

In recent years several countries have shifted from passive to active labour market policies, in an effort to increase employment opportunities for the unemployed and to allocate public expenditure productively (Auer et al., 2004)<sup>17</sup>

Although young people are eligible for most ALMPs, the proportion of budget devoted to youth-targeted programmes by OECD countries (with youth unemployment rates higher than 15 per cent) ranges from 0.01 per cent of GDP in Belgium and the Slovak Republic to 0.04 in France (OECD, 2004, table H, p. 319-27)<sup>18</sup>. This suggests the need to increase expenditure and improve targeting of ALMPs on young people.

Several studies of youth employment programmes have shown that some programmes are successful while others fail to enhance participants' chances of gaining a job.

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<sup>16</sup> Despite the strong correlation between low youth literacy and high youth unemployment, many developing countries will not be able to meet the target of ensuring universal access to basic education by 2015 (MDG2) if current investments in education are not quadrupled. Exclusion from education is often at the root of child labour, low-paid and poor-quality jobs, labour market segmentation and the vicious circle of intergenerational poverty and social exclusion (ILO, 2004).

<sup>17</sup> P.Auer et al.: Active labour market policies around the world: Coping with the consequences of globalization. (Geneva, ILO, 2004).

<sup>18</sup> OECD: *Employment Outlook 2004* (Paris, 2004)

Some of the features of these programmes are summarized in the table below (see Box 3).

**Box 3: Table on Youth Employment Programmes: Advantages and Disadvantages<sup>19</sup>**

Several studies of youth employment programmes have shown that some programmes are successful while others fail to enhance participants' chances of gaining a job. Some of the features of these programmes are summarized below.

Type of programme	Advantages	Disadvantages
<b>Labour market training</b>	Works better with broader technical and employability skills that are in demand and includes work experience as well as employment services.	May produce temporary rather than sustainable solutions and if not well targeted, may benefit those who are already "better off". Training alone may not be sufficient to increase youth employment prospects.
<b>Employment services (career guidance, job search and labour market information)</b>	Can help youth make realistic choices and match their aspirations with employment and training opportunities; improve information on job prospects as well as efficiency, effectiveness and relevance of initiatives. They can also increase targeted/tailor made design and implementation.	May create unrealistic expectations, if not linked to labour market and often cover only urban areas and the formal economy.
<b>Employment intensive public works and community services</b>	Help young people gain labour market attachment and, at the same time, improve physical and social infrastructure, especially if combined with development and sectoral strategies. They can increase employability, if combined with training.	Low capacity for labour market integration; young workers may become trapped in a spiral of temporary public works programmes; often gender-biased; displacement of private sector companies.
<b>Employment subsidies</b>	Can create employment, if targeted to specific needs (e.g. to compensate for initial lower productivity and training) and to groups of disadvantaged young people.	High deadweight losses and substitution effects (if not targeted); employment may last only as long as the subsidy.
<b>Entrepreneurship promotion</b>	Can have high employment potential and may meet young people's aspirations (e.g. for flexibility, independence); more effective if combined with financial and other services, including mentoring.	May create displacement effects and may have high failure rate, which limits its capacity to create sustainable employment. They are often difficult for disadvantaged youth, owing to their lack of networks, experience, know-how and collateral.

Lessons learned from the evaluation show that ALMPs aimed at young people are more effective when they are:

<sup>19</sup> Adapted from Rosas, and Rossignotti,(2005)



- Well targeted and tailored to individual needs. ALMPs that identify and target both the individual characteristics (e.g. age, gender, educational level, socio-cultural background) and the labour market disadvantages faced by young people have been more successful. Paths enabling young people to re-enter education are also factors of success.
- Designed to respond to labour market requirements. Design that responds to the labour market improves the employment opportunities of participants. Labour market information is essential for the design and monitoring of initiatives. Evaluation is also essential to assess their cost-effectiveness, relevance and impact, as well as to draw lessons for future programmes.
- Linked to work experience. Programmes linked to the world of work (e.g. in-company training, work placement) increase employment opportunities. The most successful ALMPs place participants with private-sector employers rather than offering temporary placement in public sector projects.
- Part of a comprehensive package of services. The integration and sequencing of various components targeting both demand (e.g. tax incentives, self-employment) and supply (e.g. training, career guidance and other job-search assistance) are more effective in easing the school-to-work transition.

Involve the social partners. Employers' and workers' organizations can help connect young people with the world of work, by being involved in the design and implementation of policies and programmes targeting young people.

- The debate on active labour market policies highlights both economic and social goals, most studies focus on labour market insertion and earnings, overlooking the social outcomes. Very little is reported on the social cost-benefit of these measures in terms, for example, of reduced anti-social behaviour,<sup>20</sup> violence and crime.

A new but growing literature on youth employment programmes provides some support for the school-to-work (STW) programmes, especially with respect to programmes targeting disadvantaged youth or, the “forgotten half” as they have been called by some economists.<sup>21</sup> In the past two decades, many of these programmes were largely abandoned in favour of test-based education reforms. A recent analysis of the new National Longitudinal Survey of Youth that has been administered in the United States as of 1997 shows that STW programmes appear to be particularly effective at boosting employment and earnings of disadvantaged youth.<sup>22</sup> Although too early to gauge to long-term effects of these programmes, the above-mentioned analysis seems to point to the effectiveness of institutions and programmes to improve the school-to-work transition in the delivery of benefits in terms of labour market integration, skills formation and higher wages and earnings.

Another programme that seems to have been successful in promoting the integration of disadvantaged youth that were claiming social welfare benefits is the New Deal for Young People (see best practise 9, annex 1).

An analysis of youth employment programmes that were implemented over the recent years found that the majority of interventions inventoried during the review appeared to have positive labour market impact for young participants, even more so in low- and middle-income countries than in advanced economies.<sup>23</sup> For instance, the Jóvenes Programmes that were implemented in several countries of Latin America between

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<sup>20</sup> As used in this article, the term “anti-social behaviour” is intended to convey a wide range of activities, starting from glue-sniffing and escalating up to heavy drug abuse and serious crime.

<sup>21</sup> See D. Neumark: Alternative Labor Market Policies to Increase Economic Self-sufficiency: Mandating higher Wages, Subsidizing Employment, and Increasing Productivity, NBER Working Paper Series No. 14807 (Cambridge, 2009).

<sup>22</sup> *ibid*

<sup>23</sup> Betchemrman et al.: A review of interventions to support young workers: Findings of the youth employment inventory, (Washington D.C, The World Bank, 2007)

the mid-'90s and the beginning of the 2000s have shown a positive impact on employment prospects of disadvantaged youth, although some claim they were too expensive.<sup>24</sup>

Of the 172 youth employment programmes that were reviewed by Betchemrman et al. (2007), about 78 per cent were rated as having had a positive impact in terms of post-programme employment and earnings. When the cost element of these programmes was taken into consideration, the number of programmes that passed the cost-effectiveness test dropped to less than half of the reviewed interventions.<sup>25</sup>

The results of the above-mentioned analysis suggested there were no major differences across categories of interventions, both in terms of impact and cost-effectiveness. The review suggested there was no argument for not introducing youth employment programmes. However, these programmes should be based on a careful analysis of the youth labour market and the disadvantaged faced by young workers. A sound design and implementation and the establishment of a tight monitoring system are also key to adjust these programmes when needed.

### ***3.6 Targeted youth employment measures to counter the impact of the current economic crisis***

The youth employment responses of countries to the current economic crisis are much diversified. Many countries are expanding their existing training programmes (apprenticeship, internship and on-the-job-training) to increase the employability of young people and their employment opportunities once the crisis is over. In many countries programmes range from measures that provide redundant apprentices with the opportunity to complete their training (e.g. Ireland), to skills training for young people with low level of education or school dropouts (e.g. Argentina, Germany, Hungary and the United Kingdom). In lower-income countries programmes are focusing on specific groups of the youth population (for instance rural youth in Nepal) or on sectors where labour demand is expected to increase (the car industry and green jobs in Pakistan). Funding to existing youth training programmes, such as residential training (e. United States and Canada), apprenticeships (e.g. Germany, Ireland and United Kingdom) and vouchers to acquire higher job qualifications (e.g. Argentina), has also been increased. In many instances, training programmes are accompanied by employment subsidies to increase the offer of work-practice periods and internships, and/or income support schemes during training. This is the case, for instance, in the Programa Jóvenes con Más y Mejor Trabajo in Argentina and the Youth Development Programme in Pakistan.

Incentives for employers to hire young people feature high in the programmes that are being designed to counter the negative impact of the crisis on youth employment, especially in high- and middle-income countries. These programmes focus on the introduction of tax holidays or employment subsidies for employers hiring disadvantaged youth (Argentina and Canada) and on the provision of funding to programmes offering paid summer employment and graduate practice (e.g. Canada, Malaysia, the Philippines, Serbia). Many Central and Eastern European countries

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<sup>24</sup> Estimates from Chile and Argentina for the cost per participant range between USD700 and USD 2,000. See World Bank (2008), Labour market programmes that make a difference in a time of crisis, Washington D.C., December 2008, page 12.

<sup>25</sup> Together with examples of successful practices, Annex II provides some highlights of the results of the youth employment review.

offer total or partial waivers to social security contributions for enterprises hiring young people. Employment subsidies are being also used to encourage employers to transform temporary work in permanent employment (e.g. France).

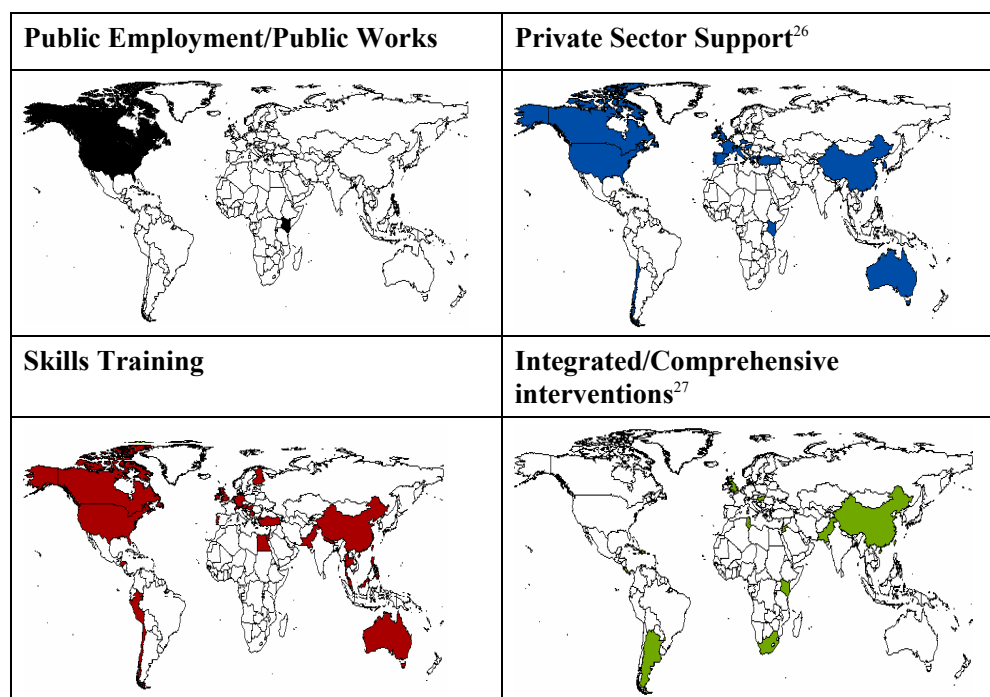
Most low-income countries are introducing or expanding public works programmes (e.g. Kenya, Nepal and Thailand), while mid- and high-income countries are including public works components in their integrated youth employment programmes (for instance, the Pathway to Work in Hungary and the Community Task Force in the United Kingdom). Job creation via public works may contribute to alleviate poverty of young workers who have no means to insure themselves against the unemployment risk. If well targeted, public works may provide a flexible and fast response to shocks and, when combined with skills training, they can contribute to enhance the employability of participants.

Several countries are implementing programmes that promote self-employment and youth entrepreneurship. These programmes consist of the provision of entrepreneurship training, business advice and access to financial services. Support to credit provision for self-employment may mitigate the distortions arising from the credit restraints that are caused by the financial crisis. For instance, Italy has extended the eligibility of its Youth Entrepreneurship Programme to people up to 35 years of age, while Nepal has provided additional funding to the Youth Enterprise Development Fund.

A number of countries that have unemployment insurance systems in place have expanded their coverage to young workers (e.g. redundant temporary workers) who usually are not eligible to unemployment benefits. For instance, Canada offers more generous benefits, with less stringent eligibility requirements and longer benefit periods in regions experiencing higher unemployment rates generally, or higher unemployment rates for certain groups of the population. Similarly, the United States has extended the coverage of unemployment benefits to young people, part-time workers and those who have cycled in and out of the workforce.

Figure 7 illustrates the youth-specific crisis-response interventions by geographical area.

**Figure 7: Targeted Policy interventions in response to the 2008-2009 economic downturn.**



Source: ILO Source: Elaboration based on data of the youth employment database of the ILO

<sup>26</sup> Subsidies for internships and/or traineeships are considered in this figure as part of the private sector support, although their nature may be ambivalent. Conversely all interventions affecting apprenticeships are always consider as part of “training”. Other interventions in the private sector support category include tax holidays, other wage or financial subsidies, credit support.

<sup>27</sup> Comprehensive interventions are interventions including more than one support measure specifically targeting one group of young people.

#### **4. Key challenges in the Arab region**

Despite a growing numbers of good practice examples in the Arab region, the success stories of these interventions remain limited – as the analysis in chapter 2 indicated. This is due to a range of structural challenges, many of which are common across the diverse Arab region. Well-formulated programmes and policy interventions need to consider these challenges to become successful and sustainable. The main challenges are identified below:

##### *Education Quality*

With respect to education, enrolment rates at higher levels of education have continued to grow in the past few years, but general quality and relevance of education lags behind. On average, enrolment rates increased by two-thirds between 1990 and 2000, and continued to increase between 2000 and 2003.

Despite some investments, the quality of education has been low. Early education is largely failing to provide youth under 15 years old with critical life skills during these formative years. Adding to this disadvantage, secondary and tertiary education fail to equip young people with the skills and knowledge they need to succeed in the labour market.

##### *Employment Quality*

Evidence suggests that the current bulk of new jobs created in the region are temporary and informal, either confining young people to low-wage employment or creating incentives for them to line up for public-sector employment.

Increased life expectancy in the region requires better work for longer periods of time and more sustainable social protection mechanisms.

##### *SME Development*

Whilst in some countries impressive efforts have been made to promote entrepreneurship and SME development, in most there is still limited access to entrepreneurial know-how and markets, as well as poor access to credit and capital.

##### *Labour Market Interventions*

A recent ILO study undertaken in partnership with Silatech across six diverse countries in the Arab region<sup>28</sup> finds that whilst significant work is already underway on the youth employment agenda by a variety of organizations (both public and private), labour market responses are marked by limited institutional cooperation and communication between key stakeholders, a lack of clarity over roles and responsibilities, and inefficient, and sometimes promoting employment opportunities for young men and women in the Arab region contradictory or duplicative interventions. This is frequently reflected in the provision of employment services, for job-seeker registration and placement, career guidance etc.

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<sup>28</sup> ILO (forthcoming, Beirut, 2008), Youth Employment and Enterprise Development mapping reports for Bahrain, Morocco, Qatar, Syria, Tunisia, and Yemen.

The majority of youth employment interventions in the six countries studied have a tendency to focus on mainstream youth and poorly address the needs of vulnerable or marginalised youth whose employment situation continues to deteriorate.

*Institutional Constraints*

Inflexible labour legislation is a disincentive for businesses to formalise their staffing arrangements across the region – the majority of labour laws are outdated and ill-equipped to deal with rapidly changing economies in the region. Only a few countries have successfully updated these laws to ensure legislation which provides the flexibility needed for business growth yet guarantees basic security for workers.

There is a lack of inclusive tripartite labour market governance structures for decision making (i.e. including workers' and employers' representatives) and youth participation there in. Consequently, the rights of young workers remain underdeveloped.

## **5. Conclusion: Sharing lessons across the Arab region**

In view of the pressing employment challenges facing Arab youth, there is a urgent need for countries in the region to develop and implement comprehensive employment policies that focus on youth. Policy must be based on reliable economic and labour market data and analysis that identify the needs, potential and challenges for young people. Measures taken to address supply and demand in the labour market should be appropriately implemented, monitored and evaluated. Policies and programmes need to be better tailored toward enhancing employability, promoting employment, and improving social security coverage of young people. They should be implemented through partnerships between governments and social partners, as well as include representatives of youth people who will be affected by the measures. Labour market policies should contain programmes specifically targeted towards the youth population. These may include the creation of well-functioning employment services for jobseekers, enhancing the skills of the workforce, bridging the skills gap to match labour supply with demand, linking training programmes with employment, offering entrepreneurship training in basic business skills and improved access to credit. Employment subsidies for disadvantaged youth (such as school dropouts, vulnerable youth, youth with disabilities, etc.) could also be taken into consideration.

No single player and no single policy can solve the challenge of raising demand for the large number of young people entering the labour market each year and coping with the resulting large rates of youth unemployment and discouragement across the region. Countries like Egypt and Syria have shown their concern through active membership as lead countries in the Youth Employment Network (YEN), a partnership forged by the ILO, the World Bank and the United Nations. Some policies aim to create a conducive environment for the private sector to foster employment of young people, others promote youth entrepreneurship as a career option. However, public intervention alone can only be part of the solution. It is also crucial that measures ensure sustainable growth in the region in order not to rely on positive results that can be short-lived. Increases in productivity are necessary (although arguably not sufficient) to ensure that not just any jobs are created, but decent jobs. The involvement of the private sector is also key for the promotion of youth employment. Only the combination of such measures can ensure that the untapped youth potential in the region will be better used.

Success in tackling the multi-faceted youth employment challenge facing the Arab region will be dependent on a diversified and ever-growing economy. Interventions should address both demand and supply side considerations, and should encompass both the upstream policy and downstream programmatic approaches. Addressing perceptions and attitudes towards employment must form an integral part of the response. The value of effective partnerships in developing employment policies and programmes should not be underestimated. In view of the problem's strong gender connotations, particular attention should be paid to initiatives that support the integration of young women into the labour market.

### *Policy*

There is a need for Arab countries to develop, implement and monitor integrated national socio-economic policy frameworks, including National Employment

Strategies with dedicated Action Plans on Youth Employment, as well as coherent sectoral policies (e.g. investment and SME policies). Such policies should be based on evidence, and this highlights a concurrent need for strengthened collection, dissemination and analysis of Labour Market Information across the region. Regularly updated labour market statistics (through Labour Force Surveys and establishment-based demand side surveys, in addition to youth specific School to Work Transition Surveys), are necessary to enable better monitoring of the labour market as well as improved employment policy making and evaluating. Education policy makers need to revise outdated curricula to meet market needs. This should entail a mainstreaming of core and labour-market relevant skills in all levels of education. Policy efforts to reform vocational education and training are also central to making education relevant to labour market requirements. Institutions related to skills provision need to adopt standardised certification systems for quality control of training provision.. Better institutional coordination is needed in most Arab countries, particularly where multiple institutions with related/overlapping mandates exist.

#### *Programmatic*

Lessons learned from the evaluation show that youth employment programmes are more effective when they are: i) part of a comprehensive package of services, ii) well targeted and tailored to individual needs, iii) designed to respond to labour market requirements, iv) linked to work experience and iv) formulated and implemented together with the social partners. Better, youth-friendly labour market intermediation services are needed in most countries in the region. Placement services exist at the national level in most Arab countries; however, they often lack resources, qualified staff, coordination and linkages to skills development and career counselling activities. Initiatives should be taken to strengthen public employment services and to promote private employment agencies that can provide better labour market information, job matching services, career guidance and employability support for youth. In order to support job creation through entrepreneurship and self-employment initiatives, more assistance should be provided to youth in accessing capital as well as other business development services, including access to business know-how, markets etc. The private sector has a particularly important role to play. Across the region there is already a wide range of effective NGO and private sector employability and entrepreneurship development schemes, even if their reach and scope are limited. Such schemes should be supported, expanded and better coordinated. Various regional foundations and programmes that aim to promote youth employment in the Arab world could be well placed to act in this regard.

#### *Attitudes*

Entrenched attitudes and perceptions towards employment have created traditional biases towards public sector employment and certain professions. Changing these attitudes and perceptions – not just of young people, but also of their families, teachers and society as a whole – can be a lengthy process, requiring not just advocacy, but also fundamental shifts in educational approaches. Re-orienting Arab labour markets from being predominantly public sector driven to allowing the private sector to play its role as the engine of employment growth requires fostering a greater private sector and entrepreneurial culture. Business education should be mainstreamed into secondary, tertiary and vocational education systems. In parallel, media campaigns should be pursued to challenge employment stereotypes.



Additionally, enhanced employability of Arab youth requires development of core life skills and assimilation of concepts of civic responsibility, starting at an elementary stage. Achieving this again requires educational system reform. Expanding internship, apprenticeship and other education-workplace linkage schemes will also help to improve attitudes towards employment and improve youth employability.

## **6. Suggested points for discussion**

1. What are the main disadvantages faced by young people in the countries of the region in terms of getting and maintaining decent jobs?
2. What would be required to ensure that national policies, including labour legislation, effectively address both quantity and quality of youth employment? What can be done to ensure that these policies are gender-sensitive?
3. What are the main features of youth employment policies and programmes of your country? How are these policies and programmes monitored and evaluated?
4. How can targeted interventions be improved and extended to cover higher numbers of disadvantaged youth, including young people exposed to social exclusion and poverty?
5. What is the role of the social partners in crafting and implementing the above-mentioned measures?
6. What cooperation mechanisms can be established in order to promote regional dialogue and share experiences on youth employment across the region?

## **Annex 1: Examples of good practices from the Arab region and around the world**

**This list of examples is by no means complete, examples were selected according to the points raised in the paper.**

### **Best practice 1: Egypt**

In Egypt, the seriousness of the national employment problems affects youth disproportionately, particularly young women. It is estimated that almost 90% of the jobless are youth; therefore, tackling youth unemployment is a priority work area for the ILO.

The ILO was invited to advise on key policy and institutional issues of relevance to the development of a national employment agenda to tackle its persistently high unemployment. Given the high proportion of young people among the unemployed, the Government launched a comprehensive Youth Employment Programme in 2001. The ILO conducted a review of two components of this programme, training and job creation in artisan workshops, with a view to making recommendations for improvement.

The ILO's Employment Sector and Sub-Regional Office in Cairo, in partnership with the Secretariat of the Youth Employment Network, supported the government of Egypt in the preparation of Egypt's National Action Plan (NAP) on youth employment, which was approved and validated in May 2009. The NAP - which responds to Egypt's commitment as a YEN Lead Country - is a fundamental stride in the country's effort to meet the youth employment challenge.

The NAP has been developed following the ILO methodology presented in the «ILO Guide for the preparation of National Action Plans on Youth Employment». The leading institution involved in the development and implementation of the NAP is the Ministry of Manpower and Migration (MOMM) which works in full partnership with the social partners and in close cooperation with national and international stakeholders, including youth organizations, development agencies and donors.

### **Best practice 2: Djibouti**

The Poverty Reduction Strategy of Djibouti notes that youth unemployment results from the combination of several factors: (i) the demographic factor that explains the rapid growth in the working population, its youth-to-adult ratio, and the large number of poor and extremely poor households; (ii) failures in the education system and the generally low level of human capital that explain the predominance on the job market of young unemployed people who have had no schooling and, even more critically, who are unqualified. With regard to job availability, the Strategy notes structural causes: the high cost of labour and its weak productivity, which are obstacles to the development of both private enterprise and productive employment in the informal sector; insufficient infrastructure and an environment unfavourable to private investment, which limits Djibouti's ability to compete promoting employment opportunities for young men and women in the Arab region for foreign investment in the global market; and poor potential for self-employment. The job market also

suffers pressures tied to a large immigration influx. Some measures of stabilization have also contributed to the general imbalance.

To address these elements, Djibouti's PRSP promotes a coherent and integrated employment policy to improve the competitiveness and growth of the economy as a means of creating jobs; setting up an effective human resources development policy, through the development of education, the expansion of literacy, and the strengthening of job training; and implementing targeted employment programmes (manual labour intensive programmes and support for self-employment, microfinance and micro-enterprise, targeting specific segments of the population (such as the unqualified unemployed and women).

### **Best practice 3: Jordan**

In Jordan, Injaz was founded by a Save The Children project in 1999 and initially funded by the USAID. It became an independent non-profit organization and a member of the Junior Achievement Worldwide in 2001 and is now owned by Her Majesty Queen Rania Al Abdulla II. Its aim is to augment the skills and abilities of young Jordanians and ease their transition from being students to being active, contributing members of the economy. By expanding their knowledge and education, Injaz believes that it can increase the demand for youth in the labour market. To achieve this, Injaz enrolls its youth participants in activities to enhance leadership, business entrepreneurship, problem-solving and communication skills.

Injaz's success was proven in 2006 - 07, when its own projected target for youth participation was exceeded and new programmes were introduced. One of the most successful programmes introduced by Injaz in 2006 was the School Adoption Programme. This programme was initiated by HM Queen Rania Al-Abdulla in order to create economic opportunities for Jordanian youth. Injaz's goal of improving the educational system is shared by both the Ministry of Education and the private sector. The purpose of this collaboration is to develop the education system to produce graduates that best match the needs of the private sector. Injaz's role in this initiative revolves around coordinating between the adopted schools and the sponsors in order to efficiently allocate funds to advance the school's facilities, quality of education and learning environment.

The experience that Injaz acquires in terms of dealing with schools on a daily basis, building a solid relationship with more than 100 partners of the private sector and raising and allocating funds increases the probability of its continued success.

### **Best practice 4: EFE (Education For Employment Foundation) – Morocco**

The EFE is a regional non-profit organization with branches in the Middle East and North Africa. In all countries where EFE is present, partnerships are established with local business leaders, educators and government officials. Many Moroccan graduates lack the professional skills necessary for success. In light of this fact, EFE-Morocco provides training and job-placement programmes for young Moroccans.

In July 2008, the vastly popular Workplace Success Training Programme offered by EFE-Morocco completed nine courses on professional skills, teamwork, communication, goal-setting and professional behaviour.

Results have shown that EFE-Morocco has succeeded in placing 83% of its graduates in jobs or internships. Over the next year, more courses will be introduced and private-sector employers have agreed to support and employ 125 additional graduates. Private sector employers participating in EFE-Morocco programmes include BMCE Bank and YNNA holding, two of Morocco's largest corporations.

In terms of educational reform, EFE-Morocco is collaborating with Hassan II University of Casablanca to incorporate the Workplace Success Programme into the University's curriculum, making it available to 27,000 students. A pilot programme consisting of three courses has just finished training 52 students in the university's literature and science departments.<sup>29</sup>

### **Best practice 5: Silatech**

At the regional level, various programmes and benevolent foundations have recently decided to take up the youth employment challenge. Amongst them, Silatech has been founded as a new regional initiative that focuses exclusively on youth employment through developing strategic partnerships for large-scale job creation, entrepreneurship and access to capital and markets for young people. Headquartered in Doha, Silatech was established in January 2008 by Her Highness Sheikha Mozah Bint Nasser Al-Missned of Qatar, with support from other regional and international leaders.

Silatech aims to connect young Arabs with economic opportunities, through the achievement of clear objectives including: providing high-tech counselling centres, offering advanced technologies to ease the connection with employers, granting access to business development services and capital to encourage the growth of small and medium-sized enterprises (MSMEs), aiding young entrepreneurs to establish their own enterprises; and breaking down barriers to risk-taking and entrepreneurship.

Silatech's agenda consists of three long-term strategic goals. The first strategic goal focuses on providing access – including youth access to market-oriented skills training and job placement services, and MSME access to capital, business development services and markets.” The second strategic goal concentrates on policy, by encouraging adoption of constructive policies at the regional and country levels to promote social inclusion and increased employment opportunities for young people. The final strategic goal addresses the prevailing culture and mindset, by raising awareness and enhancing public recognition of the youth contribution to Arab economies and societies.

Silatech's strategies will utilize three approaches: regional research and analysis of effective youth employment interventions to identify potential areas of investment, large-scale investment in regional projects and technological innovations.

The Doha Summit, held on 12- June 2008, gathered influential leaders, experts and partners from the private and public sector to discuss potential innovative schemes targeting job creation and investment opportunities in the area. The main purpose of this summit was to introduce Silatech as a major organization for job creation for youth in the region.<sup>30</sup>

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<sup>29</sup> [Http://www.efefoundation.org](http://www.efefoundation.org)

<sup>30</sup> [Http://www.silatech.com](http://www.silatech.com)

### **Best practice 6: Oman**

In Oman, the SANAD (Self-Employment and National Autonomous Development) Programme was launched in 2001, with the objectives to promote entrepreneurship and provide job opportunities to the Omani labour force, especially youth; to expand the private sector; foster the Omanization plan (to provide employment for Omani nationals); and promote sustainable development.

SANAD aims to spread a culture of initiative and self-employment among Omani nationals through provision of financial support, entrepreneurial training and follow-up to the projects. Loans are given through the Oman Development Bank, up to a maximum of OR 5,000, with an interest rate of 2 per cent used to pay for the bank's service. Repayment starts after one year of operation and should be made over 6 years. One of the major criteria for the approval of financing a project is a 100 per cent Omanization rate. Skills training is delivered by the public Vocational Training Centres (VTCs) and/or private training institutes. Mentoring and consultancy services are also provided to beneficiaries of the programme.

All such services are provided free of charge to Omanis aged 18 - 40 years old and unemployed. In the first five years of the programme's operation (2002 - 2007), more than 17,000 job opportunities were created, 8,000 entrepreneurs were assisted to start their own businesses with a repayment rate of loans ranging between 70 - 80%, and more than 3,000 men and women were trained in a technical skill.

### **Best practice 7: Yemen**

In Yemen, the National Strategy for Small and Micro Enterprise (SME) Development was approved by the Council of Ministers on January 17, 2005. It included the establishment of a national agency to promote small and micro enterprises, the Small Micro Enterprise Promotion Service-SMEPS. The Social Fund for Development, an autonomous government body, established SMEPS as one of its subsidiaries in 2006. SMEPS is responsible for directing and coordinating activities to provide improved non-financial services for SMEs by planning, directing, coordinating and monitoring several programmes with partner organizations. The programmes will be aimed at stimulating growth and diversity within the SME sector.

SMEPS re-launched the International Finance Corporation's Business Edge Training programme in January 2006, requesting financial subsidies from the Royal Netherlands Embassy to help boost demand. By 2007, the Business Edge programme no longer required subsidies and now functions without financial assistance.

Since its re-launch, the Business Edge programme has expanded geographically to cover not only Sana'a but also Taiz, Aden, and Mukallah. The programme has succeeded in recruiting 3,800 trainees from a range of SMEs. The Business Edge programme brings in seven training providers as Business Partners, with privileged access to training resources and capacity building opportunities. Over time, the number of trainees recruited by each Business Partner continues to increase steadily.

Signs of success include the expansion of five of the seven Business Partners into other cities, and the rising interest of a large number of SMEs in the programme graduates. In Aden, the opening of the Business Edge programme drew more than 600 SMEs in only six days. Business Edge is also developing its own mixed curricula, including Business Edge for Advertising and Business Edge for the Pharmaceutical Industry.

Another of SMEPS' interventions includes facilitating market linkages between educational establishments and the labour market. This includes promoting entrepreneurial education and training in Yemeni schools, colleges and universities. SMEPS is now collaborating with the ILO to introduce the KAB package in vocational training education from July 2008.

#### **Best practice 8: Bahrain**

The Ministry of Labour of Bahrain has launched a BD30 million National Employment Programme (NEP), which plans to train and recruit national citizens in both the public and private sector. The NEP's aim is to create 20,000 jobs for Bahraini nationals by enrolling them in high-quality vocational, technical and professional training suited to all education levels. The NEP's training schemes were developed to best suit the demands and needs of the private sector.

The Ministry of Labour is fully responsible for implementing and supervising the NEP at all levels, and for registering jobseekers and aiding in the process of their employment. Furthermore, the Ministry has collaborated with private sector institutions that are willing to support the NEP.

In the initial phase of the NEP, all unemployed persons wishing to participate and benefit from its provisions are registered. Registration centres have been established around the kingdom. In the second phase, registered participants are interviewed and tested in order to determine their professional abilities and skills. In the final stage, a recruiting team matches existing job vacancies with registered candidates based on analysis of the labour market. The team also coordinates the recruitment process with the partner institutions and private companies. Based on test scores and labour market demand, the Ministry provides necessary vocational training programmes in order to assist the participants. The participants receive some financial benefits during their training sessions.

Over the three year period 2005 - 2007, the NEP succeeded in training and recruiting 17,433 Bahrainis, the majority being youth, in both private and public sectors. That in turn was associated with an overall reduction in unemployment from 17,594 (representing 16% of the labour force in 2005) to 5,559 (4.9% of the labour force in 2007).<sup>31</sup>

#### **Best practice 9: The New Deal for Young People: United Kingdom**

The New Deal for Young People is an integrated employment programme that was implemented in the United Kingdom to foster labour market integration of young people. The programme offered a package of services including job search skills and career advice, basic education, skills training, work experience or further learning options. It also provided job placement assistance and follow-up support, as well as subsidies to enterprises recruiting disadvantaged youth.

This programme was a welfare-to-work strategy targeting young people aged 18-24 who had been claiming jobseeker's allowance for six months. Participants enter a "Gateway" period of up to four months during which they are helped either to prepare or find a job, with the option of additional help and training.

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<sup>31</sup> Ministry of Labour, Bahrain, administrative records 2008

Each young person has a personal adviser, generally from the public service, who is his/her contact throughout the duration of the programme. Participants who are unable to find a job during the Gateway period can be offered the following programmes: subsidized employment, full time education and training, work in the voluntary sector or work with an “environment task force”.

By mid-2005, the Programme had managed to give employment to more than half a million young people.<sup>32</sup>

### **Best practice 10: Savings and micro credit programme for young women in Kenya**

The Kenyan Tap and Reposition Youth (TRY) is a livelihood programme targeting highly vulnerable population groups. The main beneficiaries of this programme were urban out-of-school adolescent girls and young women aged 16-22. The Programme started to operate as a microcredit scheme but evolved during its life and provided its beneficiaries with social support and an individual, voluntary savings option. For the majority of young women in urban Kenya, entrepreneurship and repeated borrowing were not primary concerns. Rather, their fundamental needs were related to acquiring social capital (including accessing support groups and mentors), maintaining physical safety, and having the opportunity to save their money in a safe, accessible place. Only when these needs were met entrepreneurship and use of credit opportunities could become successful. The more than ten-year experience of this programme offers an opportunity to learn lessons about how to adapt “models” to the specific needs and constraint of adolescent girls and young women.

The evaluation of the TRY found statistically significant differences in household assets, earnings from paid work, and savings between participants and the matched control group. The asset and earnings effects were only significant for the older group of beneficiaries (aged 20-22), while savings rates increased only for the younger group (aged 16-19).<sup>33</sup>

### **Best practice 11: Occupied Palestine Territories:**

In the occupied Palestinian territories, the Sharek Youth Forum has been established as an issue-based and staff-led organization of committed and dynamic young people devoted to engaging youth in civil society. Sharek has instituted 20 youth centres around the West Bank and Gaza Strip to provide various activities and projects to the youth in these rural and deprived regions.

A Step Forward is a youth programme constructed by Sharek in order to respond to the conflicts generated in the West Bank and Gaza Strip. This unstable environment is an obstacle to the growth and development of young Palestinians, preventing them from entering the labour market. The programme aims to reduce the high youth unemployment rate through training and skills development.

To meet this objective, A Step Forward conducts a series of activities preparing youth for the business world. The activities consist of multiple components: Career

محدوف: <http://www.dwp.gov.uk/publications/dwp/2004/buildingonnewdeal/mainreport.pdf>  
Katz E. (2008)

<sup>34</sup>Since 2004, the ILO has been involved in the implementation of over 46 technical cooperation projects on youth employment.



Counselling and Job Preparation, Information Technology for Employment, Training in the Field and Internships, Academic Counselling for Young Rural Women, and a Youth Business Support Unit.

The Training in the Field and Internships component was initiated in 2006 as a separate project in both West Bank and Gaza Strip. It granted 3,000 young Palestinians in the targeted regions paid training opportunities in both private sector corporations and non-governmental organizations, for a period varying from three to six months. The project results show that 2,206 youth had signed contracts with 850 host organizations - 57% of these contracts were signed by young women, 40% by young men and 3% by youth with special needs. Half of the participants held a B.A. degree, while 20% possessed a diploma, 12% had a vocational school certificate and 18% were high school graduates. Geographically, 58% of the contracted youth came from urban areas, while 34% came from rural areas and 8% from refugee camps. The project has nearly 10,000 beneficiaries to date, with over 3,000 in Gaza Strip and almost 6,500 in the West Bank. More than 1,000 companies and organizations have contributed.

#### **Best practice 11: Shabab - Know About Business (Kab), Syria: Future developments and opportunities**

Under an agreement with the Ministry of Education (MoE), KAB has a 3 year strategic plan to roll out to all 280 technical schools and intermediate institutions in the county. This will involve the training of an additional 440 teachers and an ultimate ability to reach 30,000 students. SHABAB has funds earmarked to support this expansion and can count on the continued support of the MoE. Following the 3 year plan, the MoE will take full ownership of the programme and expand it to the remaining vocational schools and intermediate institutes.

SHABAB is currently in negotiations with the Ministry of Higher Education (MoHE) to re-launch KAB. The Supreme Council of Higher Education has recently decided to adopt KAB as a pre-requisite for graduation in all public universities, starting in the academic year 2008 - 2009 on a voluntary basis and then becoming obligatory the following years. SHABAB is working with the MoHE and representatives from the 5 public universities to design a feasible roll-out plan. Agreement has also been reached with Damascus University to deliver the programme, in Arabic, in the summer of 2008 to the final year students of the Archaeology and Information Technology faculties too.

If there is the support of the Government to expand KAB to all universities and multiple faculties (entailing 144,000 students, 50 master trainers and additional teacher training need) then the ability of SHABAB to cover the costs associated with this expansion would have to be reviewed.

Syria:

In Syria, Shabab was launched at the initiative of H.E. the First Lady of Syria, Ms. Asma Al Assad, as a project that helps young people prepare for employment in the private sector or to start their own business. It bridges the gap between the education supply and demands of the job market by integrating the government, private sector and civil society. Shabab has supported many young Syrians from Damascus, Aleppo, Homs, Lattakia, Deir Ez-Zor, Rural Damascus and Quneitra through a range of programmes dedicated to youth aged 15 -24. One of these, implemented in

partnership with the ILO, is the Know About Business (KAB) programme, which targets young people aged 16 - 19.

KAB adopts an ILO-developed classroom-based curriculum comprising of 80 to 100 teaching hours designed to augment young people's entrepreneurial skills and motivate them towards self employment. KAB was initiated during the school year 2006 - 07 in 19 general and vocational schools around Damascus and rural Damascus. Approximately 370 grade 11 - 12 students volunteered to participate in the programme. During the same year, the KAB syllabus, taught in English, was also implemented in four universities, reaching 120 students across Damascus, Aleppo, Lattakia, and Homs. In 2007 - 08 the programme expanded to be adopted by 58 public vocational schools around five governorates in Syria. The programme is now reaching 6,000 students who are attending 100 hours of classes over two years; the first concentrating on entrepreneurial skills and the second on how to start a business.

An impact assessment was conducted on KAB and the results have indicated that the programme had an impact on the participants' approach towards entrepreneurship and the complexity of establishing one's own business. It retained a significant impact on participants' self-assessed knowledge about business, which increased 14 per cent. KAB has constructed a three-year plan to expand reaching all 280 technical schools and intermediate institutions in the country. Ultimately this will benefit 30,000 young Syrian students.

## **Annex 2: The ILO and youth employment**

Youth employment is a cross-cutting concern in the ILO's Decent Work Agenda as well as in major instruments that shape the mandate of the ILO. Such instruments include the Philadelphia Declaration, the Global Employment Agenda, the report of the World Commission on the Social Dimension of Globalization, the 2005 International Labour Conference Resolution and, more recently, the Social Justice Declaration.

The Global Employment Agenda (GEA) provides a comprehensive framework to address youth employment through an integrated approach to employment growth. This approach is based on a number of core elements that lead to employment creation (namely trade and investment, technological change, sustainable development and macroeconomic policy) and are combined with policies to manage change in a socially acceptable and non-discriminatory manner through entrepreneurship, skills development, active labour market policies, social protection, occupational safety and health, productive employment for poverty reduction and development. Social dialogue is critical to building consensus on policies and actions related to youth employment. There are other two overarching themes that are fundamental to promote decent employment of youth at national level. In this respect, the GEA proposes that decent work is not just an output but also a productive factor. The Agenda calls for the end of discrimination in the labour market and stresses that discrimination on any ground is a violation of human rights and, therefore, bears both human and economic costs.

The Resolution adopted by the International Labour Conference at its 93rd Session in June 2005 is based on the overarching objectives and the core elements of the GEA. It provides a strategy and plan of action for ILO's work on youth employment. The strategy highlights a two-pronged approach to tackle youth employment: (i) mainstreaming youth employment into national development frameworks, and (ii) developing interventions targeting disadvantaged young women and men. It also calls for concerted interventions between governments and the social partners to improve not only quantity but also quality of jobs that are available for young people. Finally, it proposes that youth employment interventions contextually address both supply and demand of labour. The youth employment plan of action of the ILO is based on work in the areas of knowledge development; technical assistance and advocacy. More specifically, the most recurrent areas of ILO's assistance to member States revolve around:

- Data collection on the nature and dimensions of youth employment, unemployment and underemployment;
- Analysis of the effectiveness of country policies and programmes on youth employment, technical assistance in the formulation and implementation of youth employment policies and plans of action and development of tools and training material;
- Policy advice to strengthen national labour market policies and programmes for youth employment and capacity building for governments, employer and worker organizations;

- Advocacy and awareness-raising activities to promote decent work for youth with a focus on employability, employment creation and workers' rights;
- Establishment of strategic partnerships on youth employment between public and private sectors at the international, sub-regional and national levels;
- Promotion of cross-country and global peer networks to achieve better performance and share good-practice experiences among ILO constituents and other stakeholders;
- Collaboration with multilateral and other international institutions to ensure policy coherence across national initiatives affecting youth employment.

The support to member States is provided through multi-annual programmes of cooperation that set priorities and outcomes agreed upon by ILO's tripartite constituency. Nearly half of the current Decent Work Country Programmes (DWCPs) focus on youth employment priorities and outcomes. ILO's assistance to countries in developing coherent and coordinated interventions on youth employment is operationalized through a global network of technical specialists at its Headquarters in Geneva and in more than 60 offices around the world. Many of the programmes that are currently being implemented at country level are focusing on assigning priority to youth employment in national policy-making through coordinated and integrated interventions.<sup>34</sup> This is also done through the development of national action plans on youth employment and through national youth employment programmes that support the crafting and/or implementation of labour market policies and services that ease youth transition to decent work.<sup>35</sup>

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<sup>35</sup>Across the world, over 31 national action plans on youth employment have been developed since 2006. In the Region, Egypt has adopted a national action plan in May 2009, while Syria is currently developing the plan.