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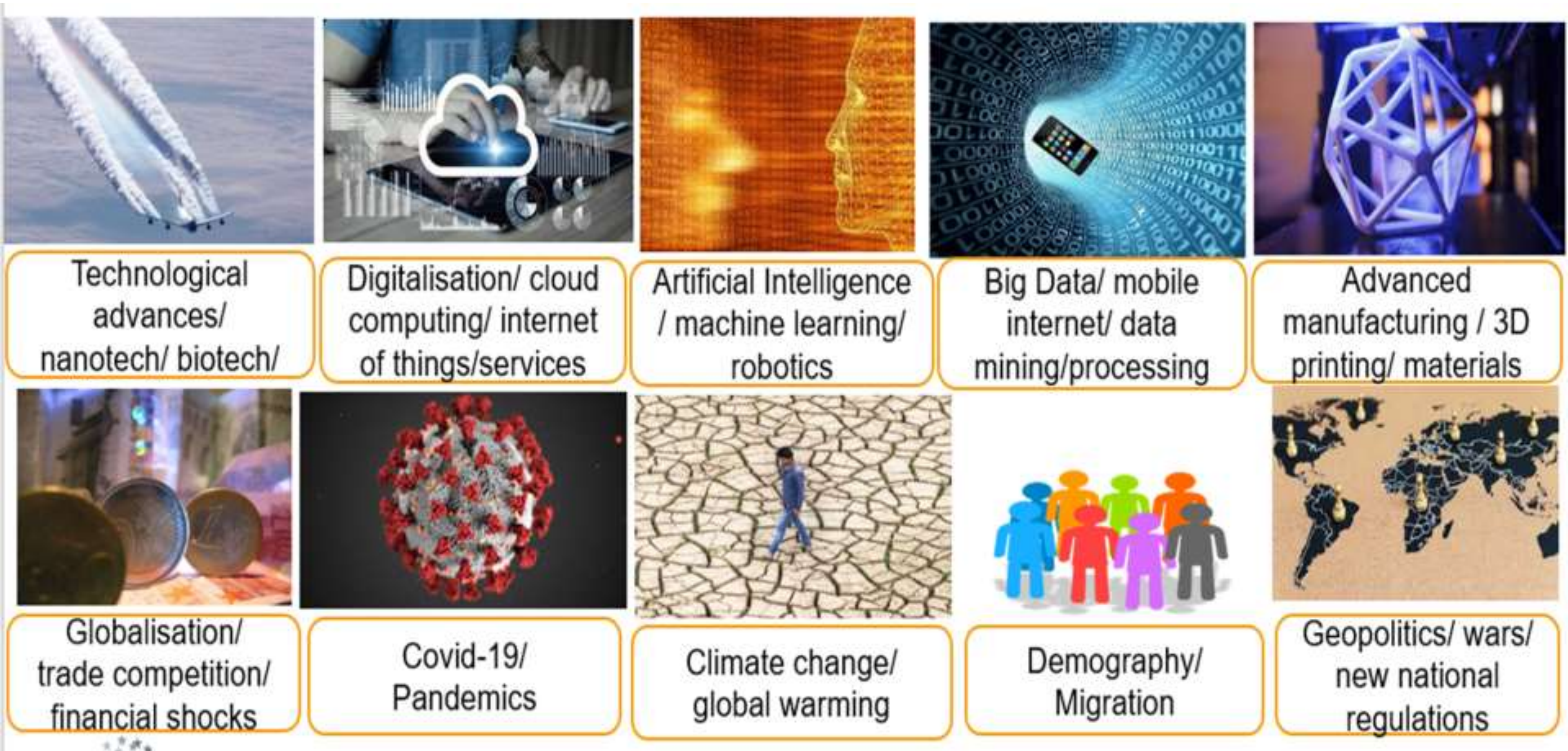
EDUCATION, TRAINING AND EMPLOYMENT: THE YOUTH IN THE SOUTH MEDITERRANEAN

MINEU – Drivers of Migration in the European Neighbourhood

UMMUHAN BARDAK, 14 MARCH 2023

GLOBAL CHANGES AFFECT ALL COUNTRIES



GLOBAL TRENDS SHAPING THE LABOUR MARKETS

Job destruction due to automation

Changing tasks in existing jobs

Emergence of new jobs

Job polarisation: decreasing medium, rising low- and high-skilled jobs

Segmentation of knowledge work

Changing employment patterns and erosion of job-related benefits

REGIONAL ECONOMIC AND LABOUR TRENDS

Increasing participation in globalisation and integration into global value chains

Diffusing ICT technologies, increasing digitalisation, early signs of automation (in manufacturing)

Slow/jobless growth, strong duality in economies, low productivity, high % of SMEs

(Table 1)

Labour abundance, capital scarcity: higher share of young people
(Graph 1, Graph 2)

Continuous exit from agriculture, decreasing/ stagnant manufacturing, increasing services
(Graph 3, Table 2)

Limited demand for high-skilled labour, sheer size and persistence of informal employment
(Table 3)

UNORGANISED/ SEGMENTED LABOUR MARKETS

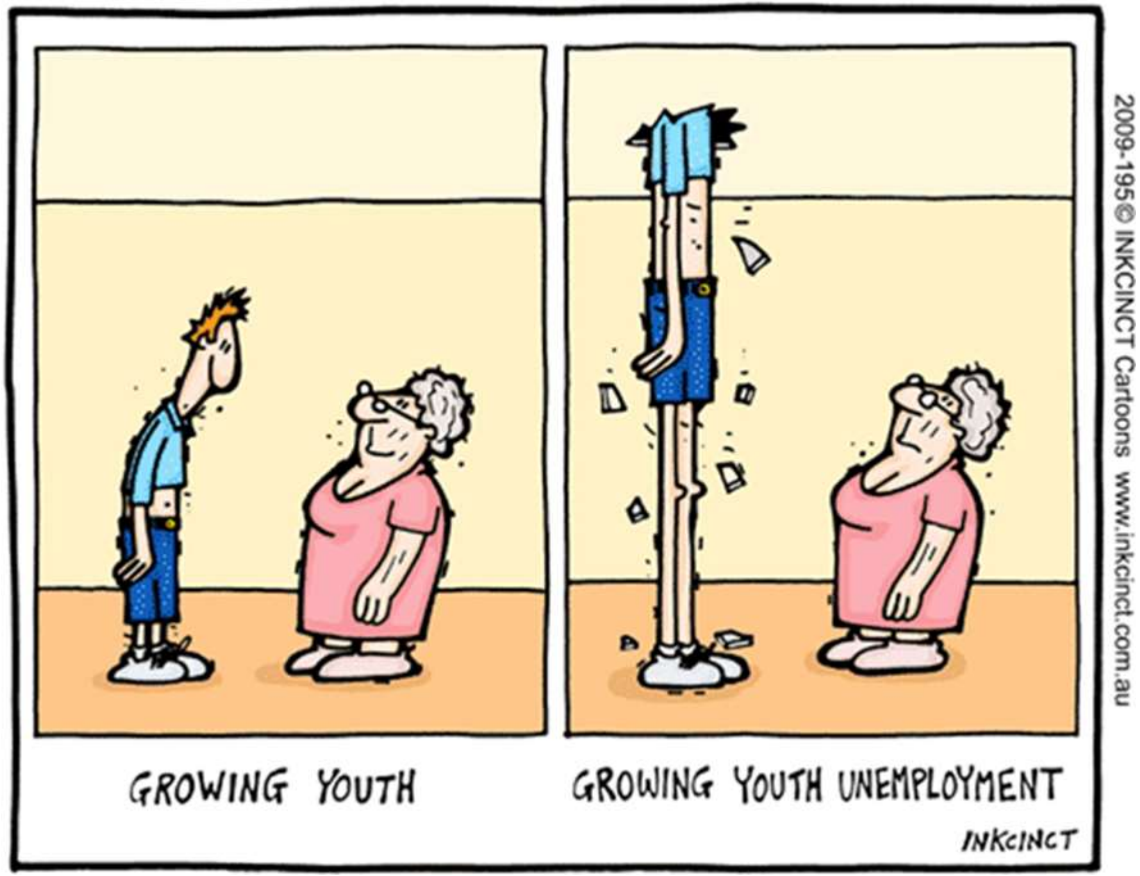
- **Low labour force participation:** On average less than half of working-age population is economically active, mainly due to the women (Table 4)
- **Exclusion of women and young people from labour market**, as a result low employment rates and high underemployment
- **High unemployment rate,** particularly for youth and women
- **High share of vulnerable/ atypical employment:** own-account workers, self-employment, contributing family members, informal employment (Table 5)
- **High share of public employment** as the best organised sector

LOWER AVAILABILITY AND USE OF HUMAN CAPITAL AND SKILLS

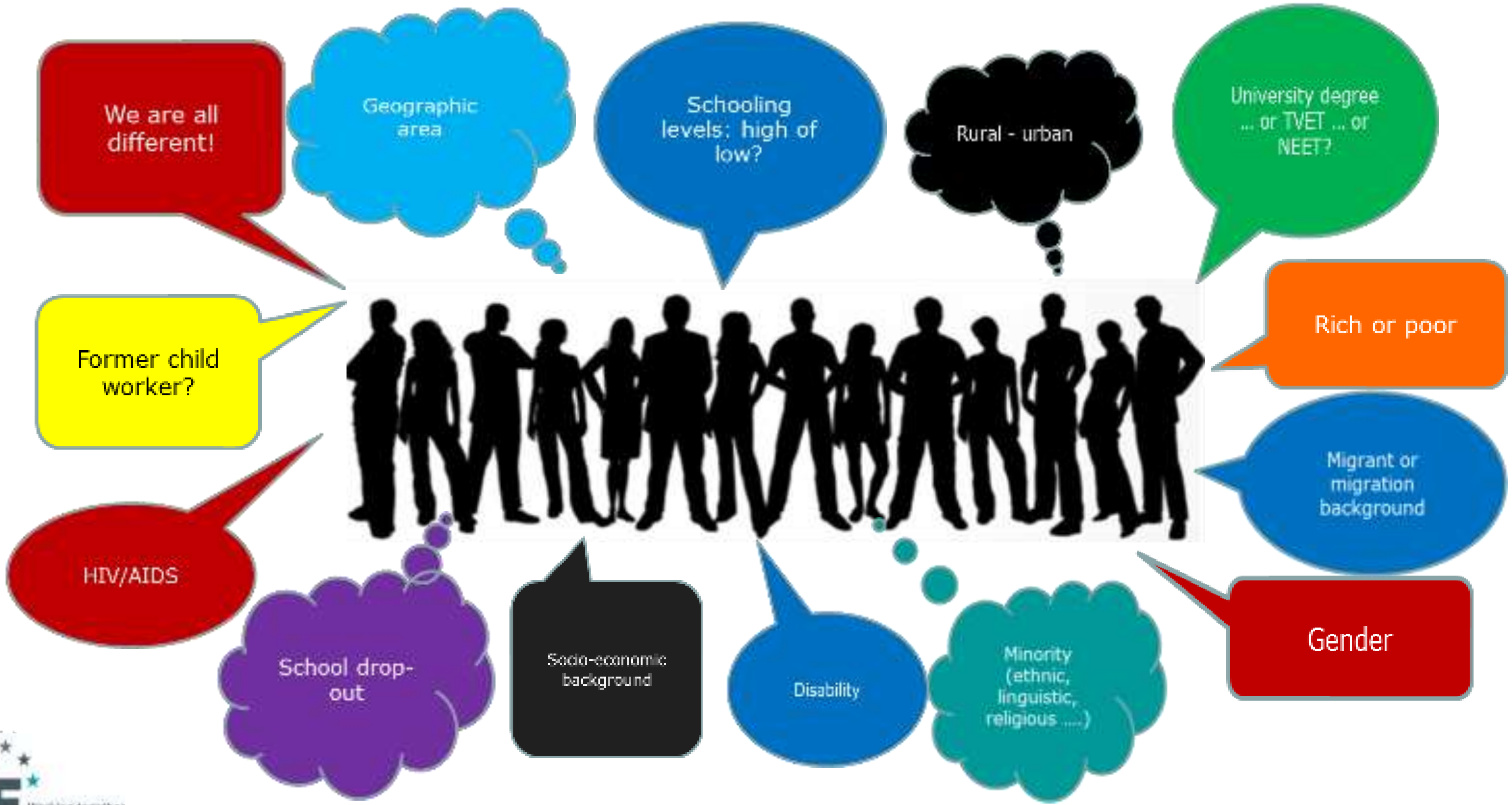
- Lower educational attainment of population, higher share of low-skilled workers (Graph 4)
- **Improving access to education:** universal primary education and increased years of schooling (7-years in south Mediterranean)
- **Increasing secondary enrolment:** around 75% in ISCED 3, but an important part drop out of school after this
- **VET is often small** not playing its potential economic and social role; majority of workers lack labour market-related skills (Graph 5)
- Problems with the **quality of education and training** (e.g. PISA, TIMMS, national evaluations)
- Strong **aspirations for higher education**, with limited employment prospects

YOUTH: A GIFT OR BURDEN?

DEMOGRAPHIC DIVIDEND OR DEAD-END?



EVERY YOUNG PERSON IS DIFFERENT….



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DIVERSE YOUTH GROUPS, DIVERSE VULNERABILITIES

- **Unemployed youth** with difficult school-to-work transition: unemployment increases with education, such as unemployed graduates from university or secondary education
- **Underemployed youth** with poor work contracts and common skill-mismatch
- **Low-skilled/ unskilled youth** who can not afford to be unemployed, but take any precarious jobs in informal sector
- **Youth not in education, training or employment (NEETs):** more likely inactive women, most vulnerable to social exclusion (Graph 6)

ETF (2021), Youth in transition in the Southern and Eastern Mediterranean: Identifying profiles and characteristics to tap into young people's potential | ETF (europa.eu)

Addressing different needs of diverse youth groups in a balanced manner – requires country-specific labour market information

TYPICAL VULNERABLE GROUPS IN EDUCATION AND LABOUR MARKET

- Youth and women: employed, unemployed, underemployed, inactive, disengaged/ discouraged (voluntary or involuntary)
- Rural/ regional disparities
- People from poor socio-economic background
- People with disability
- Early school leavers
- School drop-outs
- Ethnic/ linguistic/ religious minorities
- Immigrants/ refugees (often with skills mismatch)

Emigration and immigration stocks

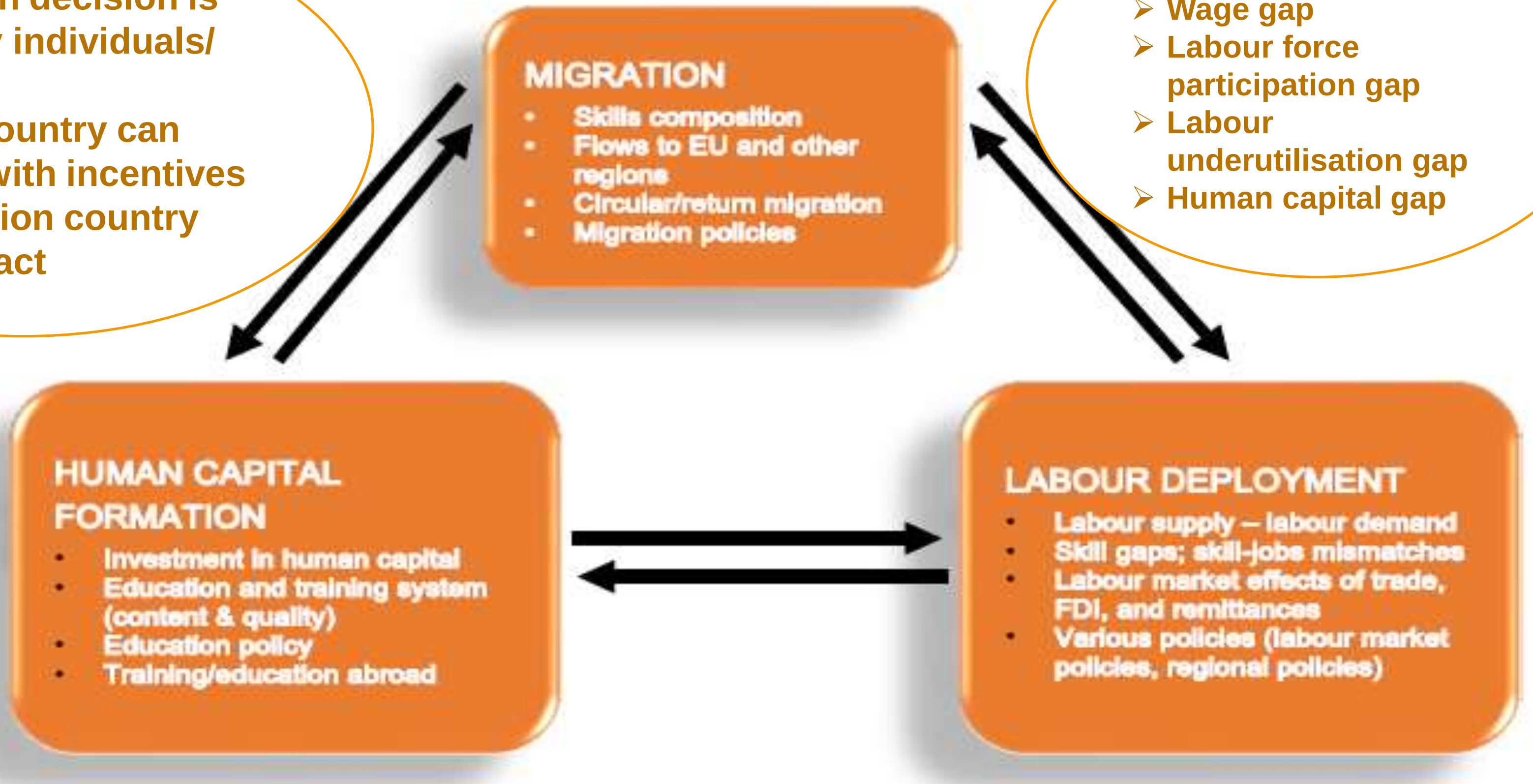
SEMED	Emigrant stocks 2020 (UN DESA country of birth statistics)	% of total population	Remittances as % of GDP 2021	Immigrant stocks 2020 (UN DESA country of birth statistics)
Algeria	2 022 337	4.5%	1.2%	250 378
Egypt	3 610 461	3.3%	7.8%	543 937
Jordan	814 909	7.8%	11.3%	3 457 691
Lebanon	856 814	12.3%	20.9%	1 712 762
Morocco	3 262 222	8.7%	7.5%	102 358
Palestine	4 022 791	81.6%	18.8%	272 784
Tunisia	902 268	7.3%	5.6%	60 145

MIGRATION INTERACTS WITH HUMAN CAPITAL AND LABOUR MARKET

- Migration decision is taken by individuals/ families
- Origin country can impact with incentives
- Destination country can impact

Decision based on:

- Wage gap
- Labour force participation gap
- Labour underutilisation gap
- Human capital gap



TYPES OF TRIANGULAR INTERACTIONS

"Vicious circle" of interaction emerges if:

- domestic labour market does **not** generate **enough jobs** – especially for the high- and medium-skilled
- **It fails** to fully **utilise** its **workforce** and their skills

These conditions push people to emigrate and:

- generate s**hortages** of high-skilled workers for carrying out certain services
- such shortages can become a **trap for the economy** and its sectors to invest / innovate / being competitive / and attracting FDI

"Virtuous circle" of interaction emerges if:

coordination exists between demand and supply of skills	the quality and orientation of the education system are good	Labour allocation mechanisms function well	migration policy framework is in place

Outward mobility is likely to generate **positive impacts** if emigrants engage to:

start cross-border economic activities and attract FDI	establish new trade links	transfer knowledge, skills, technology	invest at home thereby contributing to job creation

GETTING THE MAXIMUM OUT OF MIGRATION

- Migration is a strong change factor for individuals/ families, it will not stop as long as it continues to pay off to migrants
- Involving wider actors in migration policies, particularly economic, labour and education actors
- Embedding migration trends in wider national policy decisions (economy, labour market, education)
- Improving labour market transparency and information on skill needs on both sides
- Improving quality and transparency of education and training systems
- Developing recognition and validation systems for visible and portable skills
- Investing in skills, promoting ‘skills partnerships’ between countries origin and destination
- Encouraging intermediation to match international labour supply and demand
- Supporting migrants in all phases of migration, and continuous links with diaspora

Table 1: GDP Annual growth rate in the region, 2017-2023

SEMED	2017	2018	2019	2020	2021	2022	2023*
Algeria	1.3	1.2	1.0	-5.1	3.5	2.8	3.0
Egypt	4.2	5.2	5.6	3.6	3.3	6.6	4.4
Jordan	2.5	1.9	1.9	-1.6	2.2	2.4	2.7
Lebanon	0.8	-1.7	-7.2	-21.4	-7.0	-6.5	2.0
Israel	4.3	4.1	4.2	-1.9	8.6	6.5	3.0
Palestine	1.4	1.2	1.4	-11.3	7.1	3.6	3.1
Morocco	5.1	3.1	2.9	-7.2	7.9	0.8	3.1
Tunisia	2.2	2.6	1.5	-8.6	4.3	2.2	1.6
Libya	32.5	7.9	-11.2	-29.5	28.3	-18.5	17.9

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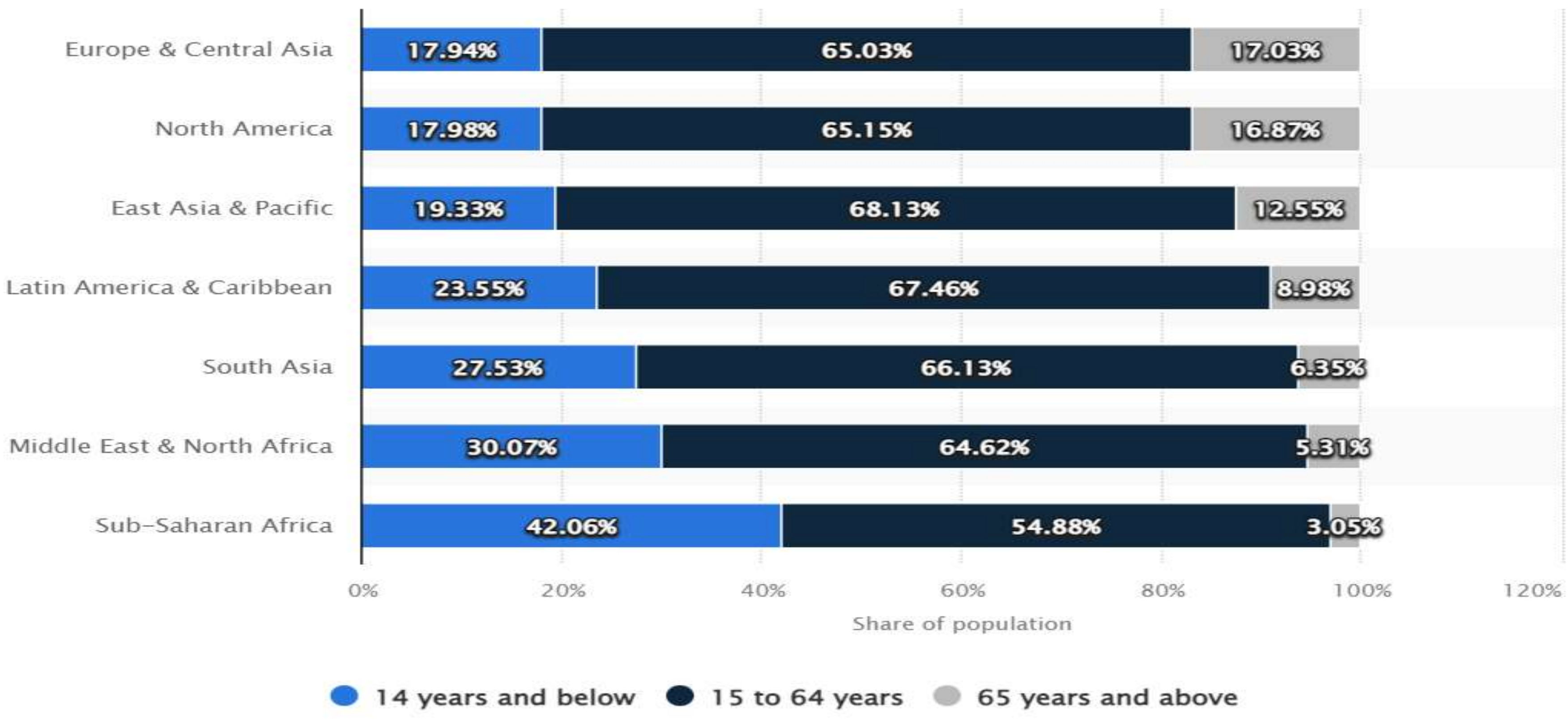
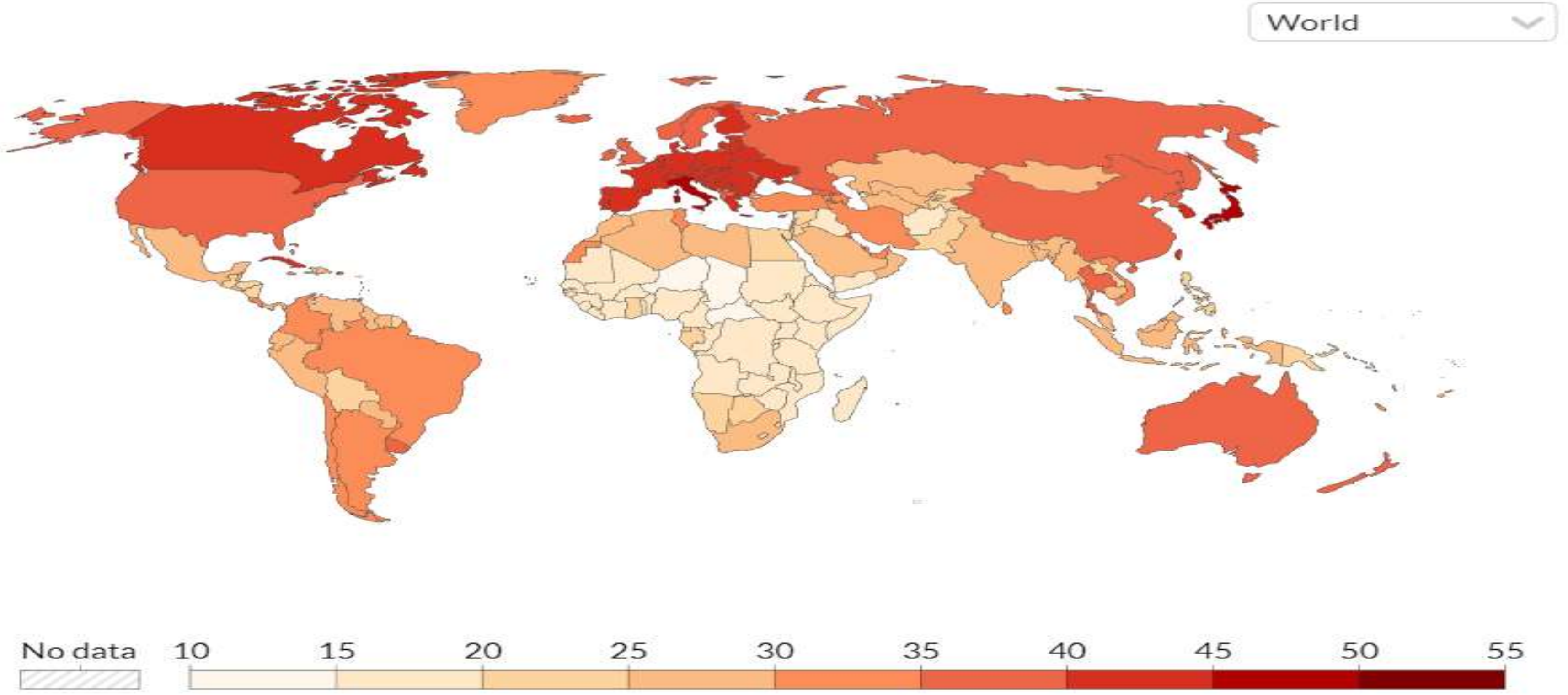
Graph 1: Global age distribution by region, 2021

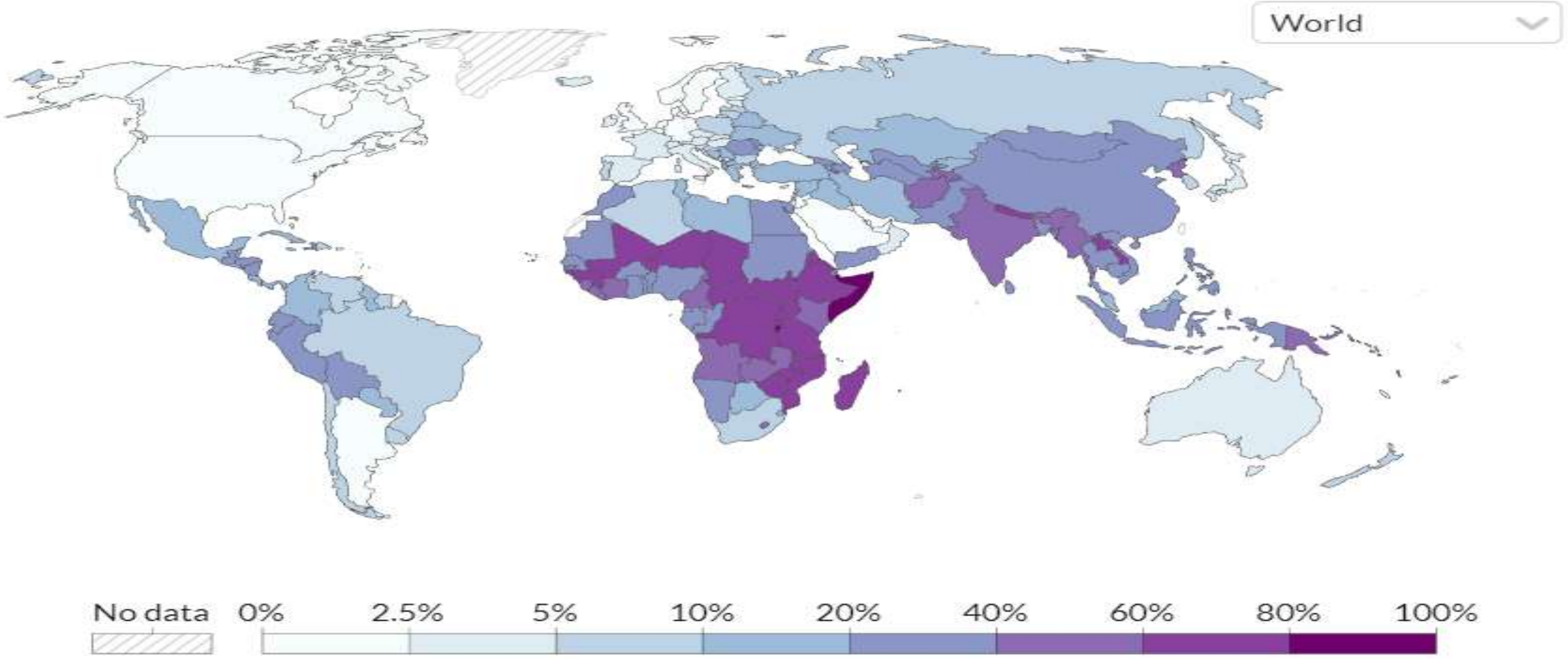


Graph 2: Median age by countries, 2021



Source: United Nations - Population Division (2022)
OurWorldInData.org/age-structure • CC BY
Note: 1950 to 2021 show historical estimates. From 2022 the UN projections (medium variant) are shown.

Graph 3: Percentage of labour force employed in agriculture, 2020



Source: Our World in Data based on International Labor Organization (via the World Bank) and historical sources
OurWorldInData.org/employment-in-agriculture • CC BY

Table 2: Gross value-added and employment % of sectors, 2019

SEMED	Agriculture value added	Agricultural employment	Industry value added	Industrial employment	Services value added	Services employment
Algeria	12.0	9.6	37.4	29.7	45.9	61.6
Egypt	11.0	21.6	35.6	26.8	50.5	51.3
Jordan	5.1	1.7	28.2	16.4	61.1	81.9
Lebanon	5.3	4.0	12.8	20.0	75.9	76.0
Israel	1.2	1.0	20.2	16.5	68.2	82.5
Palestine	3.6	6.1	18.9	29.7	64.0	64.2
Morocco	11.4	38.0	26.0	21.1	50.0	40.8
Tunisia	10.3	13.7	25.0	34.4	57.4	51.9

Table 3: Informal employment as % of total employment by regions

World regions	%
Sub-Saharan Africa (excluding South Africa)	92
Sub-Saharan Africa as a whole	89
Southern Asia	88
East and South-eastern Asia (excluding China)	77
Middle East and North Africa	68
Latin America and the Caribbean	54
Eastern Europe and Central Asia	37
Europe and North America	18

Table 4: Labour market indicators (%) in the region, 2021

SEMED	Activity rate 15+	Male vs. Female activity rate	Unemployment rate	Youth 15-24 unemploy. rate	NEETs rate
Algeria	42.2	64.5 / 15.7	12.7	31.9	26.2
Egypt	42.9	67.1 / 15.4	9.3	24.3	27.9
Jordan	38.1	67.6 / 14.3	22.6	40.7	35.4
Lebanon	43.4	64.3 / 20.8	14.5	47.8 (29.6)	29.1
Israel	63.6	65 / 58.6	4.3	8.8	15.5
Palestine	43.4	70 / 18	24.7	41.7 (37.7)	31.5
Morocco	45.3	66 / 23	11.5	31.8 (27.2)	26.6
Tunisia	47.0	65 / 25.5	16.8	41.5 (38.3)	41.2

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Table 5: Informal economy, informal employment, vulnerable employment (%), 2021-22

SEMED	Informal economy %	Informal employment %	Vulnerable employment* %
Algeria	17.4	38	NA
Egypt	34.8	63 (2020)	19.0
Jordan	16.9	48.9	11.0
Lebanon	31.4	62.4	NA
Israel	20.8	NA	9.1
Palestine	NA	43 (2020)	22.1
Morocco	36.6	77 (2022)	48.8
Tunisia	30.4	44.8 (2019)	19.0

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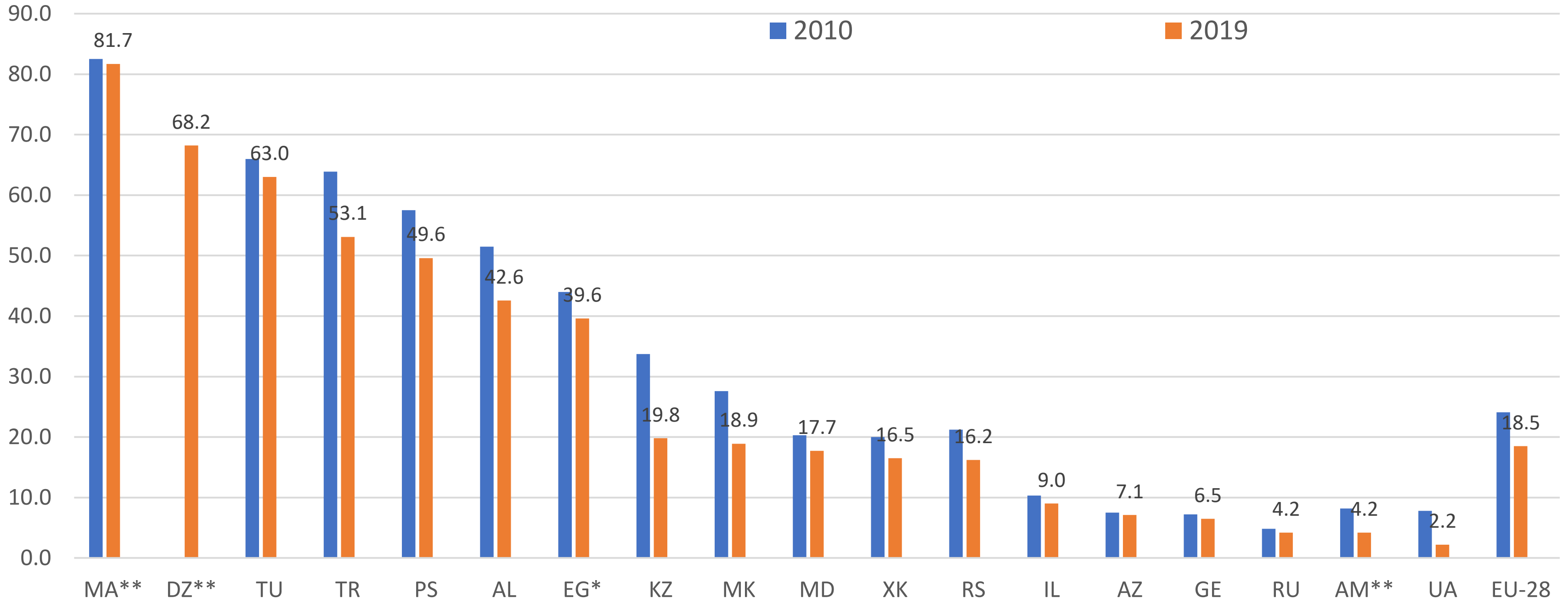
Graph 4: % of active population with low education (ISCED 0-2)



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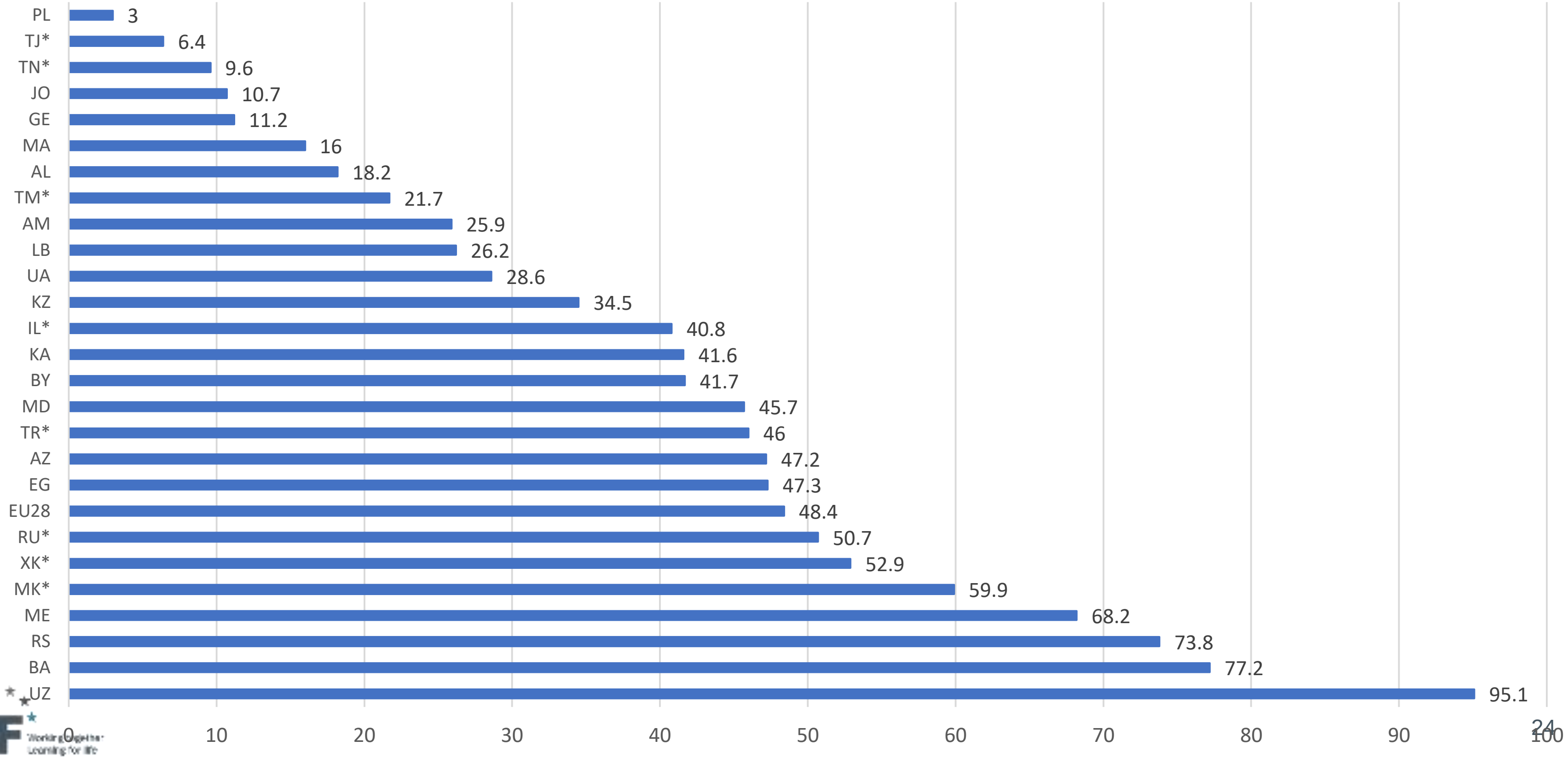
Graph 5: % of VET Students in upper secondary education (ISCED 3), 2020



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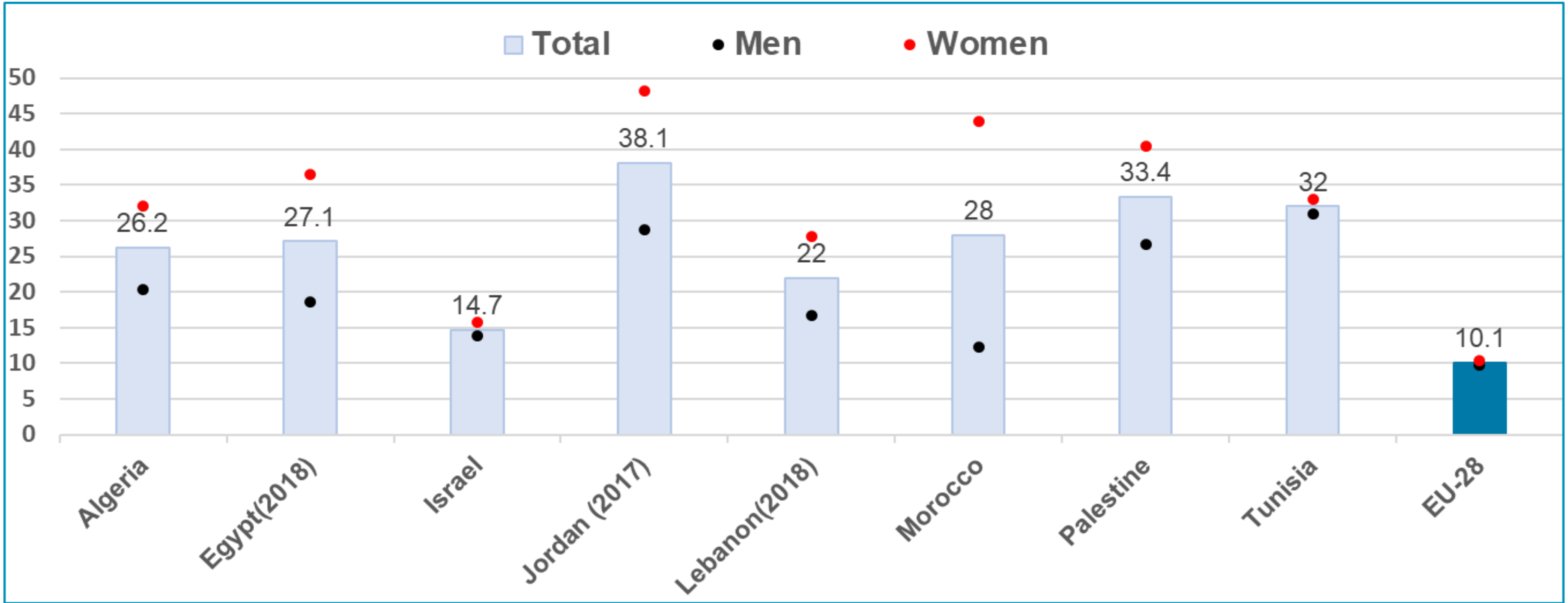
Graph 6: Young people not in employment, education or training (NEETs) as % of all aged 15-24, 2020



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