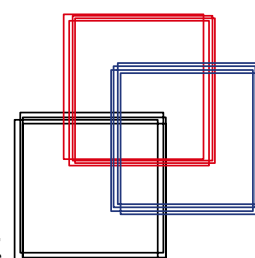


Labour market transitions of young women and men in the Middle East and North Africa

Ralitza Dimova, Sara Elder
and Karim Stephan

November 2016

Youth Employment Programme
Employment Policy Department



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International Labour Office • Geneva

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Preface

Youth is a crucial time of life when young people start realizing their aspirations, assuming their economic independence and finding their place in society. The global jobs crisis has exacerbated the vulnerability of young people in terms of: (i) higher unemployment, (ii) lower quality jobs for those who find work, (iii) greater labour market inequalities among different groups of young people, (iv) longer and more insecure school-to-work transitions, and (v) increased detachment from the labour market.

In June 2012, the International Labour Conference of the ILO resolved to take urgent action to tackle the unprecedented youth employment crisis through a multi-pronged approach geared towards pro-employment growth and decent job creation. The resolution “The youth employment crisis: A call for action” contains a set of conclusions that constitute a blueprint for shaping national strategies for youth employment.¹ It calls for increased coherence of policies and action on youth employment across the multilateral system. In parallel, the UN Secretary-General highlighted youth as one of the five generational imperatives to be addressed through the mobilization of all the human, financial and political resources available to the United Nations (UN). As part of this agenda, the UN has developed a System-wide Action Plan on Youth, with youth employment as one of the main priorities, to strengthen youth programmes across the UN system.

The ILO supports governments and social partners in designing and implementing integrated employment policy responses. As part of this work, the ILO seeks to enhance the capacity of national and local level institutions to undertake evidence-based analysis that feeds social dialogue and the policy-making process. To assist member States in building a knowledge base on youth employment, the ILO has designed the “school-to-work transition survey” (SWTS). The current report, which presents the results of the surveys in five countries in the Middle East and North Africa (Egypt, Jordan, Lebanon, Occupied Palestinian Territory and Tunisia), is a product of the “Work4Youth” partnership between the ILO and The MasterCard Foundation. The project entails collaboration with statistical partners and policy-makers of 34 low- and middle-income countries to undertake the SWTS and assist governments and the social partners in the use of the data for effective policy design and implementation.

It is not an easy time to be a young person in the labour market today. The hope is that, with leadership from the UN system, with the commitment of governments, trade unions and employers’ organizations and through the active participation of donors such as The MasterCard Foundation, the international community can provide the effective assistance needed to help young women and men make a good start in the world of work. If we can get this right, it will positively affect young people’s professional and personal success in all future stages of life.

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¹ The full text of the 2012 resolution “The youth employment crisis: A call for action” can be found on the ILO website at: http://www.ilo.org/ilc/ILCSessions/101stSession/texts-adopted/WCMS_185950/lang--en/index.htm [14 Oct. 2016].

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1. Introduction and main findings

1.1 Overview

The Middle East and North Africa (MENA) region is in the grip of an unemployment crisis that is mainly affecting its countries' youth populations. The region's unemployment rates among the youth cohort are twice as high as the global average and are particularly high among those with tertiary education. High unemployment rates are accompanied by increased shares of inactivity among youth, with too many youth withdrawing from the labour market due to family responsibilities or discouragement with their labour market prospects. The region's increasing levels of educational attainment, especially among women, accompanied by insufficient demand for skilled workers – which particularly affects female workers – in the services sector-dominated economies of these countries are among the primary causes of difficulties in the labour market transitions of youth. The situation is exacerbated by low levels of entrepreneurship, and by the reluctance of youth to engage in vocational education to gain the skills required in the widely available low- to mid-skilled occupations.

As a result, youth face lengthy transitions from school to work and are often discouraged from continuing their job search, which partially explains the low labour force participation rates prevalent in the region. Given that the region's economies are not able to provide the decent job opportunities that young people seek, the labour market challenges have contributed to political instability, manifest in the Arab Spring movement, in addition to waves of out-migration, especially to the oil-rich Gulf region. The continuation of this trend means that economies are making an investment loss on the education of their youth and are not able to reap the demographic dividends of their current youth population bulges to boost economic growth.

To assist governments in formulating policies aimed at improving the labour market outcomes of youth in their respective countries, the ILO has developed its school-to-work transition survey (SWTS), household surveys of young people aged 15–29. The SWTSs were implemented in two rounds in Egypt, Jordan and the Occupied Palestinian Territory (OPT) and in one round in Lebanon and Tunisia. The first round of surveys was conducted between 2012 and 2013 and the second between 2014 and 2015. The survey in Tunisia was carried out in the first round, while the survey in Lebanon occurred in the second round. This report summarizes the survey findings in these five countries and focuses on the main concerns relating to youth employment. Due to similarities in statistics between the two rounds, the results in this report are based on the latest 2014–2015 survey for Egypt, Jordan, Lebanon and OPT, and the only survey available for Tunisia, 2012–2013. The report is intended for the use of policy-makers and social partners involved in the implementation of national youth-related policies and programmes, as well as for international and non-governmental organizations involved in the development of responses at the regional level.

1.2 Structure of the report

Section 2 of the report presents key socio-economic indicators pertaining to both the MENA region and the individual countries analysed in the report. Section 3 explains the methodology behind the SWTS and gives details of the surveys' implementation for the five countries. Section 4 covers the individual and educational characteristics of youth in the respective countries. Section 5 explores key labour market indicators resulting from the

surveys, while sections 6 and 7 enter into more detail on the characteristics of employed and unemployed youth in the region. Section 8 introduces the ILO classification of stages of labour market transition and examines the characteristics that lead to better integration into the job market, especially in terms of obtaining a stable and/or satisfactory job. The section also analyses the duration of the transition for young men and women as well as the pathways of transition. Finally, section 9 outlines certain policy implications suggested by the survey findings in areas of youth employment interventions.

1.3 Main findings

Access to education is nearly universal in the region, but still too many young men and women are leaving school at early levels before completion.

Universal education is well established in the five countries surveyed. Only 1.2 per cent of young men and 2.6 per cent of young women in the region (five-country average) had never attended school. Still, while almost all youth in the region have attained some education, not all youth manage to finish their schooling; one-quarter (25.0 per cent) of young women and 34.1 per cent of young men leave school before completion of the given level. In Tunisia and OPT, shares of early school leavers are especially high, reaching 46.4 per cent and 38.3 per cent of the male youth populations, respectively. The most frequently cited reason for leaving school early among young men was a general lack of interest in studying (33.1 per cent), followed by a failed examination (26.0 per cent) and a desire to start working (21.4 per cent). Young women, on the other hand, were much more likely than young men to have been influenced by the prospect of getting married (26.4 per cent compared to 0.1 per cent of young males).

In terms of levels of completed education, most youth in the region finish their education having completed at least secondary level schooling (27.4 per cent, on average, at the secondary level, and 28.8 per cent at the tertiary level). Still, it remains evident that more can be done to motivate and enable young people to stay in school through the secondary level and beyond, since as many as 44.9 per cent of the youth population remain educated only to primary level or below. In all MENA countries surveyed, the percentage of young women with university degrees exceeds the percentage of men with university degrees, most notably in Jordan, Lebanon and Tunisia. Young men, in contrast, are more likely to follow vocational training.

Limited job creation results in missed opportunities; educational investments are not fully translated into the productive utilization of human capital.

Youth unemployment rates in the region highlight a clear absorption problem. In four of the five countries – excluding Lebanon – youth unemployment rates stood at 20 per cent or higher, and in OPT and Tunisia rates exceeded 30 per cent. The inability to find work affects young women to a far greater extent than young men; in all countries but Lebanon, more than two in five young economically active women were unemployed.

In the five MENA countries, youth unemployment is not simply a problem of volume but also one of duration. In Egypt, nearly two-thirds (65.5 per cent) of unemployed youth were looking for a job for one year or longer (classified as long-term unemployed). Even in Lebanon, where the incidence of long-term unemployment was lowest, nearly half (46.5 per cent) of unemployed youth had been unemployed for longer than one year (25.3 per cent for longer than two years). Job reservations on the part of youth are a contributing factor, whereby young people are unwilling to accept any available job. Many unemployed youth in the MENA region

are holding out for public sector employment; on average, 49.6 per cent of unemployed youth – 42.7 per cent of unemployed males and 58.6 per cent of unemployed females – would like to work in the public sector. Other factors at play behind the high youth unemployment in the region include poor recruitment and job-search processes and, perhaps the most obvious factor, political and economic instability.

Underutilization of youth labour is defined in this report as the sum of the non-utilized labour potential – unemployed and inactive non-students – and the underutilized potential of young workers in precarious situations – the self-employed plus workers on temporary contracts of less than one year in duration. The average share of youth underutilization among the five countries totalled 38.4 per cent. In all countries, the female labour underutilization rates are much higher than those of their male counterparts, a situation which is driven by the significantly larger shares of young women in unemployment and in the category of inactive non-students.

Investing in university education does not bring immediate returns to young men and women in the region.

In the MENA region, there is a tendency for youth unemployment rates to rise with increasing level of education. The average youth unemployment rate of university graduates in the five countries was 34.7 per cent compared to 19.1 per cent for youth with primary level education only. While 21.1 per cent of the male university graduates were unemployed, this was true for 49.5 per cent of the female university graduates. When it comes to attainment of a stable job, however, the university education does help. The transition length to a first stable/satisfactory job was halved for those youth who graduated at the tertiary level (four-country average) compared to the primary level (9 and 18 months, respectively).

Despite the higher representation of young women than men among tertiary degree holders, the results show that it still takes the young tertiary-educated female longer to complete the school-to-work transition in comparison to her male counterpart (11 and 8 months, respectively). Still, for young women, attainment of a tertiary degree substantially lessens the length of transition. On average, the primary-educated young woman took as long as 31 months to complete the transition to a first stable job.

Yet, for the higher skilled youth to find work that satisfactorily matches their level of qualifications still remains a challenge. Overeducation, a situation in which a worker holds a job that requires skills below their level of education or training, is another area of concern in the region. On average, in the five countries, overeducation impacted 11.4 per cent of young workers. The consequence of overeducation is that the young worker is likely to earn less than they otherwise could have and that their productive potential is not maximized.

The youth labour market in the region is influenced by gender biases.

Female labour force participation rates in the region are extremely low at 24.1 per cent (five-country average), not only in comparison to the male rate of 60.2 per cent but also in comparison to female rates in other regions. According to the latest ILO regional estimates (ILO, 2016b), low female participation rates in the MENA region result in the second largest regional gap between young male and female labour force participation rates in 2016, at 32.3 percentage points (behind only Southern Asia with a gender gap of 32.9 points).² At the same time, the SWTS results show that female youth unemployment rates are twice or even three

² Estimates based on the age group 15–24.

times higher than those of young males in the region. The average female youth unemployment rate is more than double the male rate at 41.6 and 18.9 per cent, respectively.

Most young workers in the region are in paid employment, but less than half are covered by a written contract and access to basic entitlements.

Working conditions in the region – as elsewhere – leave scope for improvement. The majority of youth work for a salary (80.2 per cent). While wage and salaried employment is commonly assumed to equate to job security and benefits, the results from the SWTS show that this is not always the case. Even youth in paid employment are potentially vulnerable to precarious work. This is especially evident in the low share of written contracts among young workers in the five countries. On average, 43.6 per cent of young employees had a written contract while 56.4 per cent worked on the basis of an oral agreement.

While the region does better than others in terms of provision of entitlements for employees (paid annual and sick leave, for example), coverage remains far from universal. Long working hours are also a cause for concern. Excessive hours – working more than 50 hours per week – was a phenomenon that impacted, on average, 37.7 per cent of employed youth, with the highest share of 45.5 per cent in Lebanon. Long working hours can negatively impact the worker's health and can increase the risk of accidents.

Informal employment is the standard condition among youth in the MENA region.

More than three in four young workers in the region work informally, either in the informal sector or in an informal job in the formal sector. The five-country average was 76.2 per cent and the informal employment rate exceeded 90 per cent in Egypt and OPT largely due to the infrequent use of formal employment contracts.

Youth in the region have untenable expectations of attaining work in the public sector.

The primary aspiration of a majority of unemployed youth is to work in the public sector. On average for the five countries, 49.6 per cent of unemployed youth – 42.7 per cent of unemployed males and 58.6 per cent of unemployed females – would like to work in the public sector. The share ranges from a high of 81.6 per cent in Egypt to a low of 21.0 per cent in OPT. This is an understandable desire, given the security associated with government work, but untenable in view of the very limited scope for job creation in the public sector. Young students also expressed unrealistic expectations of employment in the public sector (54.2 per cent of current students). In Egypt, Jordan and Tunisia the desire to work in the public sector is especially strong. Private sector employment is clearly regarded by most young students as a second-best option in all five countries.

Young men, those coming from wealthier households and those with completed higher education have the advantage in terms of completing the labour market transition to stable and/or satisfactory employment.

In the MENA region, a slight majority of youth had already started their process of transition. The five-country average showed that 46.8 per cent of the youth had not yet begun their transition, 31.3 per cent were in transition and the remaining 21.8 per cent had fully transited (15.9 per cent to a stable job and 5.9 per cent to a satisfactory temporary or self-employment job). High unemployment and inactivity rates are largely the cause of the low shares of “transited” youth.

The transition from education to stable or satisfactory employment took a young person, on average, 13 months from the time of graduation to attainment of a first job that is deemed to be either stable or satisfactory. The longest average transition was for youth in Jordan, at nearly 16 months, and the shortest was 11 months in Lebanon. It took young women longer than young men to make the transition from school to work. Socio-economic characteristics, such as household wealth and the educational level of the youth, influence the time that a young person will spend in transition. Lengths of transition are also influenced by the occupations attained. Youth transiting to higher skilled occupations, requiring higher education levels, completed their transitions more quickly than those youth who moved to less highly skilled occupations.

2. Socio-economic context

2.1 Economic growth

The MENA region consists of 20 countries spanning two continents and its total population of 381 million is equivalent to nearly 6 per cent of the world's total. The region's economic performance has suffered shocks in the past decade as a result of the global financial crisis in 2008, and later because of the political instability instigated by the wave of protests known collectively as the Arab Spring. Today, the conflicts in Syria and Yemen and the political transitions in Libya, Egypt and Tunisia continue to affect the region's development. In addition, persistently low oil prices in recent years are straining the economies of Arab nations dependent on oil export to maintain their fiscal balances. These are mainly the Gulf Cooperation Council (GCC) countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates) as well as Algeria, Egypt and Libya.

Table 2.1 shows the poor performance on the part of the MENA region measured in terms of GDP growth. This is especially true after 2008, when the growth rates of sub-Saharan Africa, Latin America and emerging and developing Asia (which registered the highest growth rates in the world) all surpassed the those of the MENA region (in most years). Forecasts for 2016 onwards do, however, show a projected rise in growth rates. Given the large youth population in these countries, and the high rate of youth unemployment in this region, it is important for growth to accelerate and fuel quality job creation.

Table 2.1 GDP growth rates by region, 2000, 2005, 2008–18

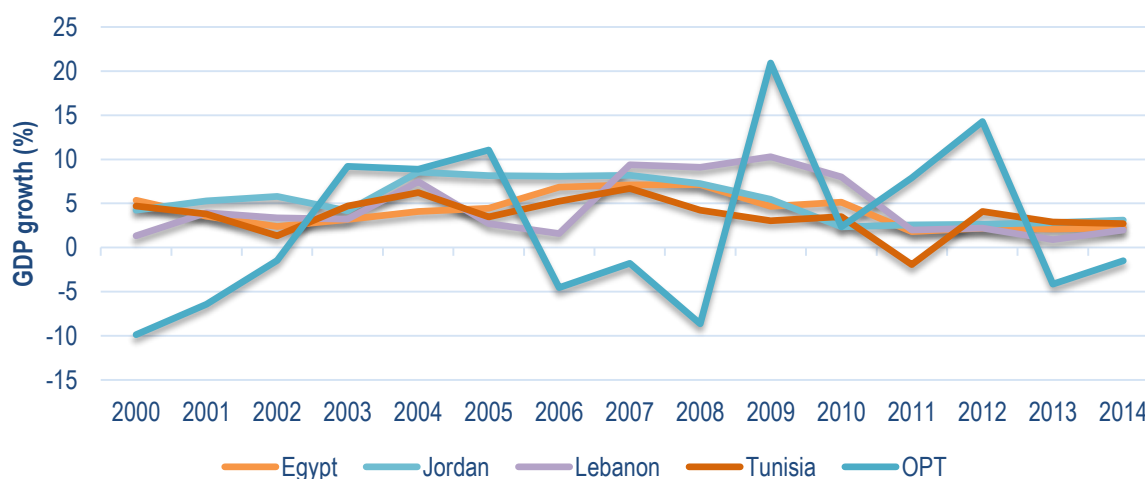
Region name	2000	2005	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
World	4.8	4.9	3.1	0.0	5.4	4.2	3.4	3.3	3.4	3.1	3.6	3.8	3.9
Advanced economies	3.7	2.4	-0.2	-3.8	2.9	1.6	1.4	1.2	1.7	1.9	2.2	2.1	2.1
European Union	3.9	2.2	0.7	-4.3	2.1	1.8	-0.4	0.2	1.5	1.9	1.9	2.0	1.9
Emerging and developing Asia	6.4	9.3	7.3	7.5	9.6	7.9	6.8	7.0	6.8	6.5	6.4	6.3	6.4
Emerging and developing Europe	5.3	5.9	3.1	-3.0	4.8	5.4	1.3	2.9	2.8	3.0	3.0	3.4	3.3
Latin America and the Caribbean	3.8	4.7	3.9	-1.3	6.1	4.9	3.1	2.9	1.3	-0.3	0.8	2.3	2.5
MENA	6.0	5.4	5.2	2.2	5.2	4.6	5.0	2.1	2.6	2.3	3.8	4.1	4.1
Sub-Saharan Africa	4.6	6.8	6.0	4.1	6.6	5.0	4.3	5.2	5.0	3.8	4.3	4.9	5.0

Note: Data for 2016 onwards are projections.

Source: IMF World Economic Outlook database.

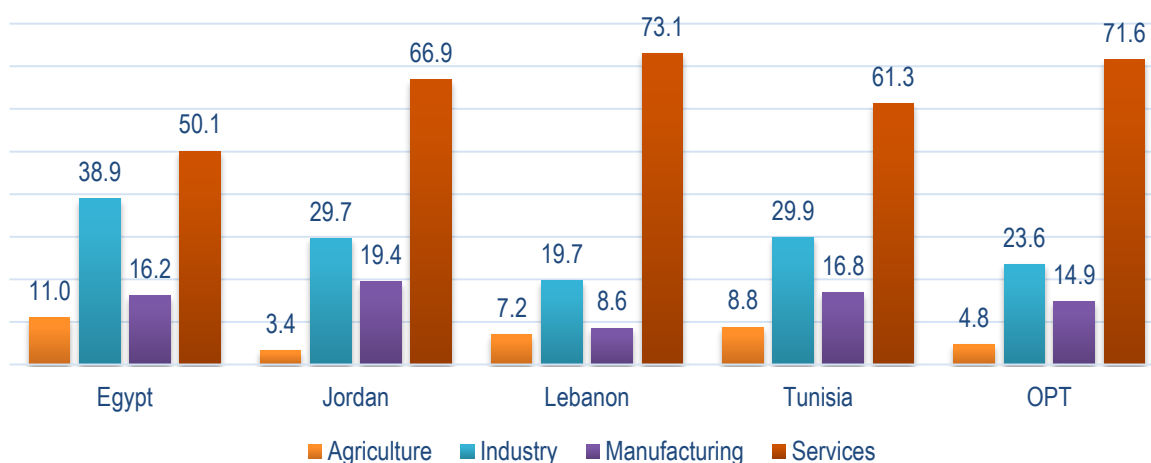
In terms of the nations considered in this report, Jordan had the highest growth in 2014 at 3.1 per cent, followed by Tunisia at 2.7 per cent, Egypt at 2.2 per cent, Lebanon at 2 per cent while OPT had a negative growth of -1.5 per cent. Figure 2.1 further shows that growth rates have been low but stable after 2010 for all countries except OPT. The latter's economic growth has been highly volatile over the past decade, very probably as a result of the difficult situations associated with the occupation and resulting territorial conflicts.

Figure 2.1 GDP growth by country, 2000–14



Source: World Bank, World Development Indicators.

Figure 2.2 Value added by sector in 2013 (% of GDP)



Source: World Bank, World Development Indicators.

As shown in figure 2.2, the services sector is the main contributor to GDP in all five of the countries. Lebanon is particularly dependent on services, for which the value added reached 73.4 per cent of GDP in 2013, reflecting, in part, its dependence on the tourism industry. The Egyptian economy is more diversified: value added in services is lower than for other countries, but industry contributes 39.2 per cent of GDP, the highest result among the five nations considered. Remittances from expatriates, particularly from the Gulf States, constitute an important source of revenue for all countries except Tunisia. In 2014, the value of remittances

reached 16.2 per cent of GDP for Lebanon, 17.1 per cent for OPT, 6.5 per cent for Egypt and 10.4 per cent for Jordan. Tunisia's remittances were lower, at 4.8 per cent (World Bank, 2016a). Egypt and Lebanon's remittance amounts are particularly high and figure among the 20 highest in the world. In terms of the origins of these remittances, in the case of Egypt they originate mainly from Kuwait, Saudi Arabia and the United Arab Emirates. Together, these three countries combined accounted for 64.3 per cent of Egypt's remittance inflow in 2015. Lebanon has a more diverse source of flows, but Saudi Arabia alone was the source of 20 per cent of inflows in 2015.

Table 2.2 shows that the surveyed countries diverge in terms of macroeconomic indicators. First, there is a disparity in average income levels. Lebanon's GDP per capita of \$16,659 in 2014 was nearly four times higher than that of OPT, which stood at \$4,301. Both OPT and Egypt are classified as lower middle-income nations according to the World Bank income classification, while the remaining three countries are classified as upper middle-income. The table also shows that foreign direct investment (FDI) inflows have been steadily decreasing during the period 2010–14 for all selected countries. Additionally, Egypt, Jordan and Tunisia have all experienced a steady decrease in exports.

Table 2.2 Macroeconomic indicators by country, 2010–14

Indicators by country	2010	2011	2012	2013	2014
Egypt					
FDI (% of GDP)	2.9	-0.2	1.0	1.5	1.6
Exports (% of GDP)	21.4	20.6	16.6	17.2	14.4
Imports (% of GDP)	26.6	24.7	24.6	23.6	23.0
Current account balance (% of GDP)	-2.1	-2.3	-2.5	-1.2	-2.0
GDP per capita	10 102.10	10 071.21	10 067.08	10 050.03	10 048.57
Jordan					
FDI (% of GDP)	6.3	5.1	4.8	5.2	4.9
Exports (% of GDP)	48.2	47.7	46.3	42.5	43.3
Imports (% of GDP)	69.0	73.9	74.3	72.0	69.2
Current account balance (% of GDP)	-7.1	-10.3	-15.2	-10.3	-6.8
GDP per capita	11 256.09	11 292.20	11 340.23	11 404.74	11 496.26
Lebanon					
FDI (% of GDP)	11.3	8.7	7.3	6.5	6.5
Exports (% of GDP)	36.3	36.2	46.6	45.7	40.0
Imports (% of GDP)	61.9	64.2	73.6	75.4	70.2
Current account balance (% of GDP)	-19.9	-12.1	-23.2	-26.4	-26.7
GDP per capita	16 277.73	16 409.26	16 573.54	16 526.54	16 659.33
OPT					
FDI (% of GDP)	2.0	2.3	0.6	1.5	1.0
Exports (% of GDP)	15.3	17.2	16.6	16.6	18.0
Imports (% of GDP)	59.1	54.7	55.9	54.5	61.0
Current account balance (% of GDP)	-14.7	-19.8	-16.2	-19.1	-10.9
GDP per capita	4 162.70	4 358.66	4 834.40	4 497.31	4 301.68
Tunisia					
FDI (% of GDP)	3.0	0.9	3.4	2.3	2.1
Exports (% of GDP)	50.5	49.3	49.3	47.1	44.6
Imports (% of GDP)	55.3	56.5	58.5	56.3	55.4
Current account balance (% of GDP)	-4.8	-7.4	-8.3	-8.3	-8.9
GDP per capita	10 543.52	10 218.58	10 534.56	10 730.89	10 909.84

Note: GDP per capita by purchasing power parity (PPP) in constant 2011 international \$.

Source: World Bank, World Development Indicators.

2.2 Demographics

The selected nations' youth populations constitute between 16 per cent and 22 per cent of their total populations. Rapid growth in populations over the past decade means that the youth share has decreased in all five surveyed countries. The 15–24-year-old age group has increased only in OPT between 2005 and 2015, whereas it has declined by 5 percentage points in Egypt and Tunisia, by 2 percentage points in Jordan and by 1 point in Lebanon (table 2.3).

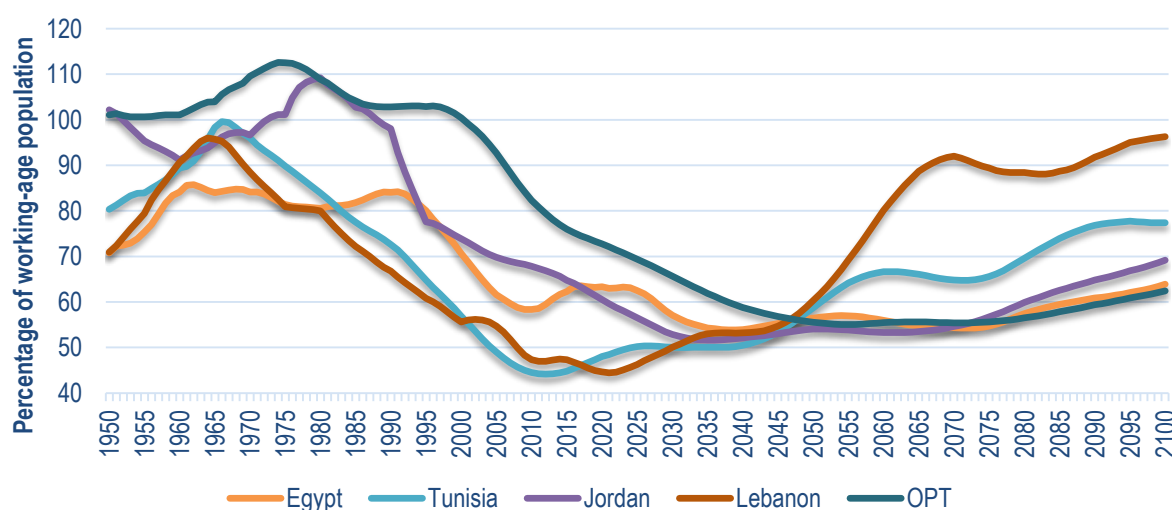
Table 2.3 Total population and youth share in total population by country, 2005, 2010 and 2015

Country	Population ('000s)			Youth share (15–24) in total population (%)		
	2005	2010	2015	2005	2010	2015
Egypt	74 942	82 041	91 508	22	20	17
Jordan	5 333	6 518	7 595	21	19	19
Lebanon	3 987	4 337	5 851	20	20	19
OPT	3 579	4 069	4 668	20	22	22
Tunisia	10 102	10 639	11 254	21	19	16

Source: United Nations, *World Population Prospects*, Revision 15.

The total dependency ratios, defined as the share of the number of dependants, aged 0–14 and over the age of 65 (65+), in the total population aged 15–64 is displayed in figure 2.3 for the sampled countries. It is evident from the figure that some of the countries are at a demographic turning point. Declining dependency ratios since the 1970s have created a demographic dividend for these Arab nations. Characterized by a growing labour force, increased savings and rapid economic growth, this window of opportunity is now closing for Lebanon, Tunisia and Jordan, as their dependency ratios begin to rise. It will therefore be necessary to provide the current youth with adequate employment opportunities to support older populations in the second half of the twenty-first century.

Figure 2.3 Dependency ratio by county, estimates and projections, 1950–2100

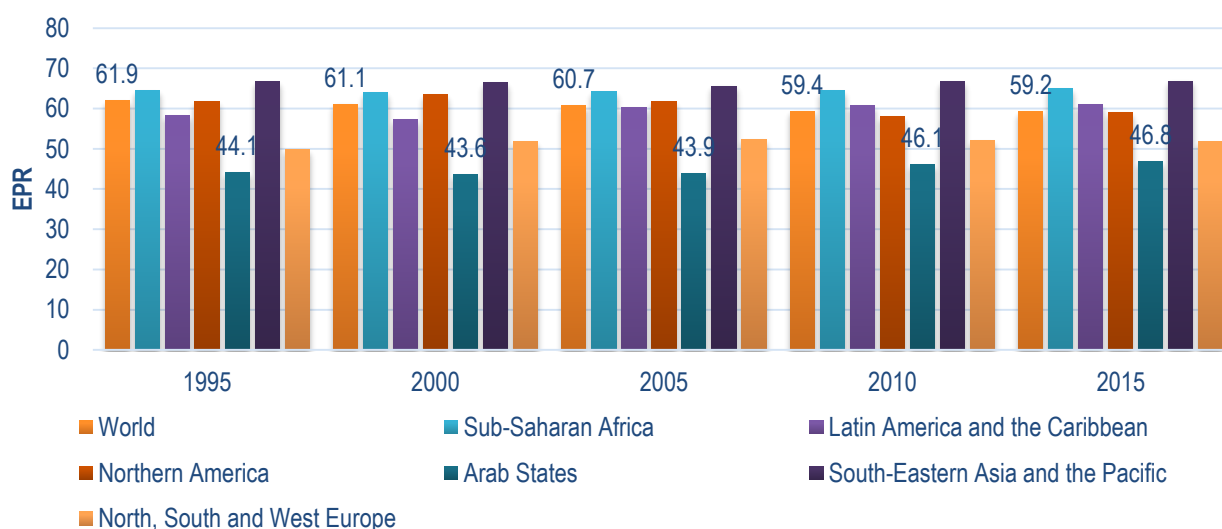


Source: United Nations, *World Population Prospects*, Revision 15.

2.3 Labour market

The Arab region is characterized by some of the lowest employment-to-population ratios in the world (figure 2.4). This has been the case for the past two decades, and trends show that the MENA has been far outstripped by other developing regions in terms of employment ratios. It is striking that the ratio has remained relatively constant between 1995 and 2015, rising from 44.1 to 46.8, a figure that is far below the global average of 59.2. The South-Eastern Asia and Pacific region exhibits the highest employment-to-population ratio, at 66.9 in 2015, followed by sub-Saharan Africa at 65.0. The countries surveyed in this report all display ratios lower than the average of the Arab states. In 2015, Lebanon had the highest ratio at 43.7, followed by Egypt at 43.5, Tunisia at 40.6, Jordan at 34.8 and OPT at 32.5 (not shown).

Figure 2.4 Total (15+) employment-to-population ratio by region, selected years



Source: ILO, *Key Indicators of the Labour Market*, 9th edition, 2015, supporting data sets; www.ilo.org/ilostat/kilm.

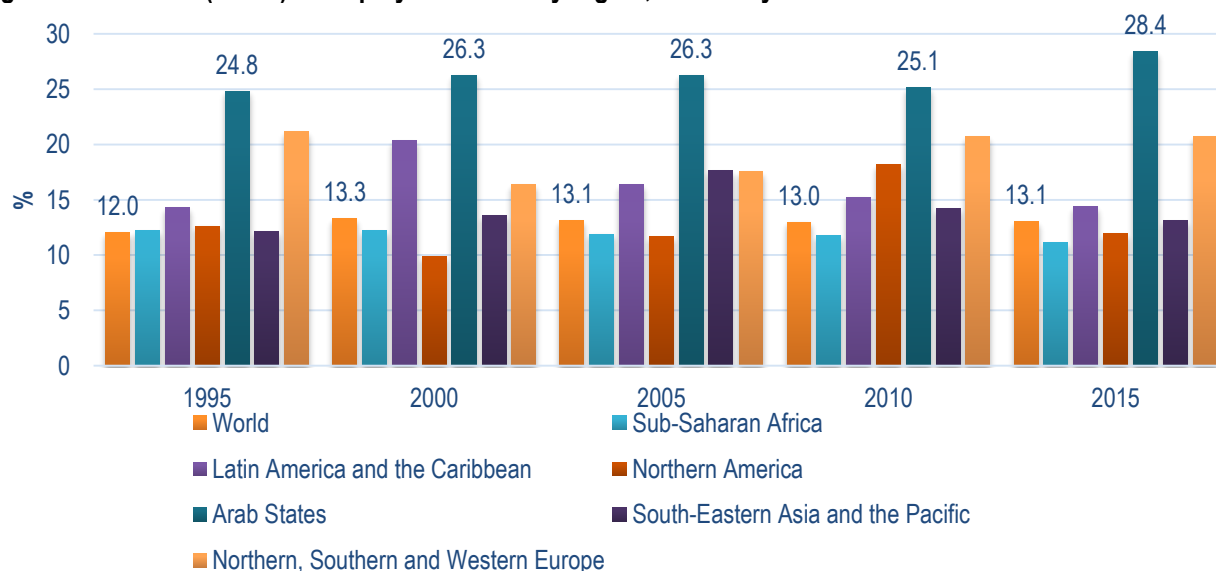
Alongside the low employment-to-population ratios, the surveyed countries display high unemployment rates. However, table 2.4 illustrates the wide disparities present, first, between the countries and, second, between men and women within each country. In 2015, OPT exhibited the highest unemployment rates (for the 15+ age group) at 25.9 per cent while Lebanon registered the lowest, at 7.1 per cent. In all the selected countries, female unemployment rates were considerably higher than males. In Egypt, the female unemployment rate stood at 25.0 per cent, more than three times higher than the male rate of 7.0 per cent. In both Jordan and Lebanon, female rates were more than double the male rates. When it comes to labour market access, women continue to face much tougher constraints, including discrimination (ILO, 2016a).

Table 2.4 Total (15+) unemployment rates by country and sex, selected years (%)

Country	Sex	2005	2008	2009	2010	2011	2012	2013	2014	2015
Egypt	Female	26.6	20.0	22.7	21.4	23.3	25.0	25.3	26.0	25.0
	Male	7.0	5.2	5.3	5.3	8.7	9.1	9.6	9.1	7.0
Jordan	Female	27.0	25.7	25.2	22.9	22.1	21.0	22.2	21.2	22.9
	Male	12.7	10.1	10.3	10.3	10.9	10.3	10.6	10.0	10.7
Lebanon	Female	10.5	10.8	12.2	12.2	12.1	12.0	11.0	11.0	11.1
	Male	7.6	6.1	4.4	4.4	4.4	4.4	4.7	5.3	5.7
OPT	Female	18.4	23.8	22.5	22.0	21.3	23.3	34.7	38.4	30.2
	Male	24.7	26.5	25.0	24.1	20.9	22.9	20.5	24.1	24.8
Tunisia	Female	17.3	16.2	17.4	17.1	24.1	25.9	22.2	20.7	19.7
	Male	13.1	11.0	11.8	11.5	16.2	14.6	13.6	13.3	13.0

Source: ILO, *Key Indicators of the Labour Market*, 9th edition, 2015, supporting data sets; www.ilo.org/ilostat/kilm.

Youth unemployment rates in the Arab world have also consistently surpassed those of other developing and advanced regions. In 2015, an average of 28.4 per cent of the youth aged 15–24 in the Arab states were unemployed, a figure which is more than twice the global average of 13.1 per cent (figure 2.5). The jobs crisis has worsened in the past five years as unemployment rates have risen by 3.3 percentage points since 2010. Youth unemployment rates in the surveyed countries are even higher than the regional average: in OPT, 39.8 per cent of youth were unemployed in 2015, compared to 35.5 per cent in Egypt, 34.5 per cent in Tunisia and 33.4 per cent in Jordan.³ Lebanon is the only country to display a lower than average rate, at 21.6 per cent. In all of these countries, female youth are much more likely to be unemployed than young males. Gender gaps in youth labour market indicators will be highlighted throughout the remaining sections which analyse the SWTs in the MENA region.

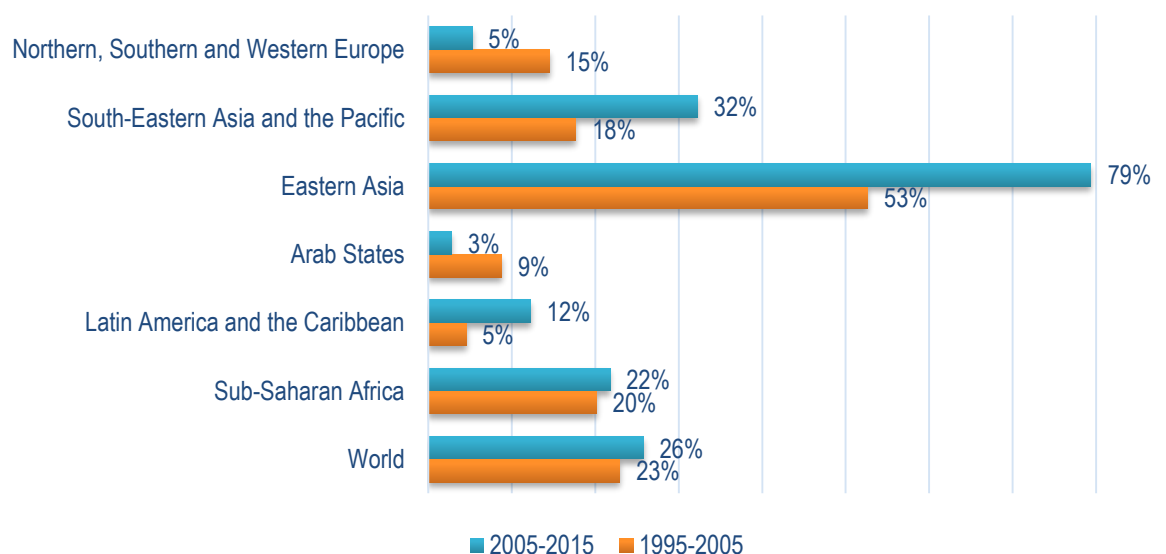
Figure 2.5 Youth (15–24) unemployment rates by region, selected years

Source: ILO, *Key Indicators of the Labour Market*, 9th edition, 2015, supporting data sets; www.ilo.org/ilostat/kilm

³ From the KILM database.

Another characteristic of the Arab region is its labour market's low productivity growth. Figure 2.6 shows that the performance of the region is one of the worst for both the 1995–2005 and 2005–2015 decades. Between 1995 and 2005, labour productivity grew by 9 per cent in comparison to a global average of 23 per cent. In the following decade, the region's growth slowed to 3 per cent, while the global average rose to 26 per cent. Economic growth in the region is thought to have been spurred by demographic change rather than increased productivity. The low levels of the latter are then also reflected in the slow pace of job creation and high rates of unemployment (Schiffbauer et al., 2015).

Figure 2.6 Labour productivity growth by region, 1995–2005 and 2005–15 (output per worker, in 2005 US\$)



Source: ILO, *Key Indicators of the Labour Market*, 9th edition, 2015, supporting data sets; www.ilo.org/ilostat/kilm.

3. Survey objective and methodology

Countries in the MENA region tend to have strong institutions in place for generating labour market statistics, although funding of regular survey programmes and ensuring adequate capacity for labour market analysis remain areas of concern. Although national labour force surveys are conducted regularly in these countries (with the exception of Lebanon), detailed age-disaggregated information is rarely made available. Consequently, it can be difficult to obtain detailed information about the conditions of youth employment and even more challenging to track the labour market transitions that young people undertake. At the same time, the issue of improving the transition for young people has become a policy priority for a growing number of countries. In response to this obvious information gap, the ILO has developed a framework for understanding the labour market transitions of youth, based on the SWTS. The detailed household survey covering 15–29 year-olds (see box 1) is applied at the national level to generate information on the current labour market situation, the history of economic activities and the perceptions and aspirations of youth.

Box 1. Definition of youth

While in many contexts, youth is defined as persons aged between 15 and 24, for the purposes of the SWTS and related reports, the upper age limit is extended to 29. This recognizes the fact that some young people remain in education beyond the age of 24, and offer the opportunity to capture more information on the post-graduation employment experiences of young people.

Box 2. Work4Youth: An ILO project in partnership with The MasterCard Foundation

The Work4Youth (W4Y) project is a partnership between the ILO Youth Employment Programme and The MasterCard Foundation. The project has a budget of US\$14.6 million and will run for five years to mid-2016. Its aim is to “promot[e] decent work opportunities for young men and women through knowledge and action”. The immediate objective of the partnership is to produce more and better labour market information specific to youth in developing countries, focusing in particular on transition paths to the labour market. The assumption is that governments and social partners in the project’s target countries will be better prepared to design effective policy and programme initiatives once armed with detailed information on:

- what young people expect in terms of transition paths and quality of work;
- what employers expect in terms of young applicants;
- what issues prevent the two sides – supply and demand – from matching; and
- what policies and programmes can have a real impact.

Work4Youth target countries:

Asia and the Pacific: Bangladesh,* Cambodia, Nepal, Samoa,* Viet Nam*

Eastern Europe and Central Asia: Armenia, Kyrgyzstan,* the former Yugoslav Republic of Macedonia, Montenegro,** the Republic of Moldova, Russian Federation, Serbia,** Ukraine

Latin America and the Caribbean: Brazil,* Colombia,* Dominican Republic,** El Salvador, Jamaica, Peru*

Middle East and North Africa: Egypt, Jordan, Lebanon,** Occupied Palestinian Territory, Tunisia*

Sub-Saharan Africa: Benin, Liberia, Madagascar, Malawi, the Republic of Congo,** Sierra Leone,** the United Republic of Tanzania,* Togo, Uganda, Zambia

* One round only in 2012–13; ** One round only in 2014–15.

Funding for the surveys came from the Work4Youth (W4Y) partnership between the ILO Youth Employment Programme and The MasterCard Foundation (see box 2). The partnership has supported the SWTS in 34 target countries over the period 2012–16.⁴ National reports summarizing survey results as well as the data itself (in both raw and tabulated form) are available on the W4Y website. For the MENA region, the following six national reports based on the SWTSs are currently available:⁵

- Ghada Barsoum, Mohamed Ramadan and Mona Mostafa, *Labour market transitions of young women and men in Egypt*, W4Y Publication Series No. 16, June 2014 (Geneva, ILO);
- Observatoire National de l’Emploi et des Qualifications, *Transition vers le marché du travail des jeunes femmes et hommes en Tunisie*, W4Y Série de publication no. 15, juin 2014 (Genève, BIT);
- Valentina Barcucci and Nader Mryyan, *Labour market transitions of young women and men in Jordan*, W4Y Publication Series No. 14, June 2014 (Geneva, ILO);
- Tareq Sadeq and Sara Elder, *Labour market transitions of young women and men in the Occupied Palestinian Territory*, W4Y Publication Series No. 20, September 2014 (Geneva, ILO);

⁴ Micro data files and national reports of the 34 countries covered by the ILO Work4Youth (W4Y) project are available at www.ilo.org/w4y. The SWTS tabulated data is available from the ILOSTAT database (youthSTATS tab) at www.ilo.org/ilostat.

⁵ A national report on the survey in Lebanon was not completed, nor were second round reports in Egypt and Jordan.

- Michèle Mansuy and Patrick Werquin, *Labour market entry in Tunisia: The gender gap*, W4Y Publication Series No. 31, December 2015 (Geneva, ILO);
- Tareq Sadeq, *Labour market transitions of young women and men in the Occupied Palestinian Territory: Results of the 2015 school-to-work transition survey*, W4Y Publication Series No. 40, July 2016 (Geneva, ILO).

All Middle East and North Africa surveys were conducted by the respective countries' national statistical offices, with the exception of Lebanon, where data were collected by the Consultation and Research Institute (table 3.1). The SWTS samples are nationally representative, with national population weights applied in all countries except Lebanon, where only structural weights were available. Regional averages presented throughout this report are simple averages of estimates from the five countries. In all tables in the report – unless explicitly stated – statistics from the latest round (either 2014 or 2015) are presented for Egypt, Jordan, Lebanon and OPT. The later rounds are preferred due to (i) small improvements to the questionnaire format following the analysis of data from the first round, and (ii) the fact that the differences between the two survey rounds are not substantial. The largest sample size is 5,758 young people in the 15–29-year-old age group in Egypt and the smallest is that of Lebanon, where the sample consisted of 2,627 youth.

Table 3.1 Source information: SWTS in MENA countries

Country	Implementation partner	Sample size (No. of youth)	Reference period
Egypt	Central Agency for Public Mobilisation and Statistics (CAPMAS)	5 198	Nov.–Dec. 2012
		5 758	Nov.–Dec. 2014
Jordan	Department of Statistics	5 405	Dec. 2012–Jan. 2013
		3 749	Mar.–Apr. 2015
Lebanon	Consultation and Research Institute	2 627	Nov. 2014–Jan. 2015
OPT	Palestinian Central Bureau of Statistics	4 320	Aug.–Sep. 2013
		4 141	June–July 2015
Tunisia	Institut Nationale de la Statistique	3 000	Feb.–Mar. 2013

Note: The geographic coverage is national in all cases except Lebanon, where refugee camps are excluded. OPT covers both West Bank and Gaza.

4. Characteristics of youth in the MENA region

4.1 Characteristics of young people and their households

The results from the SWTSs shown in table 4.1 show a balanced composition by sex in the youth population, with a very small predominance of young men over women (51.3 and 48.5 per cent, respectively). On average, the youngest age band, 15–19 year-olds, dominates the youth population (36.1 per cent compared to 34.8 per cent of those aged 20–24 and 29.1 per cent aged 25–29). This average is similar to that seen in the Asian countries covered by the SWTS and slightly lower than that of the sub-Saharan African countries surveyed (Elder, 2014; Elder and Koné, 2014). The higher share in the youngest age band is consistent with evidence on the relatively young population structure in the region: estimates from 2015 show that nearly 60 per cent of the MENA population is below the age of 29 (UNDP, 2016). While the regional average puts the dominant age group as 15–19 year-olds, in Jordan the largest share of sampled

youth consisted of those aged 20–24 and in Tunisia it was the upper age band (25–29 year-olds) that took the majority share.

On average, approximately one-fifth (19.7 per cent) of the respondents are either engaged or married. Disaggregation by sex (Annex II, table A.1) shows that young females are significantly more likely to be already married than young males (28.6 and 11.1 per cent, respectively). The fact that few married women in the region are in employment partially explains the greater incidence of inactivity among females, highlighted later in the report. The samples are predominantly urban: more than 80 per cent in Jordan and more than 60 per cent in the case of Tunisia. The one deviation from this rule is the case of Egypt, where the urban dominance is slightly less marked (57.7 per cent urban versus 42.3 per cent rural residents). Overall, the findings are consistent with recent statistics that show a 57 per cent urbanization rate in the Arab region, making it one of the most urbanized regions in the world (World Bank, 2016b).

Table 4.1 Youth population by selected characteristics (%)

Characteristic	Egypt	Jordan	Lebanon	OPT	Tunisia	Average
<i>Sex</i>						
Male	51.9	51.6	51.5	51.1	50.6	51.3
Female	48.1	48.4	48.5	48.9	49.4	48.5
<i>Age group</i>						
15–19	40.0	35.6	37.6	37.5	30.0	36.1
20–24	31.7	38.3	34.9	34.4	34.7	34.8
25–29	28.3	26.1	27.6	28.1	35.3	29.1
<i>Marital status</i>						
Married or engaged	25.4	19.9	13.6	27.4	12.5	19.8
<i>Area of residence</i>						
Urban	42.3	81.8	–	–	66.5	63.5
Rural	57.7	18.2	–	–	33.5	36.5
<i>Perceived household income situation</i>						
Well off	1.8	23.8	32.8	16.8	3.5	15.7
Fairly well off	16.4	16.2	31.3	9.4	8.6	16.4
Around the national average	64.2	50.5	27.9	60.1	63.6	53.3
Fairly poor	15.6	7.7	5.5	11.4	16.0	11.2
Poor	2.0	1.8	2.4	2.3	8.3	3.4

Note: The area of residence variable (urban/rural) is not available in Lebanon. In OPT, data are disaggregated according to residency in the West Bank or Gaza Strip rather than urban/rural residence. Household income situations are based on the perception of young respondents.

Source: SWTSS, latest years (see table 3.1 for reference period by country).

Based on a subjective assessment of household wealth (determined by the perception of young respondents), the majority of the respondents across the five countries rate their household as falling within the “average” wealth group. Only 1.8 per cent of the Egyptian respondents and 3.5 per cent of the Tunisian respondents regarded their household as being “well off”, while the corresponding numbers for Jordan, Lebanon and OPT are 23.8 per cent, 32.8 per cent and 16.8 per cent, respectively. At the same time, 15.6 per cent of young Egyptians and 16.0 per cent of young Tunisians characterize their household as “fairly poor”. The corresponding results for Jordan, Lebanon and OPT are 7.7 per cent, 5.5 per cent and 11.4 per cent, respectively. The differences in these self-assessed measures across the two groups of countries are consistent with the GDP per capita measures reported in section 2, showing that

Egypt and OPT have the lowest average incomes, followed by Tunisia, Jordan and Lebanon, respectively. Hence, the measure of self-assessed wealth can be taken as a fairly objective assessment of well-being in the rest of the analysis.

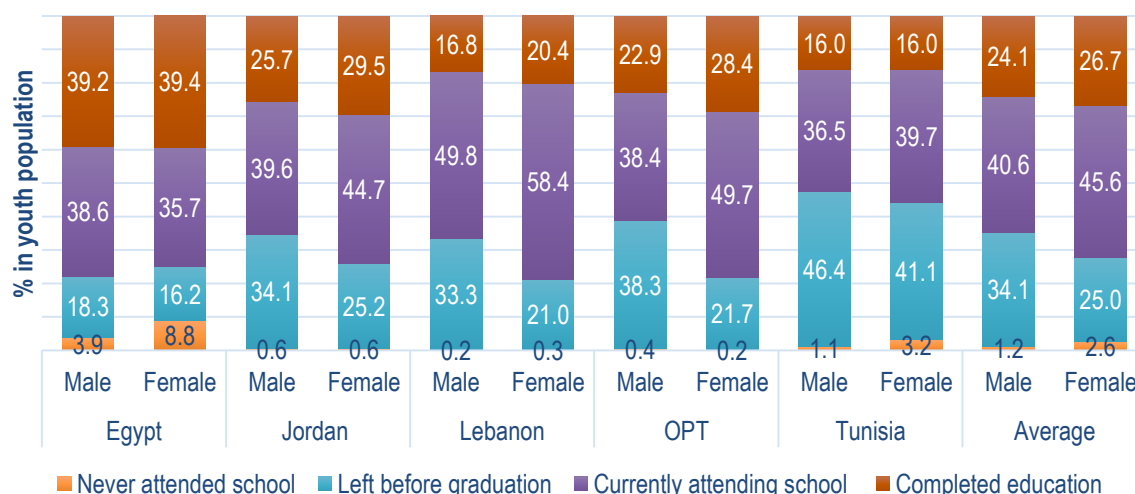
4.2 Educational attainment

4.2.1 Access to education

Figure 4.1 shows the current educational status of young people in the five MENA countries. Universal education is well-established in the five countries, at least in terms of having access to a basic level of schooling. Only 1.2 per cent of young men and 2.6 per cent of young women in the region had never attended school (on average). It is only in Egypt that a non-negligible share of youth – especially young women at 8.8 per cent of the female population – had received no schooling at all. In all countries there is a large share of young people between the ages of 15 and 29 who are still in school (40.6 and 45.6 per cent of young men and women, respectively, according to the five-country average). The country with the largest shares of current students is Lebanon, with 49.8 per cent of young men and 58.4 per cent of young women. With so much of the youth population still in school, it would be reasonable to assume that the labour force participation rate and employment-to-population ratio of youth in the country will be lower than in other countries, but this point will be considered in detail in later sections. In all countries, with the exception of Egypt, young women are more likely than young men to be currently enrolled in school.

While almost all youth in the region have received some schooling, not all youth manage to finish their education. One-quarter (25.0 per cent) of young women and 34.1 per cent of young men left school before completion of the given level. In Tunisia and OPT, shares of early school leavers are especially high, reaching 46.4 and 38.3 per cent of the male youth populations, respectively. In all countries, the share of early school leavers is higher for young men than young women.

Figure 4.1 Current educational status of youth by sex



Source: SWTs, latest years (see table 3.1 for reference period by country).

Asked why they left school before completion, respondents in the five countries cited a variety of economic, social and personal reasons. As a regional average, table 4.2 shows that the most frequently cited reason for leaving school early among young men was a general lack of interest in continuing their education (33.1 per cent), followed by a failed examination (26.0 per cent) and a desire to start working (21.4 per cent) which could be also be related to the response citing economic reasons (13.7 per cent). Young women, on the other hand, were much more likely than young men to have been influenced by the prospect of getting married (26.4 per cent compared to 0.1 per cent of young males). This reason was especially prominent among young females who left school early in OPT (46.3 per cent).

Table 4.2 Early school leavers by reasons for stopping studies, by sex (%)

Reasons	Jordan		Lebanon		OPT		Tunisia		Average	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Failed examinations	32.5	23.4	15.3	16.6	21.5	17.3	34.7	31.1	26.0	22.1
Not interested	39.9	22.5	22.9	28.6	45.5	20.1	23.9	24.0	33.1	23.8
To start working	14.4	1.9	42.2	7.6	15.1	0.8	13.9	7.5	21.4	4.5
To get married	–	27.1	0.2	27.1	0.2	46.3	0.1	5.1	0.1	26.4
Parents did not want me to continue	1.0	7.2	0.7	3.2	0.2	3.4	1.2	4.8	0.8	4.6
Economic reasons	7.8	8.4	15.3	9.8	10.6	7.1	21.1	22.1	13.7	11.9
No school nearby	0.1	2.5	0.4	0.7	0.4	1.5	0.7	2.1	0.4	1.7
Other	4.3	7.1	3.0	6.4	6.5	3.5	4.5	3.3	4.6	5.0

Note: Results are not presented for Egypt, due to data comparability issues.

Source: SWTSS, latest years (see table 3.1 for reference period by country).

4.2.2 Completed education

Countries in the MENA region hold firmly to the belief that access to education for all children and youth represents an investment in future growth and stability. Consequently, results from the previous section have shown near-universal access to schooling for young men and women across the five countries. This section presents further details on the fact that not only are most youth able to attend school, many are able to stay in education for a substantial number of years, thus graduating with at least secondary-level attainment. There are, however, important exceptions that make it clear that more remains to be done to motivate and enable young people to stay in school throughout the secondary level and beyond. In Jordan and OPT, it is still the case that more than half of youth who have finished their education completed at the primary level or lower (53.3 and 51.5 per cent, respectively; table 4.3). Shares of youth with primary or lower education were not far behind in Tunisia (48.4 per cent) and Egypt (40.3 per cent). Also in Lebanon, nearly one in three youth finished their schooling below the secondary level (31.0 per cent).

In terms of higher education, some positive outcomes are apparent from the results: levels of completed university education are comparable to countries in the Eastern Europe and Central Asian region and significantly higher than countries in Asia and sub-Saharan Africa, as highlighted in the respective regional reports. As a regional average, 23.0 per cent of youth finished their education at the university level and a further 5.8 per cent at the post-secondary vocational level. The share with tertiary level education therefore surpasses the share with secondary level (with 12.7 per cent completing secondary vocational and 14.7 per cent completing secondary general) thus showing a preference among those who do manage to remain in school to stay through the highest level, where possible.

Table 4.3 Highest level of completed education of youth (%)

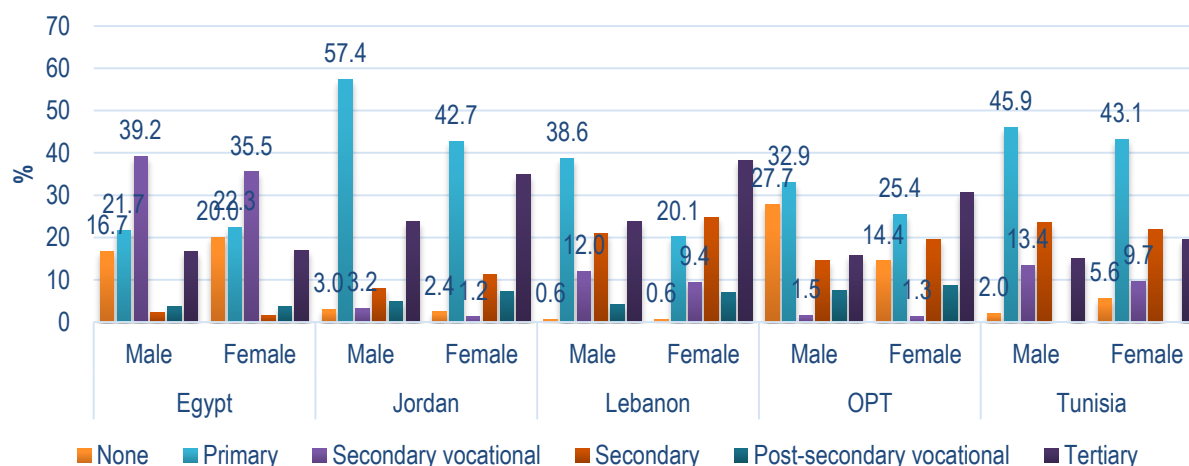
Level of attainment	Egypt	Jordan	Lebanon	OPT	Tunisia	Average
Less than primary	18.3	2.7	0.6	21.9	3.7	9.4
Primary	22.0	50.6	30.4	29.6	44.7	35.5
Secondary vocational	37.4	2.3	10.9	1.4	11.7	12.7
Secondary general	1.9	9.5	22.6	16.8	22.8	14.7
Post-secondary vocational	3.7	6.0	5.4	8.1	–	5.8
Tertiary	16.7	28.9	30.0	22.3	17.2	23.0

Note: Only youth with completed education were considered (i.e. excluding current students). The post-secondary vocational and secondary vocational categories are amalgamated in Tunisia.

Source: SWTs, latest years (see table 3.1 for reference period by country).

The percentage of university graduates is lower in Egypt (16.7 per cent) and Tunisia (17.2 per cent) than in the rest of the countries, which is consistent with the larger proportion of rural residents from these countries in the samples. It is also interesting to note the popularity of secondary vocational training in Egypt; 37.4 per cent of the respondents completed vocational training at the secondary education level, a figure which is more than double the share in other countries. The low shares in technical training overall in the region (the average share emerging from technical and vocational education and training (TVET), secondary or post-secondary level, was 18.5 per cent) is an important observation, especially given the evidence relating to the apparent unmet labour demand in technical fields (Dimova and Stephan, 2016).

In all the MENA countries surveyed, the percentage of young women with university degrees exceeds the percentage of men with university degrees, most notably in Jordan, Lebanon and Tunisia (figure 4.2), while the opposite is true for vocational training. Thus, in the countries studied, sex does not appear to be a major constraint in terms of access to education. In fact, in Jordan, Lebanon and OPT, young men are more likely than young women to finish school at an earlier age – at primary level or below – presumably because an alternative path is open to them, namely early entry into employment. How these differences between the sexes translate into obtaining productive employment will be explored in more detail later in sections 5 and 6.

Figure 4.2 Highest level of completed education of youth by sex

Note: Only youth with completed education were considered (i.e. excluding current students). The post-secondary vocational and secondary vocational categories are amalgamated in Tunisia.

Source: SWTs, latest years (see table 3.1 for reference period by country).

As expected, educational attainment is highly correlated with the household income situation (table 4.4). While 52.3 per cent of young Egyptians who describe their household status as “well off” have university degrees, the corresponding figure from poor households is only 3.7 per cent. The equivalent percentages are 38.4 per cent versus 4.7 per cent for Jordan, 37.0 per cent versus 6.2 per cent for Lebanon, 35.8 per cent versus 3.0 per cent for OPT and 41.5 per cent versus 7.1 per cent for Tunisia. This is consistent with literature on the topic of inequality of opportunity in the region, such as Salehi-Isfahani, Belhaj Hassine and Assaad (2014), which finds that education is largely restricted to those youth who occupy higher socio-economic positions. Later in the report, the correlations between education (and/or socio-economic status) and access to profitable employment are explored.

Table 4.4 Highest level of completed education by perceived household income situation

Country	Income status	Less than primary	Primary	Secondary vocational	Secondary general	Post-secondary vocational	Tertiary
Egypt	Well off	6.8	7.7	30.6	–	2.6	52.3
	Fairly well off	10.6	14.7	31.8	3.0	3.0	36.9
	Around the national average	14.1	21.6	41.4	2.1	4.6	16.3
	Fairly poor	35.9	27.4	30.1	1.0	1.7	4.0
	Poor	34.2	36.1	23.0	0.9	2.1	3.7
Jordan	Well off	3.0	42.7	1.0	7.6	7.2	38.4
	Fairly well off	0.7	42.8	2.9	9.5	8.1	36.1
	Around the national average	2.4	52.5	2.0	10.2	5.7	27.4
	Fairly poor	2.7	69.1	5.8	9.8	2.3	10.4
	Poor	23.1	55.8	3.1	10.3	3.1	4.7
Lebanon	Well off	–	19.0	7.1	31.9	5.1	37.0
	Fairly well off	0.3	25.7	12.3	19.7	7.1	34.9
	Around the national average	1.1	35.9	12.0	19.0	4.8	27.2
	Fairly poor	2.1	55.1	12.2	19.3	1.6	9.7
	Poor	–	56.0	12.4	16.6	8.9	6.2
OPT	Well off	11.9	23.6	1.3	20.3	7.0	35.8
	Fairly well off	13.0	22.8	2.6	17.8	11.1	32.7
	Around the national average	22.2	32.0	1.2	17.0	7.9	19.6
	Fairly poor	36.1	29.7	1.0	10.1	7.1	16.0
	Poor	30.4	30.7	2.9	20.6	12.5	3.0
Tunisia	Well off	2.1	19.4	–	37.1	–	41.5
	Fairly well off	1.9	13.2	12.3	30.1	–	42.5
	Around the national average	2.2	43.0	13.1	24.2	–	17.5
	Fairly poor	4.9	60.3	10.1	16.3	–	8.5
	Poor	12.9	54.4	9.1	16.6	–	7.1

Note: Only youth with completed education were considered (i.e. excluding current students). The post-secondary vocational and secondary vocational categories are amalgamated in Tunisia.

Source: SWTSSs, latest years (see table 3.1 for reference period by country).

4.2.3 Current students

The SWTS includes questions on the future employment expectations of current students, which help to gauge the likelihood of their future labour market integration. Current students in the region showed a tendency to prefer future employment in the government/public sector, with more than half (54.2 per cent) of current students expressing this preference. The desire to work in the public sector is particularly strong in Egypt, Jordan and Tunisia (table 4.5). Unfortunately, this aspiration is very probably misplaced, given the declining availability of public sector jobs in the region (Assaad, 2014). At the same time, 35.1 per cent of Jordanian students, 35.7 per cent of students in OPT and 30.5 per cent of Lebanese students aspire to attain private sector employment in the future. The desire to be self-employed is expressed by relatively few current students across the region. Only in Lebanon did a significant number of students (27.8 per cent) aspire to be self-employed.

Table 4.5 Desired future sector of employment of current students (%)

Sector	Egypt	Jordan	Lebanon	OPT	Tunisia	Average
Myself (self-employment)	13.2	4.0	27.8	12.2	10.2	13.5
Government/public sector	72.0	57.9	39.4	36.1	65.7	54.2
Private sector	9.5	35.1	30.5	35.7	22.7	26.7
International or non-profit organization	0.5	0.9	1.0	11.1	0.8	2.9
Family business/farm	0.6	0.4	0.3	0.2	0.1	0.3
Other reason	0.0	0.0	0.0	4.7	0.0	0.9
Do not wish to work	4.3	1.7	1.0	2.0	0.6	1.9

Source: SWTSs, latest years (see table 3.1 for reference period by country).

The majority of students aspire to work in an occupation that can be considered “high skilled”, for example as professionals. The average share of current students aiming for a professional occupation is 68.7 per cent (table 4.6). This result is not surprising, given the high levels of tertiary education in the region. At the same time, there is evidence of a paucity of high-skilled jobs and, hence, a potential mismatch between young people’s aspirations and demand conditions across the region (Dimova and Stephan, 2016). The proportions of female students who aspire to attain professional occupations are higher than those of male students at 75.7 and 64.5 per cent, respectively. The female inclination towards professional work is probably influenced by the limited number of “acceptable” occupations for women in the region, such as public administration jobs, teaching and work in the health-care sector (Elder and Kring, 2016).

Table 4.6 Desired future occupation of current students by sex (%)

Occupation	Egypt	Jordan	OPT	Tunisia	Average
Both sexes					
Legislators, senior officials and managers	1.4	–	3.4	4.0	1.3
Professionals	60.7	82.0	72.5	59.6	68.7
Technicians and associate professionals	16.7	4.9	5.9	18.9	11.6
Clerks	2.2	1.0	2.2	3.2	2.1
Service workers, shop and market sales workers	3.0	6.7	5.3	6.5	5.4
Skilled agricultural and fishery workers	0.4	0.0	0.0	0.1	0.1
Craft and related trades workers	3.7	2.6	6.1	5.1	4.4
Plant and machine operators and assemblers	1.8	0.5	3.0	0.5	1.4
Elementary occupations	0.2	2.2	0.5	2.1	1.3
Armed forces	1.3	–	0.9	–	0.5
Declined to respond	8.6	–	0.3	–	2.3
Male					
Legislators, senior officials and managers	2.1	–	4.7	6.0	3.2
Professionals	56.4	78.1	63.5	55.9	63.5
Technicians and associate professionals	16.9	5.4	6.9	16.9	11.5
Clerks	1.5	1.0	1.4	2.3	1.6
Service workers, shop and market sales workers	4.5	9.2	6.8	7.6	7.0
Skilled agricultural and fishery workers	0.7	0.1	0.1	0.2	0.3
Craft and related trades workers	6.1	4.1	12.7	7.5	7.6
Plant and machine operators and assemblers	2.5	0.8	1.6	0.6	1.4
Elementary occupations	0.0	1.3	0.8	3.1	1.3
Armed forces	2.4	–	1.6	–	1.0
Declined to respond	6.9	–	0.1	–	1.7
Female					
Legislators, senior officials and managers	0.7	–	2.5	2.1	1.3
Professionals	65.7	85.7	79.7	63.1	73.5
Technicians and associate professionals	16.5	4.4	5.1	20.7	11.7
Clerks	2.9	1.0	2.9	4.1	2.7
Service workers, shop and market sales workers	1.3	4.4	4.0	5.5	3.8
Skilled agricultural and fishery workers	0.0	–	0.0	–	0.0
Craft and related trades workers	1.0	1.2	0.8	2.9	1.5
Plant and machine operators and assemblers	0.9	0.2	4.1	0.4	1.4
Elementary occupations	–	3.0	0.3	1.2	1.1
Armed forces	–	–	0.3	–	0.1
Declined to respond	11.0	–	0.4	–	2.9

Source: SWTs, latest years (see table 3.1 for reference period by country).

5. Current economic activity status of youth

Table 5.1 highlights core indicators of current activity status of youth defined according to the standards of the International Conference of Labour Statisticians (see Annex I). The youth labour force participation rate, taken as an average of the five countries, is 42.6 per cent.

The inverse then is an average youth inactivity rate of 57.4 per cent. Differences between countries are not large, with the youth inactivity rate ranging from 54.3 per cent in Tunisia to 61.1 per cent in Egypt. It should be noted that in all countries surveyed, the share of inactive youth remains high in comparison to countries outside the region.⁶ This is mainly due to a significant share of current students in the region but also to a sizable share of young women who remain inactive even when no longer in school (table 5.2). Regarding the share of youth who are working, the rates are alarmingly low. At most, 39.3 per cent of youth in Lebanon are working, while the regional average is 32.2 per cent. This means that, in the MENA countries surveyed, less than one-third of youth contributes to the productive output of the region.

Table 5.1 Key youth labour market indicators by country and sex

Country/sex	% in youth population			Youth labour force participation rate (%)	Youth unemployment rate* (%)	Youth employment rate* (%)
	Employed	Unemployed	Inactive			
Egypt	31.3	7.8	61.1	39.0	19.9	80.1
Male	50.6	6.5	43.0	57.1	11.4	88.6
Female	10.4	9.2	80.4	19.6	46.9	53.1
Jordan	31.2	10.7	58.2	41.8	25.5	74.5
Male	49.3	11.0	39.7	60.3	18.2	81.8
Female	11.9	10.3	77.8	22.2	46.4	53.6
Lebanon	39.3	6.1	54.6	45.4	13.4	86.7
Male	52.3	6.1	41.6	58.4	10.5	89.5
Female	25.6	6.1	68.4	31.6	19.0	81.0
OPT	28.0	13.3	58.7	41.3	32.3	67.7
Male	48.0	17.4	34.6	65.4	26.7	73.3
Female	7.1	9.1	83.9	16.1	56.2	43.8
Tunisia	31.2	14.5	54.3	45.7	31.8	68.2
Male	43.3	16.7	40.1	59.9	27.8	72.2
Female	18.8	12.3	69.0	31.0	39.6	60.4
Average	32.2	10.5	57.4	42.6	24.6	75.4
Male	48.7	11.5	39.8	60.2	18.9	81.1
Female	14.8	9.4	75.9	24.1	41.6	58.4

Note: * The unemployment and employment rates are shares of the youth labour force.

Source: SWTSs, latest years (see table 3.1 for reference period by country).

On average, the youth unemployment rate of 24.6 per cent is more than double the youth unemployment rate of 12 per cent in sub-Saharan African countries (Elder and Koné, 2014) and 10 per cent in the Asian SWTS countries (Elder, 2014), and is also higher than the average rate of 20.0 per cent found for the Eastern European and Central Asian region (Elder et al.,

⁶ Using the SWTS results, a comparison can be drawn between inactivity rates in the MENA region and the average youth inactivity rates of six Asian-Pacific countries (48.5 per cent; Elder, 2014), eight sub-Saharan African countries (40.3 per cent; Elder and Koné, 2014) and six Eastern European and Central Asian countries (49.1 per cent; Elder et al., 2015). Alternatively, the ILO *Global Employment Trends* data sets (available at: www.ilo.org/global/research/global-reports/global-employment-trends/2014/WCMS_234879/lang--en/index.htm) give regional results for youth aged 15–24.

2015). The youth unemployment rates at the country level are 19.9 per cent in Egypt, 25.5 per cent in Jordan, 13.4 per cent in Lebanon, 32.3 per cent in OPT and 31.8 per cent in Tunisia.

The table highlights significant differences between the situations of young men and young women in the labour market. First, female labour force participation rates in the region are extremely low at 24.1 per cent (five-country average) both in comparison to the male rate of 60.2 per cent and in comparison to female participation rates in other regions. According to the latest ILO regional estimates (ILO, 2016b), the low female participation rates in the MENA region result in the second largest regional gaps between young male and female labour force participation rates in 2016, at 32.3 percentage points (second only to Southern Asia with a gender gap of 32.9 points).⁷

At the same time, the SWTS results in table 5.1 also show that female youth unemployment rates are twice or even three times higher than those of young males in the region. The average female youth unemployment rate is more than double the male rate at 41.6 and 18.9 per cent, respectively. The wide gender gaps in these countries reflect the cultural restrictions that are placed on young women as well as the prevailing gender norms that hinder opportunities for women to combine work and family life (Elder and Kring, 2016). The gender gaps in labour market outcomes in the region are especially noteworthy given the higher female education rates and will therefore be continually emphasized throughout the report.

Although MENA's youth unemployment rates are significantly higher than those of other regions, unemployment rate comparisons may give misleading, or at least incomplete, information about the health of the economy and the related labour market opportunities open to young entrants to the labour market. For instance, despite lower youth unemployment rates, the sub-Saharan African and Asian regions are characterized by higher incidence of precarious and/or informal employment than MENA (ILO, 2015). As a result, unemployment rates per se may be a poor diagnostic of both the welfare of young labour market participants across the regions and the degree of utilization of youth resources.

To gain a clearer understanding of the true nature of youth labour force conditions in the MENA region and to allow meaningful comparisons to be made with other regions, it is therefore important to explore more refined indicators of labour market health. The ILO therefore proposes a more detailed breakdown of economic activities, as follows:

- (i) *Regular employment*, defined as wage and salaried workers (employees), holding a contract (or oral agreement) of greater than 12 months' duration, plus self-employed individuals with employees (employers). This category is considered to be an ideal employment arrangement, although earlier SWTS reports indicate that even this category does not guarantee high-quality employment (Elder et al., 2015).
- (ii) *Irregular employment*, defined as wage and salaried workers (employees) holding a contract of limited duration, i.e. set to terminate within 12 months, self-employed workers without employees (own-account workers) and contributing family workers; in the majority of cases young people in this group fall outside the standard employment relationship framework.
- (iii) *Unemployed (broad definition)*, defined as people currently without work and available to take up work in the week prior to the reference period.
- (iv) *Inactive youth (broad definition)*, which is further split into *inactive students* (currently inactive and in school) and *inactive non-students* (inactive and not in school). Since

⁷ Estimates based on the 15–24-year-old age group.

withdrawal from the labour force in pursuit of education leads to human capital accumulation, the category of inactive student is considered to be a “positive” category. The inactive non-students have chosen to be outside the labour force for reasons other than schooling (to engage in household duties or care for children, for example) and they may or may not have the intention to (re)enter the labour market in the future (although further SWTS data analyses show that a majority of inactive non-students do state an intention to join the labour market in the future in most countries). Those who say they intend to work in the future have some degree of labour market attachment and should thus be considered to fall within the classification of labour (under)utilization.

Table 5.2 Key youth labour market indicators – alternative distribution by country and sex (%)

Country /sex	% in youth population					Youth labour force participation rate (broad definition)	Youth unemployment rate (broad definition)	Youth labour underutilization rate
	In regular employment	In irregular employment	Unemployed (broad definition)	Inactive students	Inactive non-students			
Egypt	n.a.	n.a.	11.1	34.5	23.1	42.3	26.2	n.a.
Male	n.a.	n.a.	7.8	34.2	7.4	58.4	13.4	n.a.
Female	n.a.	n.a.	14.6	34.9	40.1	25.1	58.4	n.a.
Jordan	28.5	2.6	15.5	37.5	15.9	46.7	33.2	34.1
Male	45.8	3.4	13.8	33.1	3.9	63.0	21.8	21.1
Female	10.1	1.8	17.3	42.2	28.7	29.2	59.3	47.7
Lebanon	30.3	8.6	7.8	43.4	9.5	47.1	16.6	25.8
Male	40.8	10.6	7.6	39.1	1.1	59.8	12.7	19.2
Female	19.0	6.4	8.0	48.0	18.3	33.6	23.9	32.8
OPT	21.9	6.0	24.0	31.9	16.2	51.9	46.2	46.2
Male	38.0	10.0	24.0	23.4	4.7	72.0	33.4	38.6
Female	5.1	2.0	23.9	40.8	28.2	31.0	77.2	54.1
Tunisia	19.2	12.0	18.7	36.3	13.9	49.8	37.4	44.5
Male	28.1	15.2	19.2	33.9	3.6	62.5	30.8	38.1
Female	10.1	8.7	18.1	38.8	24.4	36.8	49.1	51.2
Average	25.0	7.3	15.4	36.7	15.7	47.6	31.9	38.4
Male	30.8	8.4	15.0	34.9	10.5	54.6	27.6	33.9
Female	11.1	4.7	16.4	40.9	27.9	31.1	53.6	49.0

Note: The SWTS questionnaire in Egypt does not allow for measurement of the duration of oral agreements, so it is not possible to generate a comparable measurement of regular and irregular employment. Because irregular employment is a subcategory of labour underutilization, this measure is also not calculated for Egypt. The regional averages for the three indicators are therefore four-country averages.

Source: SWTSs, latest years (see table 3.1 for reference period by country).

Overall, employment among youth in the five MENA countries was “regular”, meaning work for pay with a contract (or oral agreement) of at least one year in duration. For male youth in the countries with available information (excluding Egypt), the largest share of the youth population is engaged in regular employment, while young females are mainly inactive and in school (with the exception of Egypt where more young females are inactive non-students than inactive students). In all the countries, young men are more likely than young women to be in regular employment. In all five countries, young women comprise a much higher share of the inactive non-student category than young men (27.9 and 10.5 per cent, respectively). Young

women are also more likely than young men to fall into the inactive student category, although this gender gap is not so wide (40.9 and 34.9 per cent, respectively).

Unemployment measured according to the broad definition⁸ yields slightly higher numbers than when the strict definition is applied in terms of both the share of the youth population and the share of the labour force (i.e. the unemployment rate). The countries' average youth unemployment rate (according to the broad definition) is 31.9 per cent compared to the strict rate of 24.6 per cent (shown in table 5.1).

The youth labour underutilization rate is a measure that aims to capture some elements of the youth population that indicate an underutilization of economic potential because the youth under consideration are either working in a non-standard employment arrangement, unemployed or is neither in the labour force nor in education or training. Combining the shares of youth in irregular employment, in unemployment (broad definition) and the inactive non-students as a percentage of the youth population, the countries' average youth labour underutilization rate totals 38.4 per cent. On average, the female–male gap exceeded 15 percentage points in the youth labour underutilization rates. Largely due to the prominence of regular employment in the region, the regional youth labour underutilization rate comes in below that of the other regions covered by the SWTS (39.4 per cent in Eastern Europe and Central Asia, 54 per cent in Asia and 67.1 per cent in sub-Saharan Africa). Another regional difference relates to the size of the category of inactive non-students; at 40.9 per cent, the share of the female youth population in the MENA region remaining out of school and out of the labour market is significantly greater than that of other regions.

In all countries, the female labour underutilization rates are much higher than those of their male counterparts. This result is driven by larger broad unemployment shares and higher inactive non-student rates among young women compared to men. At the same time, not only is the share in regular employment (an indicator of “good” labour market status) higher among young men than women but so too is the share in irregular employment (which falls within the category of underutilized resources). In general terms, therefore, although female resources are underutilized to a much greater extent than male resources, there appears to be much greater pressure on young men to take up potentially inferior (or irregular) employment than on young women, in order to meet economic needs.

The shares of the youth population classified as neither in employment nor in education or training (NEET) are high in Egypt, Jordan, OPT and Tunisia (33.9, 28.7, 32.8 and 32.2 per cent, respectively) and lower in the more developed MENA country of Lebanon, at 14.2 per cent (table 5.3). The average NEET rate among the five countries is 28.4 per cent.⁹ Each of the five countries shows a wide gender gap in the NEET rates. On average, the female NEET rate was 26 percentage points higher than the male rate, and analysing the categories of the NEETs separately makes the reasons for this discrepancy clear. Young women qualify as NEETs principally because they are inactive non-students. The numbers of young men, in contrast, are

⁸ Young people in economies with widespread informal sectors are frequently without work and available to work but are not actively engaging in a job search, for example by registering at an employment centre or applying for advertised vacancies. Relaxing the active job search criterion in the “broad” unemployment definition can have a significant impact on results in middle-income economies and is therefore the preferred measure in the SWTS analyses. See Annex I for more detailed definitions of statistical concepts.

⁹ For comparative purposes, it is interesting to note that the NEET rate for the European Union (28 countries) was much lower, at 12.4 per cent in 2014 (ILO, 2015). See Elder (2015) for an assessment of NEET rates in all first-round SWTSs.

more evenly spread between the unemployed non-student and inactive non-student categories, but clearly their shares in the latter category fall well below those of young women (5.7 per cent of young men, on average, were inactive non-students compared to 33.2 per cent of young women). Because of the ambiguity in the indicator and the diverse policy responses required by the different subgroups – whether coping with unemployed youth or youth looking after the household (which is the situation of the majority of the inactive non-students) – the NEET indicator should be consistently disaggregated by subgroup and by sex.

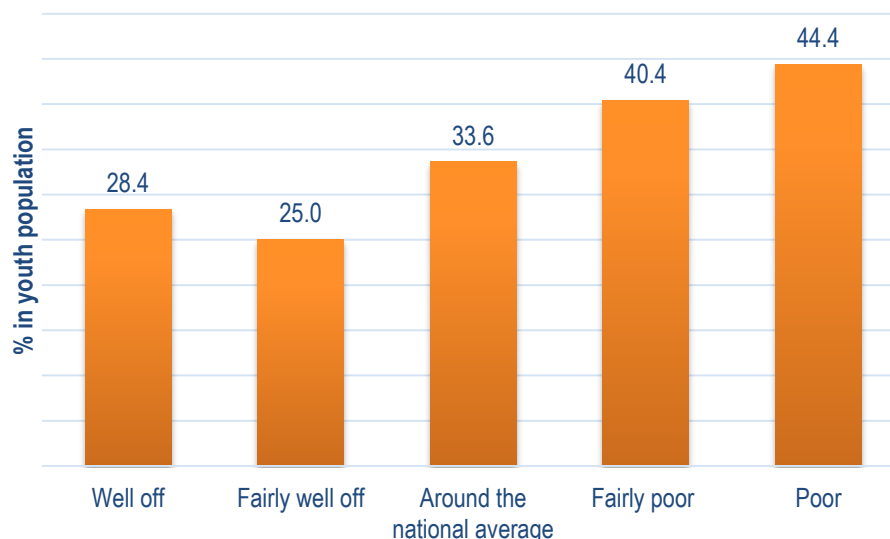
Table 5.3 Youth population neither in employment nor in education or training (NEETs)

Country	Total (%)			Male (%)			Female (%)		
	NEET rate	of which		NEET rate	of which		NEET rate	of which	
		Unemploy ed non-students	Inactive non-students		Unemploy ed non-students	Inactive non-students		Unemploy ed non-students	Inactive non-students
Egypt	33.9	7.7	26.2	14.8	6.4	8.4	54.5	9.1	45.4
Jordan	28.7	9.4	19.3	14.5	9.5	5.1	43.8	9.3	34.5
Lebanon	14.2	4.0	10.2	6.1	4.6	1.5	22.8	3.4	19.3
OPT	32.8	11.1	21.7	21.6	14.4	7.3	44.6	7.7	36.8
Tunisia	32.2	14.3	17.9	22.5	16.4	6.1	42.3	12.2	30.0
Average	28.4	9.3	19.1	15.9	10.3	5.7	41.6	8.3	33.2

Source: SWTSS, latest years (see table 3.1 for reference period by country).

Figure 5.1 indicates that, on average for the region, there is a positive association between lower levels of household income and the propensity of young people to fall within the NEET category. The likely explanation for this circumstance is that youth from wealthier households can more readily afford to remain in unemployment as they search for a job which is a “good fit” for their educational attainment and aspirations or to remain outside the labour force entirely after completing their schooling.

Figure 5.1 NEET rate by household income status, five-country average



Note: Household income levels are based on the perception of young respondents.

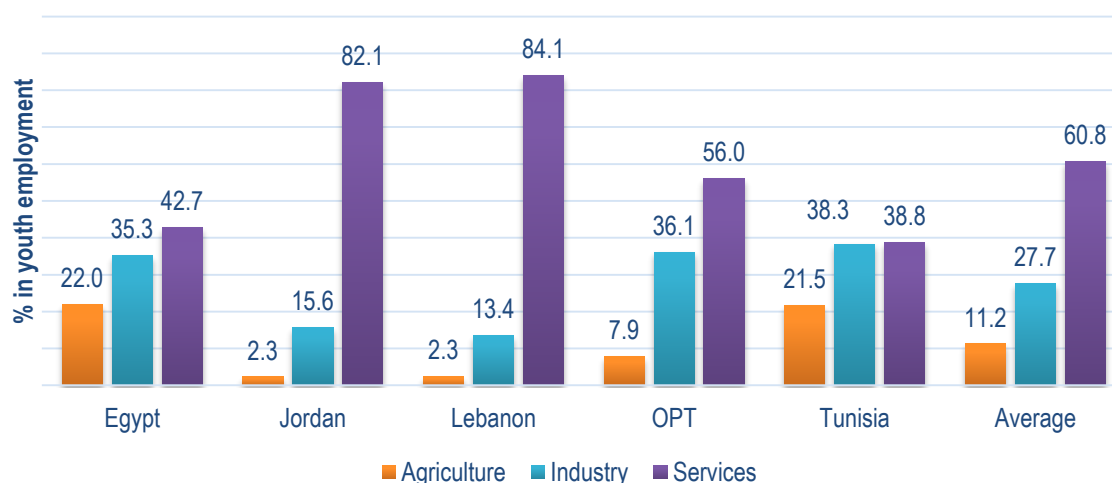
Source: SWTSS, latest years (see table 3.1 for reference period by country).

6. Characteristics of employed youth

6.1 Youth employment by sector and occupation

Breaking down employment by sector (figure 6.1) shows that more than half of the working youth in the region (bearing in mind that working youth refers to only an approximate one-third of youth in the region) work in the services sector. Service sector employment is as high as 82.1 per cent in the case of Jordan. The only exception in the region is Tunisia, where the sector employs only 38.8 per cent of youth and an almost equivalent number (38.3 per cent) work in industry. Only Egypt and Tunisia report more than one in five employed youth working in the agricultural sector (22.0 and 21.5 per cent, respectively).

Figure 6.1 Employed youth by aggregate sector



Source: SWTs, latest years (see table 3.1 for reference period by country).

A more detailed examination of activity branches, highlighted in table 6.1 (based on the International Standard Industrial Classification, 1-digit level), shows that large shares of service sector jobs employing youth are in the wholesale and retail trade sector (15.8 per cent, on average), manufacturing (16.2 per cent), construction (13.9 per cent), agriculture (13.5 per cent) and public administration (8.7 per cent). There is no one service sector that dominates – at most, 24.3 per cent of young Jordanians work in public administration – but summed together, the representation of young workers in services remains strong. That the shares of young workers in manufacturing and construction, two typically male-dominated sectors, is comparatively high in the aggregate statistics (both sexes) shows again the low female share in youth employment in the MENA region.

Table 6.1 Youth employment by detailed 1-digit sector (%)

Sector (ISIC Rev. 3)	Egypt	Jordan	OPT	Tunisia	Average
Agriculture, forestry and fishing	22.0	2.3	7.8	21.8	13.5
Mining	0.1	0.5	0.2	0.8	0.4
Manufacturing	16.0	8.6	17.4	22.9	16.2
Electricity, gas, steam	0.8	0.4	0.0	0.5	0.4
Water supply	1.3	0.6	0.0	0.3	0.5
Construction	17.0	5.6	18.6	14.4	13.9
Wholesale and retail trade	14.0	16.1	20.8	12.1	15.8
Transport	7.6	6.1	2.7	4.6	5.3
Accommodation	4.9	3.6	5.8	3.0	4.3
Information and communication	1.1	2.4	1.9	1.4	1.7
Financial activities	0.2	6.5	1.2	0.4	2.1
Real estate	0.0	0.4	0.3	0.2	0.2
Professional scientific activities	2.2	4.1	2.6	1.1	2.5
Administrative and support activities	1.0	1.4	1.3	1.1	1.2
Public administration	1.6	24.3	4.7	4.3	8.7
Education	4.0	8.5	3.1	3.0	4.6
Health and social work	3.1	5.5	3.7	2.9	3.8
Arts and entertainment	0.6	0.2	1.9	0.7	0.9
Other services	1.9	2.1	5.1	4.1	3.3
Private households	0.7	0.7	0.2	0.5	0.5
Not classifiable	–	0.3	0.8	–	0.3

Source: SWTs, latest years (see table 3.1 for reference period by country).

Table 6.2 highlights the occupational distribution of young workers within the five surveyed countries. On average across the region, the dominant occupations are services and sales workers, (20.5 per cent of young workers) and craft and related trades workers (17.6 per cent). Young professionals and workers in elementary occupations are in close third and fourth places at 15.3 and 14.0 per cent, respectively. It is only in relatively higher income countries such as Jordan and Lebanon that professional occupations dominate over production/manual professions. In general, the occupational pattern highlighted in table 6.2 shows that the region's labour market is dominated by medium- to low-skill job opportunities. This finding is consistent with the economics literature on the region (Assaad, 2014; Dimova and Stephan, 2016). One of the most significant socio-economic trends in the MENA region over the past few decades has been the decline of the public sector, which was traditionally associated with positions in the civil service for university graduates, coupled with a relatively low absorption capacity of the private sector, which has proved unable to create sufficient numbers of high-skilled jobs for the large number of educated young graduates (Assaad, 2014). The result is expected to be an increasing situation of overeducation, in which university-educated youth take up employment in occupations that do not necessarily require that level of qualifications.

Table 6.2 Youth employment by occupation (%)

Occupation (ISCO-08) / sex	Egypt	Jordan	Lebanon	OPT	Tunisia	Average
Legislators, senior officials and managers						
Total	3.2	–	13.0	0.7	2.3	3.8
Male	3.7	–	14.2	0.5	2.8	4.2
Female	1.0	–	10.5	2.0	1.1	2.9
Professionals						
Total	8.3	29.8	24.5	10.1	3.7	15.3
Male	5.0	22.8	15.0	7.6	2.7	10.6
Female	25.4	61.0	45.1	28.3	6.0	33.2
Technicians and associate professionals						
Total	5.4	5.2	8.1	6.7	6.8	6.4
Male	4.1	4.8	8.1	4.7	4.3	5.2
Female	12.2	7.0	8.2	20.7	12.8	12.2
Clerical and support workers						
Total	3.2	4.5	6.0	1.1	3.9	3.7
Male	2.5	4.5	4.2	0.8	3.4	3.1
Female	6.9	4.4	10.0	3.7	5.0	6.0
Services and sales workers						
Total	13.9	29.6	19.3	23.4	16.3	20.5
Male	13.7	33.4	18.4	24.0	16.1	21.1
Female	15.0	12.4	21.3	19.1	16.7	16.9
Skilled agricultural and fishery workers						
Total	20.8	2.0	1.8	3.5	13.1	8.2
Male	20.4	1.6	1.7	3.4	11.5	7.7
Female	23.1	3.9	2.0	4.5	16.9	10.1
Craft and related trades workers						
Total	24.8	14.3	11.2	22.7	14.8	17.6
Male	29.1	16.7	15.6	24.9	18.1	20.9
Female	2.1	3.9	1.5	7.3	7.1	4.4
Plant and machine operators and assemblers						
Total	11.9	8.6	2.3	7.9	12.4	8.6
Male	12.4	9.9	3.3	8.3	9.5	8.7
Female	9.0	2.9	1.5	4.9	19.3	8.0
Elementary occupations						
Total	8.5	6.0	3.4	22.8	26.8	14.0
Male	9.1	6.3	4.3	24.6	31.8	15.2
Female	5.3	4.4	1.5	9.6	15.2	7.2
Armed forces occupations						
Total	0.1	–	10.4	1.1	–	2.3
Male	0.1	–	15.2	1.3	–	3.3
Female	–	–	–	–	–	–

Note: Occupation major groups according to the International Standard Classification of Occupations, 2008.

Source: SWTSS, latest years (see table 3.1 for reference period by country).

To conclude this line of argument, this section explores the possible mismatch between the skills sets available in the labour market (proxied by the level of educational attainment) and the availability of matching occupations. Skills mismatch is measured by applying a normative measure of occupational skills categories from the International Standard Classification of Occupations (ISCO), matched to the usual expected level of education for the occupation. Table 6.3 summarizes the ISCO-based educational classifications. Workers in a particular group with the assigned level of education are considered well-matched. Those with a higher (lower) level of education are considered over-(under-)educated (ILO, 2013).

Table 6.3 ISCO major groups and education levels

ISCO–08 major group	Broad occupational group	Educational level
Senior officials, legislators and managers	High-skilled non-manual	Tertiary (ISCED 5–6)
Professionals		
Technicians and associate professionals ¹⁰		
Clerical support workers	Low-skilled non-manual	Secondary (ISCED 3–4)
Service and sales workers		
Skilled agricultural and fishery workers		
Craft and related trades workers	Skilled manual	
Plant and machine operators and assemblers		
Elementary occupations	Unskilled	Primary (ISCED 1–2)

Source: ILO (2013), table 3.

Mismatch by occupation is shown in figure 6.2 and the results for all occupations are given in table 6.4. One striking finding is that only 11.4 per cent of young workers in the region are overeducated for the job that they do while many more are undereducated (43.2 per cent) or have qualifications that match their employment (45.3 per cent). As a four-country average, shown in figure 6.2, young professionals appear to be fairly well matched, with only 13.0 per cent qualifying as undereducated for their posts and none as overeducated. Relatively high levels of overeducation are observed primarily in the clerical sector (45.0 per cent of clerical workers) and among workers in elementary occupations (where 35.2 per cent of workers are affected). It is probable that tertiary-educated graduates who fail to find jobs in the shrinking government sector, end up in clerical occupations. The data from table 6.2 indicate that this occupation is dominated by female employees.

There is a higher level of undereducation among legislators, senior officials and managers, possibly due to bad practices in recruitment, with appointments based on connections rather than abilities (Schiffbauer et al., 2015), or possibly because many young entrepreneurs without tertiary degrees are labelled as “managers”. Occupations other than professionals, clerks and elementary occupations also show a significant degree of undereducation, indicating that many workers in these occupations are those identified in section 4.2.2 as having primary-level education or lower.

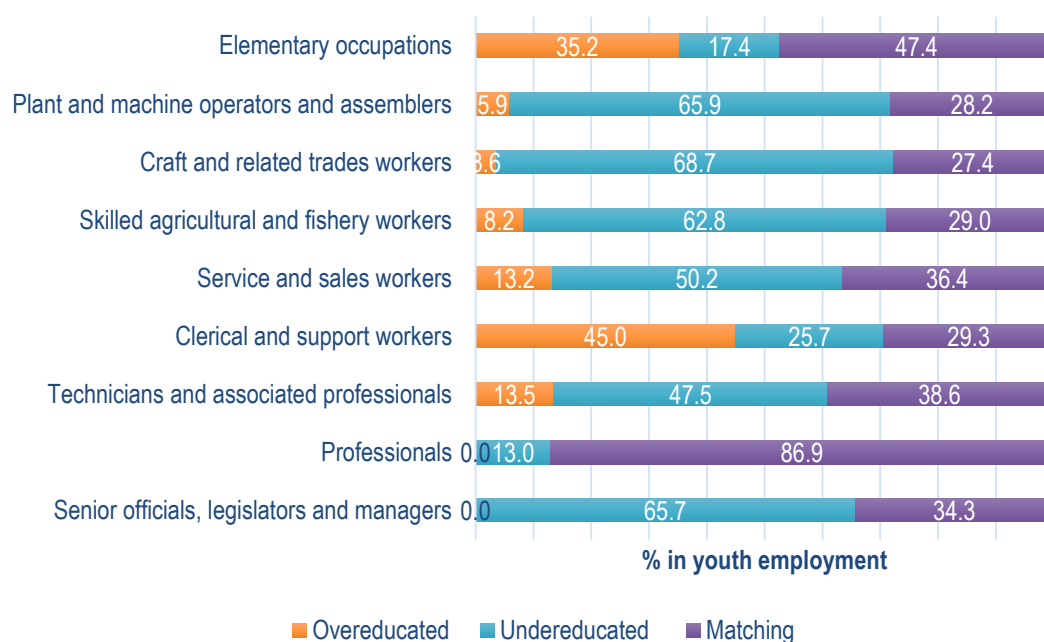
¹⁰ The revised ILO methodology splits this occupation between association with tertiary and secondary education, based on the more detailed 2-digit ISCO.

Table 6.4 Employed youth by overeducation, undereducation or matching qualifications (%)

Country	Sex	Overeducated	Undereducated	Matching	Not available
Egypt	Total	12.0	42.1	46.0	0.0
	Male	12.1	42.2	45.7	0.0
	Female	11.2	41.5	47.3	0.0
Jordan	Total	5.4	48.7	45.9	0.0
	Male	4.7	55.1	40.2	0.0
	Female	8.4	21.6	70.0	0.0
Lebanon	Total	10.0	42.2	47.3	0.5
	Male	8.5	49.9	40.9	0.6
	Female	12.9	26.4	60.3	0.3
OPT	Total	13.6	49.7	36.8	0.0
	Male	13.0	52.9	34.1	0.0
	Female	17.1	30.0	52.9	0.0
Tunisia	Total	16.1	33.3	50.5	0.0
	Male	17.0	30.7	52.3	0.0
	Female	14.0	39.6	46.4	0.0
Average	Total	11.4	43.2	45.3	0.1
	Male	11.1	46.2	42.6	0.1
	Female	12.7	31.8	55.4	0.1

Note: Only youth with completed education are considered (i.e. excluding current students). The data from Tunisia are not strictly comparable since the category of technicians and associate professionals could not be split according to the revised ILO methodology due to the unavailability of the 2-digit level ISCO. Comparing methodologies for other countries showed a very slight decrease in shares of overeducated youth and a slight increase in undereducated youth.

Source: SWTSS, latest years (see table 3.1 for reference period by country).

Figure 6.2 Qualifications mismatch by occupation, four-country average

Note: Tunisia is not included due to non-comparability of results. Only youth with completed education are considered (i.e. excluding current students).

Source: SWTSS, latest years (see table 3.1 for reference period by country).

Cross-checking (i) the occupational structure across the region (table 6.2), (ii) the pattern of undereducation (figure 6.2) and (iii) the educational distribution pattern (table 4.3), there appears to be a high demand for secondary vocational training skills which the education system is currently failing to meet with appropriately trained individuals. Youth are leaving school at the primary level who could perhaps be convinced to follow the secondary vocational track, completion of which would facilitate access to work. Aside from empirical evidence on failures of the education system to provide high-quality vocational training (Krafft, 2013), the low propensity of youth in the region to choose the vocational training route may be attributable to stigma associated with vocational degrees and occupations (Angel-Urdinola et al., 2013).

Gender differences in youth employment by occupation are clearly revealed in table 6.2. Once employed, young women are much more likely than men to hold professional jobs. While as many as 61 per cent of the young employed females in Jordan have professional occupations and 45.1 per cent in Lebanon, only 22.8 per cent and 15 per cent, respectively, of their male counterparts hold professional positions. Similarly, while 25.4 per cent of employed females in Egypt have professional jobs, that is true for only 5 per cent of young Egyptian males. The corresponding percentages for OPT are 28.3 per cent and 7.6 per cent and those for Tunisia are 6 per cent and 2.7 per cent, respectively.

Elder and Kring (2016) analysed employment at the 2-digit sectoral level within the SWTSS to investigate the topic of occupation segregation. The report Note that occupation segregation – a concept denoting the concentration of workers in a narrow range of jobs – remains one of the most persistent forms of gender inequality in the world of work, since the scope of occupations is usually narrower for women than it is for men. The report found that young female workers in the MENA region are heavily concentrated in the teaching profession (20.3 per cent), followed by employment as sales workers (9.6 per cent), market-oriented skilled agricultural workers (9.0 per cent), business and administration professionals (7.4 per cent) and health-care professionals (6.8 per cent).¹¹ The consequence of an excessive concentration of workers in any given occupation is that job queues tend to be long; hence long-term unemployment rates are high – as is the case for young women in the MENA region.

6.2 Employment by status

The preceding sub-section provided a general overview of the different current labour market categories of youth in the MENA region and the broader sectoral and occupational structure of the market. This sub-section delves deeper into more disaggregated categories of young people who work, while section 7 will concentrate on the categories of young people who do not work.

An examination of youth employment by status in employment in table 6.5 reveals a strong majority of working young people in the category of wage and salaried workers (employees): 80.2 per cent on average. The employee to self-employment ratio is highest in Jordan, where as many as 92.7 per cent of the working young people are employees, compared to 6.8 per cent in self-employment (combining employers, own-account workers and contributing family workers). In related analyses of self-employment, the employer status is typically given a positive connotation as a “successful” entrepreneur (Barcucci and Mryyan, 2014). Yet, across the five MENA countries, this is the smallest category of working youth, except in the cases of Jordan and Lebanon where the percentage of young employers exceeds the percentage of contributing family workers. Note that, on average in the region, young

¹¹ Only the top five occupations are shown in the report.

female workers are much less likely to be employers and much more likely to be contributing family members than male workers.

Table 6.5 Youth employment by status in employment (%)

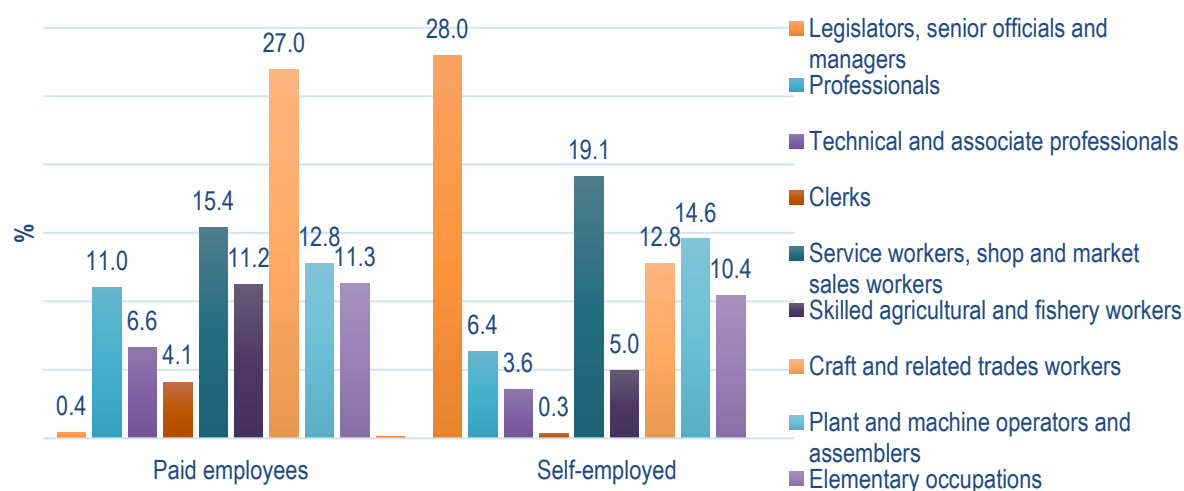
Status	Sex	Egypt	Jordan	Lebanon	OPT	Tunisia	Average
Wage and salaried workers (employees)	Total	77.0	92.7	73.8	81.6	76.0	80.2
	Male	77.7	91.8	72.4	82.4	75.2	79.9
	Female	73.6	96.9	76.6	76.6	77.9	80.3
Employers (employing one or more workers)	Total	3.5	2.5	6.7	1.7	2.7	3.4
	Male	4.0	3.0	8.5	1.5	3.1	4.0
	Female	0.7	0.3	2.7	2.9	1.9	1.7
Own-account workers	Total	5.7	2.8	13.7	6.9	5.1	6.8
	Male	6.0	2.9	13.6	6.2	6.0	6.9
	Female	3.8	2.4	13.9	11.9	2.9	7.0
Contributing family workers	Total	13.3	1.5	5.5	9.8	15.9	9.2
	Male	11.9	1.8	5.0	10.0	15.2	8.8
	Female	21.0	0.4	6.5	8.7	17.3	10.8
Not classifiable	Total	0.5	0.5	0.5	–	0.4	0.4
	Male	0.4	0.6	0.6	–	0.6	0.4
	Female	1.0	0.0	0.3	–	–	0.3

Source: SWTs, latest years (see table 3.1 for reference period by country).

Drawing on the literature on entrepreneurship, the small percentage of employers is not surprising, given the age group of these entrepreneurs and the potentially higher liquidity constraints for youth in comparison to adults who have had an opportunity to accumulate wealth (Evans and Jovanovic, 1989; Evans and Leighton, 1989). Even in the cases of Asia and sub-Saharan Africa, where the share of youth in self-employment significantly exceeds that of the MENA region, the proportion of young employers is very small. While the capacity for entrepreneurs to establish a business is restricted in less developed countries by malfunctioning financial sectors and other market imperfections, moving from own-account self-employment to being an employer is neither automatic nor easy for new entrants even in more developed countries (Evans and Jovanovic, 1989; Evans and Leighton, 1989).

Rather than considering the size of the different employment categories, it is more instructive to assess the differences between the occupations of young workers according to status in employment. The corresponding statistics in figure 6.3 for the five-country average show that youth in both paid employment and self-employment work primarily in the following four occupations: (i) services and sales workers (15.4 and 19.1 per cent, respectively), (ii) craft and related trades workers (27.0 and 12.8 per cent, respectively), (iii) plant and machine operators and assemblers (12.8 and 14.6 per cent, respectively) and (iv) elementary occupations (11.3 and 10.4 per cent, respectively). Where the two categories of workers differ are in the larger shares of paid workers who are professionals (11.0 per cent compared to 6.4 per cent of self-employed workers) and who are engaged as agricultural workers (11.2 per cent of paid workers in comparison to 5.0 per cent of the self-employed). The greater availability of higher skilled jobs in the salaried category is also confirmed by the larger share of young people with university degrees in paid employment compared to self-employment (figure 6.4).

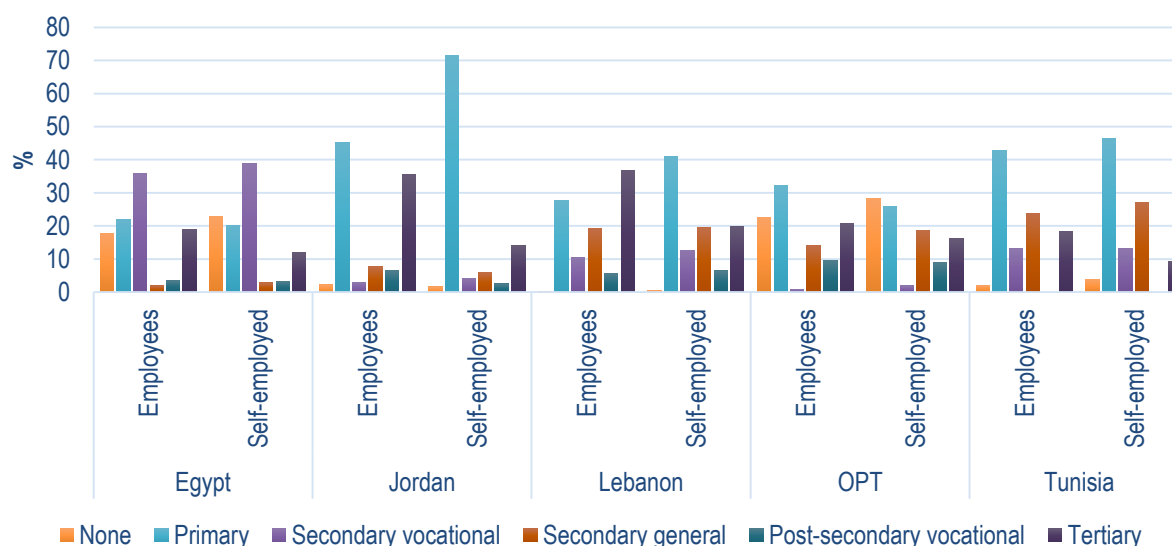
Figure 6.3 Young wage and salaried workers and self-employed workers by occupation, five-country average



Note: Country level results are given in Annex II, table A.2. The “self-employed workers” category includes those working as employers, own-account workers and contributing family workers.

Source: SWTs, latest years (see table 3.1 for reference period by country).

Figure 6.4 Young wage and salaried workers and self-employed workers by level of educational attainment



Note: The “self-employed workers” category includes those working as employers, own-account workers and contributing family workers. Only youth with completed education are considered (i.e. excluding current students).

Source: SWTs, latest years (see table 3.1 for reference period by country).

6.2.1 Characteristics of young wage and salaried workers (employees)

While the preceding section showed that the percentage of university graduates and youth working in high-skilled jobs is higher for young employees compared to young self-employed workers, the occupational structure of paid employment remains mixed. Mid- to low-skilled occupations still account for the largest share of youth employment in the five countries within

the MENA region. While wage and salaried employment is often assumed to be associated with job security and benefits, the results from the SWTS show that this is not always the case. Even youth in paid employment are potentially vulnerable to precarious work. This is especially evident in the low share of written contracts among young workers in the five countries surveyed. On average, 43.6 per cent of young employees had a written contract while 56.4 per cent worked on the basis of an oral agreement (table 6.6). Shares of young employees with written contracts are higher in the relatively higher income countries – Jordan and Lebanon (64.3 and 63.5 per cent, respectively) – than in Egypt (21.2 per cent), OPT (24.5 per cent) and Tunisia (44.8 per cent).

Table 6.6 Young wage and salaried workers by type and duration of contract (%)

Country/sex	Type of contract		Duration of contract		Duration of limited contract		
	Written	Oral	Unlimited	Limited	Less than 1 year	1 to 3 years	More than 3 years
Egypt*							
Total	21.2	78.8	84.8	15.2	34.9	53.1	12.0
Male	17.7	82.3	85.3	14.7	33.7	52.4	14.0
Female	40.6	59.4	82.6	17.4	39.3	55.6	5.2
Jordan							
Total	64.3	35.7	91.8	8.2	48.0	46.5	5.5
Male	61.3	38.8	94.6	5.4	35.6	60.0	4.5
Female	77.0	23.0	80.0	20.0	62.0	31.3	6.7
Lebanon							
Total	63.5	36.5	88.7	11.4	33.7	53.0	13.3
Male	63.5	36.5	91.3	8.7	29.7	45.3	25.0
Female	63.5	36.6	83.2	16.8	37.6	60.4	1.9
OPT							
Total	24.5	75.5	91.3	8.7	69.5	25.9	4.6
Male	20.8	79.2	92.1	7.9	71.2	23.1	5.7
Female	52.6	47.4	85.3	14.8	63.1	36.9	–
Tunisia							
Total	44.8	55.2	69.0	31.0	72.8	22.7	4.5
Male	36.4	63.6	75.0	25.0	70.8	23.4	5.8
Female	64.1	35.9	55.4	44.6	75.3	21.8	3.0
Average							
Total	43.6	56.4	85.1	14.9	51.8	40.2	8.0
Male	39.9	60.1	87.7	12.3	48.2	40.8	11.0
Female	59.6	40.4	77.3	22.7	55.5	41.2	3.3

Note: *The Egyptian questionnaire included a third category of "no contract". This category is added to the oral agreement column under "Type of contract". Those with no contract are not included in the "Duration of contract" columns.

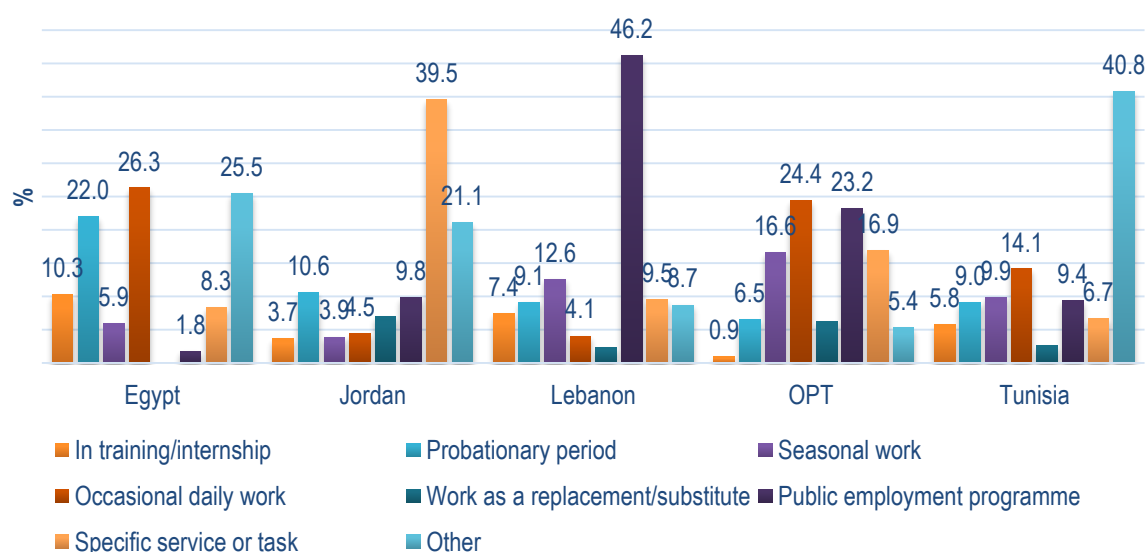
Source: SWTSs, latest years (see table 3.1 for reference period by country).

The majority of contracts (or oral agreements) are of unlimited duration (85.1 per cent) compared to those with a specified time limit (14.9 per cent). While young female employees are more likely than males to have written contracts (59.6 and 39.9 per cent, respectively), they are less likely to have contracts of unlimited duration (77.3 per cent of young female employees with contracts/agreements compared to 87.7 per cent of male employees). Furthermore, among those who do have a limited duration contract/agreement, the majority are of less than one

year's duration (51.8 per cent), followed by 40.2 per cent with duration of between one and three years.

The reasons for limited duration contracts/agreements differ from country to country (figure 6.5). One noticeable pattern is that in relatively poorer countries, such as Egypt, OPT and Tunisia, the incidence of occasional daily work among those working on short limited contracts is more prevalent than in relatively higher income countries. It should also be noted that these are the countries with comparatively higher shares of youth working in the agricultural sector, so it could reasonably be assumed that these are young casual workers in the rural sector. In Lebanon and OPT, as many as 46.2 and 23.2 per cent, respectively, of young employees on limited duration contracts said that they are engaged on a public employment programme. While the longer terms gains of public employment programmes remain a matter for debate, a recent ILO discussion finds that such programmes work best when (i) implemented with a clearly defined objective, (ii) target groups are clear and engaged with a needs assessment at the inception phase, and (iii) the private sector is involved.¹² Designed well and implemented correctly, public employment programmes in the region can contribute to employment promotion, income security and support and improvements in quality of life and market functioning through asset creation and the provision of services.

Figure 6.5 Young employees on limited duration contracts by reason



Source: SWTs, latest years (see table 3.1 for reference period by country).

An analysis of the access to entitlements associated with employment also reflects the precarious nature of some youth's work in the region, especially in a context where the security and entitlements of public employment appear to be valued highly. Table 6.7 shows that relatively richer Jordan and Lebanon are characterized by larger shares of young employees with access to job-related non-salary benefits. Much higher proportions of young employees in these two countries can potentially benefit from severance and end-of-service payments, medical insurance coverage and rewards for good performance, while more than half of their employers provide paid annual and sick leave and overtime pay. In contrast, in Egypt, OPT and

¹² "Conclusions of the ILO 'What Works in Youth Employment' Knowledge Sharing Event on Boosting Youth Employment through Public Works", Addis Ababa, Ethiopia, 29–30 June 2015; http://www.ilo.org/addisababa/events-and-meetings/WCMS_381974/lang-en/index.htm [18 Oct. 2016].

Tunisia, generally no more than one-quarter of the employees benefit from even certain core entitlements.

Table 6.7 Young wage and salaried workers by access to employment entitlements/benefits (multiple responses, %)

Entitlement	Egypt	Jordan	Lebanon	OPT	Tunisia	Average
Transport or transport allowance	15.7	30.2	63.1	28.6	12.5	30.0
Meals or meal allowance	18.9	33.0	37.4	29.3	13.3	26.4
Annual paid leave	20.0	58.0	56.9	23.9	22.0	36.2
Paid sick leave	17.5	61.1	62.4	29.2	18.8	37.8
Pension/old-age insurance	15.1	23.5	33.8	11.4	22.6	21.3
Severance/end-of-service payment	13.3	33.5	49.9	16.6	9.4	24.5
Overtime pay	20.0	17.4	56.5	40.1	23.3	31.5
Medical insurance coverage	16.3	58.8	50.2	22.3	25.4	34.6
Bonus/reward for good performance	11.7	27.1	48.3	19.4	12.3	23.8
Educational and training courses	7.3	30.0	41.2	15.6	12.7	33.2
Occupational safety/protective equipment and clothing	8.4	32.3	42.9	20.7	20.7	21.4
Childcare facilities	4.7	5.7	11.6	3.1	4.4	25.0
Maternity/paternity leave	N/A	24.8	43.4	4.6	12.1	5.9

Source: SWTs, latest years (see table 3.1 for reference period by country).

6.2.2 Characteristics of self-employed youth

In the context of declining public sectors and limited job creation in the formal private sectors of the five countries surveyed to create an adequate number of job opportunities, it is important to explore the potential for young labour market entrants to become successful entrepreneurs. The shares of self-employment in total youth employment differ across the five countries of the region: Egypt (22.5 per cent), Jordan (6.8 per cent), Lebanon (25.9 per cent), OPT (18.4 per cent) and Tunisia (23.7 per cent). The compositions within self-employment also vary between countries, with higher shares of contributing family workers in Egypt, OPT and Tunisia and higher shares of own-account workers in Jordan and Lebanon.

Table 6.8 shows the reasons why self-employed youth (employers and own-account workers only) have taken up the employment status. With the exception of Egypt, where failing to find paid employment dominates as the principal reason, the largest shares of self-employed youth said they took up self-employment because of the greater independence that it offers. In OPT especially, young own-account workers and employers were also drawn by the potential to earn a higher income. For youth in Jordan, Lebanon and OPT, the second most frequently selected reason was the inability to find paid employment. Thus, self-employment among youth would seem to be taken up both voluntarily, as a preferred option, and involuntarily as a second-best option for many who end up there due to the lack of a “better” option. The non-negligible share of self-employed youth who stated that they were required to take that direction by their family is also interesting as a reflection of how strong the influence of the family still is in the region in terms of the pathways made available to young men and women.

Table 6.8 Self-employed young workers by reasons for being self-employed (%)

Reason	Egypt	Jordan	Lebanon	OPT
Could not find wage or salaried employment	63.7	23.4	22.8	54.0
Greater independence	–	66.6	39.4	72.2
More flexible hours	–	10.0	11.5	53.8
Higher income	2.1	8.5	16.9	58.2
Required by family	32.8	8.6	6.5	21.0
Other	1.4	6.2	2.9	2.4

Note: The question was not asked in Tunisia. Multiple options were allowed in Jordan, Lebanon and OPT.

Source: SWTSs, latest years (see table 3.1 for reference period by country).

As in most of the SWTS countries, a majority of self-employed youth in the countries surveyed in the MENA region started their business using funds from friends and family or from their own savings (table 6.9). This is consistent with literature emphasizing the severity of financial exclusion in the region (Coury and Rashid, 2015). Between 1.9 per cent of self-employed youth in Tunisia and 30.3 per cent in Lebanon stated that they did not need money to set themselves up in business, which indicates the small-scale and precarious nature of such enterprises. Very few received financial assistance from formal institutions, such as banks or microfinance institutions. At most, 18.8 per cent of self-employed workers in Lebanon had received funds from a bank, but shares were much smaller in the other countries.¹³

Table 6.9 Self-employed youth by main sources of finance to start the business (%)

Financial source	Egypt	Lebanon	OPT	Tunisia
No money needed	22.8	30.3	9.9	1.9
Own savings	29.3	20.4	35.2	19.3
Money from friends and family	40.4	22.6	45.5	59.5
Loan from bank	1.1	18.8	2.8	3.4
Other type of loan	2.9	6.1	4.5	13.1
Remittances	–	0.8	0.6	2.9
Other	3.6	1.1	1.5	–

Note: The question was not asked in the Jordan SWTS.

Source: SWTSs, latest years (see table 3.1 for reference period by country).

The extent of the financial exclusion of youth is further reflected in table 6.10, which highlights the main challenges to doing business identified by young self-employed in the five countries. On average, nearly one in four (23.9 per cent) self-employed youth said that insufficient financial resources constituted their main business challenge. In all countries except Tunisia (where the option was not included), an even greater share of self-employed youth cited competition in the market as their main challenge. Political uncertainties are also prominent concerns in OPT and Lebanon. It is interesting that few self-employed young people cited institutional factors, such as legal regulation, given that MENA countries typically fare poorly in terms of indicators of business environment and legal institutions (World Bank, 2016c), but

¹³ The topic of financial inclusion for youth and an in-depth analysis of the SWTS indicators to address the topic are examined in Sykes et al. (2016).

it should be borne in mind that the questionnaire asked respondents to identify the main challenge only.

Table 6.10 Self-employed youth by main challenge to doing business (%)

Challenge	Egypt	Lebanon	Jordan	OPT	Tunisia	Average
Insufficient resources	16.4	15.7	22.3	32.5	24.4	23.9
Insufficient quality of staff	–	3.3	5.5	2.1	3.3	3.6
Insufficient business expertise	2.4	1.9	1.9	0.7	7.1	2.8
Legal regulation	6.1	0.9	6.7	0.5	–	3.6
Shortages in raw materials or labour	1.1	0.4	5.2	2.9	7.3	3.4
Political uncertainties	1.6	19.4	0.9	23.3	2.4	9.5
Access to technology/product development	1.8	3.9	3.8	0.1	46.5	11.2
Competition in the market	17.4	28.0	39.2	26.7	–	27.8
Other	53.2*	26.4	14.4	11.4	9.0	15.3

Note: *In Egypt only, a category of “no problem faced” was offered, which was selected by 37.6 per cent of respondents. This option is included here in “other”.

Source: SWTs, latest years (see table 3.1 for reference period by country).

6.3 Other indicators of job quality

Informal employment¹⁴ remains significant in all the countries of the region. While only 47.9 per cent of young workers in Jordan fell within the category of informal employment (consistent with the higher share of young workers benefiting from entitlements; table 6.7), the five-country average was 76.2 per cent and the informal employment rate exceeded 90 per cent in Egypt and OPT (table 6.11). Informal employment is made up of two categories: workers in the informal (unregistered) sector and paid employees holding informal jobs in the formal sector. Although the latter do earn a salary, they do not receive the other benefits, such as social security contributions or paid annual or sick leave, which would normally be associated with a job in the formal sector. Given the relatively high shares of employees among youth in the region, it is not surprising to find that, on average, almost half (44.3 per cent) of employed youth are in informal jobs but within the formal sector (more than half in OPT). On the other hand, a significant share of working youth still remain in the informal sector (31.8 per cent, on average, and as high as 42.8 per cent of young workers in Egypt).

¹⁴ Informal employment is measured according to the guidelines recommended by the 17th International Conference of Labour Statisticians. The calculation applied here includes the following sub-categories of workers: (a) paid employees in “informal jobs”, i.e. jobs without social security entitlement, paid annual leave or paid sick leave; (b) paid employees in an unregistered enterprise with size classification below five employees; (c) own-account workers in an unregistered enterprise with size classification below five employees; (d) employers in an unregistered enterprise with size classification below five employees; and (e) contributing family workers. Sub-categories (b) to (d) are used in the calculation of “employment in the informal sector”, sub-category (a) applies to “informal job in the formal sector” and sub-category (e) can fall within either grouping, dependent on the registration status of the enterprise that engages the contributing family worker.

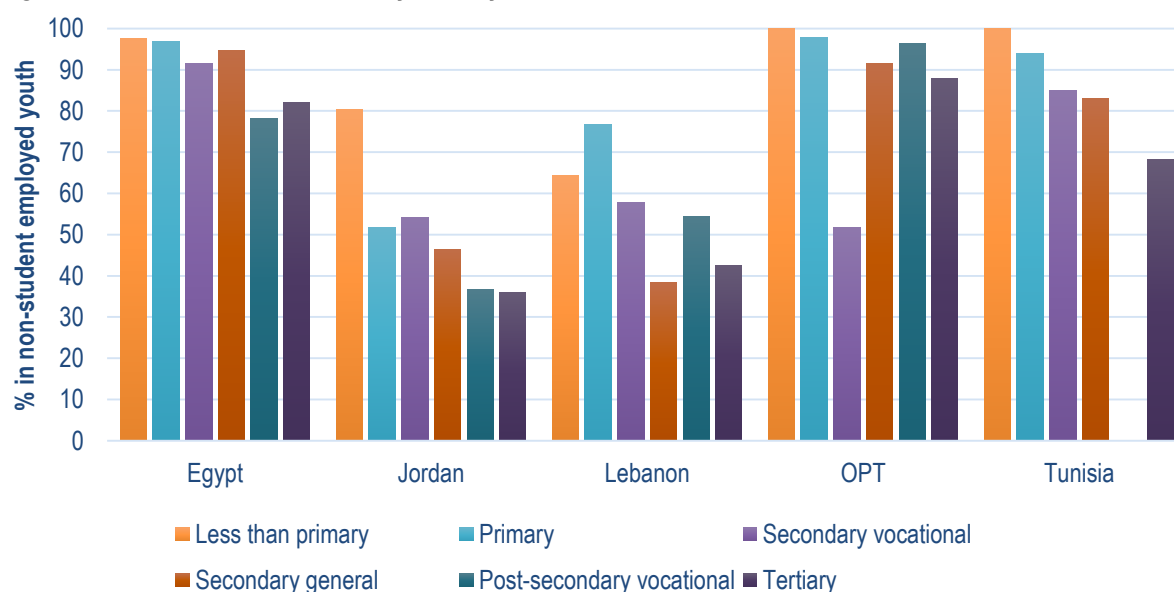
Table 6.11 Shares of informal sector employment and informal jobs in the formal sector (%)

	Egypt	Jordan	Lebanon	OPT	Tunisia	Average
Youth informal employment rate						
Total	92.2	47.9	59.6	94.9	86.1	76.2
Male	93.2	45.9	57.5	95.2	84.7	75.3
Female	87.3	56.6	64.0	93.1	89.7	78.1
Share in informal sector employment						
Total	42.8	11.5	28.0	37.6	39.2	31.8
Male	44.5	12.2	29.1	39.1	44.3	33.8
Female	33.7	8.3	25.6	26.6	27.3	24.3
Share in informal job in formal sector in total employment						
Total	49.4	36.4	31.6	57.4	46.9	44.3
Male	48.6	33.7	28.5	56.1	40.4	41.5
Female	53.6	48.3	38.5	66.5	62.4	53.9

Source: SWTSS, latest years (see table 3.1 for reference period by country).

It is interesting to note that while the likelihood that a young person is informally employed decreases with higher levels of educational attainment, still more than two out of three university graduates remain in informal employment in Egypt, OPT and Tunisia (figure 6.6). When so many work informally, the situation starts to look like the norm. Unfortunately, without a more thorough empirical analysis, it is difficult to say whether the informal sector is a form of hidden unemployment or rather one of dynamic entrepreneurship (Maloney, 2004).

Figure 6.6 Youth informal employment by education level

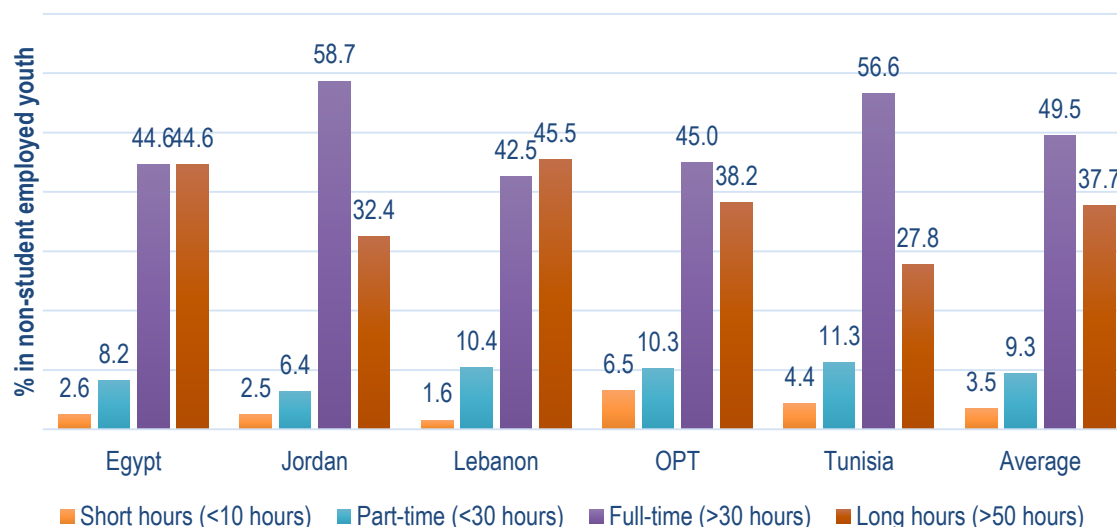


Note: Only youth with completed education were considered (i.e. excluding current students). The post-secondary vocational and secondary vocational categories are amalgamated in Tunisia.

Source: SWTSS, latest years (see table 3.1 for reference period by country).

Job quality can also be evaluated by analysing the amount of time involved in employment. Figure 6.7 indicates that the vast majority of non-student youth worked more than 30 hours per week (full time).¹⁵ The largest share of part-time work (less than 30 hours per week) was in Tunisia (11.3 per cent of young workers). Excessive hours – working more than 50 hours per week – was a phenomenon that impacted, on average, 37.7 per cent of employed youth, with the highest share of 45.5 per cent in Lebanon. Long working hours can negatively impact the worker's health and can increase the risk of accidents.

Figure 6.7 Employed non-student youth categorized by number of hours worked per week



Source: SWTs, latest years (see table 3.1 for reference period by country).

Finally, the most straightforward measure of job quality is perhaps the subjective measure of satisfaction with one's employment. Results show that, despite some indications of a shortage of quality employment in the countries reviewed, the majority of young workers in the five countries expressed satisfaction with their work. The job satisfaction rates among young workers (combining those claiming to be very satisfied and somewhat satisfied with their employment) from table 6.12 are, in descending order, 87.7 per cent (Lebanon), 83.1 per cent (Jordan), 75.5 per cent (OPT), 74.4 per cent (Egypt) and 59.9 per cent (Tunisia). To test the degree of job satisfaction further, youth were asked if they wanted to change their current job. If they responded positively, they were asked to identify their main reason for wanting to change jobs. Results are shown in table 6.13. With the exception of Lebanon, at least one in three working youth expressed a desire to change their job.

¹⁵ In the analysis of hours of work, the employed student populations are excluded since they would tend to bias the results towards short working time (although few young people in the region actually combine work and study; the share was, at most, 25.7 per cent of youth in Egypt; Nilsson (2015).

Table 6.12 Job satisfaction rates of young workers (%)

Sex / level of satisfaction	Egypt	Jordan	Lebanon	OPT	Tunisia	Average
Total						
Very satisfied	23.9	48.4	42.3	25.8	17.8	31.6
Somewhat satisfied	50.5	34.7	45.4	49.7	42.1	44.5
Somewhat unsatisfied	18.5	12.4	9.6	14.0	23.2	15.5
Very unsatisfied	7.1	4.6	2.7	10.5	16.9	8.4
Male						
Very satisfied	22.4	48.5	46.2	25.2	17.5	31.9
Somewhat satisfied	51.4	34.0	42.9	49.3	41.2	43.8
Somewhat unsatisfied	19.0	13.1	8.6	14.3	23.8	15.7
Very unsatisfied	7.3	4.5	2.4	11.2	17.6	8.6
Female						
Very satisfied	31.8	47.8	34.0	30.4	18.7	32.6
Somewhat satisfied	46.0	37.9	50.8	52.4	44.2	46.2
Somewhat unsatisfied	15.9	9.3	11.8	11.6	21.9	14.1
Very unsatisfied	6.2	5.0	3.4	5.6	15.3	7.1

Source: SWTs, latest years (see table 3.1 for reference period by country).

Examining the reasons why young workers want to change jobs provides an indication of what they want from their work. For example, higher wages emerges as a motivating factor for changing jobs in the region, cited by more than one in five of those youth who wish to change their job in the five countries (and 29.5 per cent, on average). Many youth also expressed the desire to change jobs because of the temporary nature of their current employment (21.6 per cent) or to have better working conditions (20.3 per cent). The former was the principal reason given for wanting to change jobs in Lebanon and Tunisia. Qualifications mismatch was also of concern to young workers, especially in Egypt.

Table 6.13 Employed youth who want to change their job by reason (%)

Share / reason	Egypt	Jordan	Lebanon	OPT	Tunisia	Average
Employed youth who stated a desire to change their job	47.9	31.4	29.0	42.3	46.8	39.5
Reason						
Present job is temporary	22.6	14.9	25.6	16.5	28.2	21.6
Fear of losing the present job	6.6	1.9	3.0	9.4	4.4	5.1
To work more hours at same rate of pay	0.3	1.6	1.6	2.6	0.6	1.3
To have a higher rate of pay per hour	22.6	39.8	24.0	38.6	22.6	29.5
To work fewer hours with a reduction in pay	0.3	0.6		0.8	1.0	0.5
To make better use of qualifications/skills	25.1	12.5	18.1	14.3	9.7	15.9
To have more convenient working times	1.2	4.2	2.8	1.8	0.6	2.1
To improve working conditions	16.1	20.8	24.9	14.3	25.4	20.3
Other	5.2	3.8	–	1.8	7.5	3.7

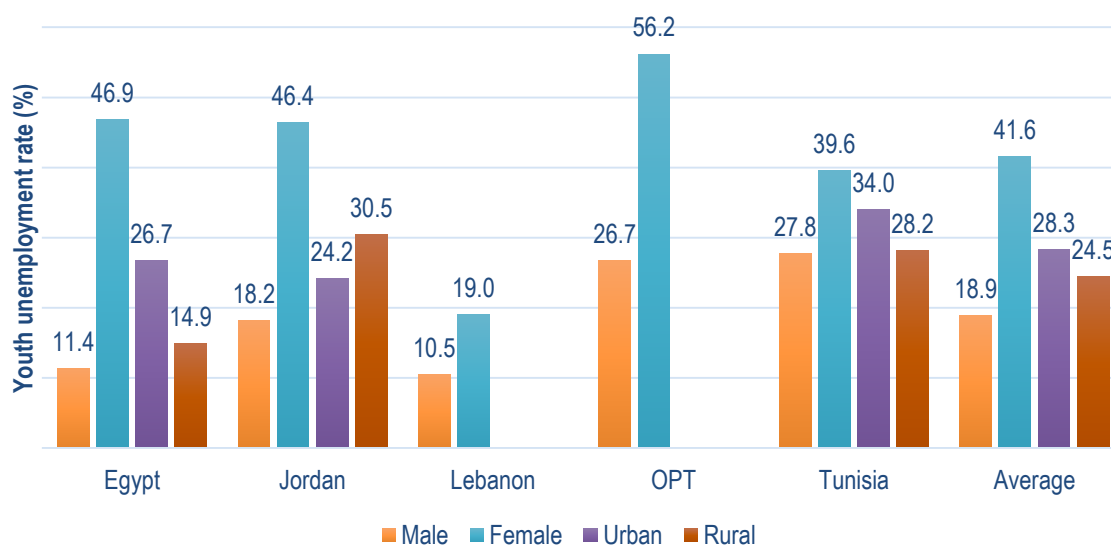
Source: SWTs, latest years (see table 3.1 for reference period by country).

7. Characteristics of unemployed youth

As indicated in section 5, youth unemployment is an area which generates genuine concern in the region. In four of the five countries surveyed – excluding Lebanon – youth unemployment rates are 20 per cent or higher, and in OPT and Tunisia rates exceed 30 per cent (table 5.1). As already mentioned, unemployment affects young women in the region to a far greater extent than young men; in all countries except Lebanon, more than two in five young economically active women are unemployed. The female youth unemployment rate is as high as 56.2 per cent in OPT (table 5.1 and figure 7.1).

Figure 7.1 shows that youth unemployment rates in two of the three countries with available information are higher in urban than rural areas. The urban penalty is particularly high in Egypt with rates of 26.7 per cent compared to 14.9 per cent in rural areas. Higher urban unemployment rates commonly reflect the smaller labour forces in urban areas (with larger shares of youth remaining in education) and the tendency among the more highly educated to “wait” for jobs that match their aspirations. In Jordan, on the other hand, the youth unemployment rate in rural areas is higher than the rate in urban areas (30.5 and 24.2 per cent, respectively), though it should be borne in mind that the country’s rural youth population is very small.

Figure 7.1 Youth unemployment rates by sex and area of residence



Note: The area of residence variable (urban/rural) is not available for Lebanon. In OPT, data are disaggregated according to residency in the West Bank or Gaza Strip rather than urban/rural.

Source: SWTs, latest years (see table 3.1 for reference period by country).

Table 7.1 presents the unemployment rates of youth by level of educational attainment in the surveyed countries. In all five countries, there is a tendency for unemployment rates to rise with increasing levels of education. The average youth unemployment rate of university graduates is 34.7 per cent compared to 19.1 per cent of youth with primary level education. While 21.1 per cent of the male university graduates are unemployed, this is true for 49.5 per cent of the female university graduates. At the same time, the patterns differ between the countries. In Egypt, the unemployment rate is slightly higher among females with secondary vocational degrees (59.1 per cent) than among those with university degrees (57.8 per cent). However, the trend is reversed for young males in Egypt, where the unemployment rate of secondary vocational graduates is lower than for university graduates at 12.7 and 21.9 per cent,

respectively. While the literature suggests an overall poor quality of vocational training in Egypt (Krafft, 2013), there does seem to be a market for young men graduating with vocational skills in the country. The same cannot be said for young female Egyptians.

In relatively higher income countries of Jordan and Lebanon, the unemployment rates among university graduates are not significantly higher than those of graduates with lower levels of educational achievement. These countries also differ in that the female youth unemployment rates for university graduates are lower than those of young women with primary education and post-secondary vocational training. To fully understand the differences in unemployment trends across educational categories and by sex would require a much more rigorous analysis of demand, supply-side constraints and social norms, which is well beyond the scope of this report.

Table 7.1 Youth unemployment rates by sex and level of completed education (%)

Level of educational attainment	Egypt			Jordan			Lebanon		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Less than primary	6.2	5.2	9.8	13.4	15.4	0.0	0.0	0.0	0.0
Primary	11.4	8.4	30.0	22.3	19.5	50.0	8.6	7.6	16.4
Secondary vocational	22.0	12.7	59.1	22.1	20.5	33.2	11.6	14.0	4.2
Secondary general	7.8	8.0	0.0	20.2	10.9	48.2	6.2	4.7	12.0
Post-secondary vocational	25.4	16.1	49.3	27.7	11.4	49.3	15.4	6.9	23.6
Tertiary	38.4	21.9	57.8	27.8	14.3	43.1	14.9	14.1	15.6
Level of educational attainment	OPT			Tunisia			Average		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Less than primary	30.1	29.5	53.5	8.1	14.0	0.0	11.6	12.8	12.7
Primary	26.6	26.5	27.5	26.7	26.1	28.4	19.1	17.6	30.5
Secondary vocational	21.4	21.0	0.0	36.6	34.2	41.0	22.7	20.5	27.5
Secondary general	27.4	26.0	36.7	26.2	26.8	24.9	17.6	15.2	24.4
Post-secondary vocational	36.4	28.7	51.2	–	–	–	21.0	12.6	34.7
Tertiary	42.9	20.4	67.8	49.4	34.9	63.3	34.7	21.1	49.5

Note: Only youth with completed education were considered (i.e. excluding current students). The post-secondary vocational and secondary vocational categories are amalgamated in Tunisia.

Source: SWTs, latest years (see table 3.1 for reference period by country).

7.1 Job search

An examination of the length of unemployment classifies unemployed youth by the duration of their job search. Table 7.2 highlights the fact that in all five countries in the region, youth unemployment is not simply a problem of volume but is also a problem of duration. In Egypt, nearly two-thirds (65.5 per cent) of unemployed youth have been looking for a job for one year or longer (thereby qualifying as long-term unemployed). Even in Lebanon, where the incidence of long-term unemployment is lowest, nearly half (46.5 per cent) of unemployed youth have been unemployed for longer than one year (25.3 per cent for longer than two years). Most related literature discusses how long-term unemployment can have negative consequences in terms of skills degradation, financial loss and damaged self-esteem. Yet in the MENA region, where significantly long “waits” for employment are especially prevalent – also compared to other regions in the world (ILO, 2015, p. 31) – long-term unemployment appears

to take the form of a rite of passage, especially for those determined to hold out for a public sector job.

Table 7.2 Youth unemployment by duration of job search (%)

Duration	Egypt	Jordan	Lebanon	OPT	Tunisia	Average
Less than a week	3.3	1.2	1.8	4.7	4.3	3.1
1 week to less than 1 month	2.9	4.2	–	12	5.6	4.9
1 month to less than 3 months	6.0	12.5	14.5	11.7	7.9	10.5
3 months to less than 6 months	13.7	5.6	19.8	6.3	6.0	10.3
6 months to less than 1 year	8.6	18.2	17.6	10.5	18.2	14.6
1 year to less than 2 years	19.7	19.1	21.2	22.5	20.2	20.5
2 years or more	45.8	39.2	25.3	32.3	37.9	36.1

Source: SWTs, latest years (see table 3.1 for reference period by country).

Indeed, a disproportionate number of unemployed youth in the MENA region aspire to attain public sector employment according to the data in table 7.3, which shows the distribution of unemployed youth by desired place of work. On average, 49.6 per cent of unemployed youth – 42.7 per cent of unemployed males and 58.6 per cent of unemployed females – would like to work in the public sector. The share ranges from a high of 81.6 per cent in Egypt to a low of 21.0 per cent in OPT. In the latter country, but also in Jordan, Lebanon and Tunisia, there seems to be a relatively healthy pull towards employment in the private sector. For instance, in the case of OPT and Lebanon, a larger proportion of unemployed youth indicated a desire to join the private sector than the public sector. High youth unemployment in these countries is therefore not simply a result of too many youth chasing too few public sector jobs, but it is also a product of insufficient job creation in the private sector.

Table 7.3 Unemployed youth by place/sector of work sought (%)

Country	Sex	Own business	Public sector	Private sector	Family business	International organization /NGO	Other
Egypt	Total	2.9	81.6	14.8	0.2	–	0.5
	Male	5.1	73.2	21.2	0.0	–	0.6
	Female	1.3	88.0	9.9	0.4	–	0.4
Jordan	Total	3.0	58.6	37.5	–	0.2	0.7
	Male	3.2	50.6	44.9	–	0.0	1.3
	Female	2.7	67.8	29.1	–	0.5	0.0
Lebanon	Total	5.2	38.3	47.8	1.2	1.7	2.9
	Male	3.3	34.7	51.7	1.3	1.0	2.3
	Female	7.4	42.2	43.7	1.0	2.5	3.5
OPT	Total	10.5	21.0	53.0	0.3	8.6	6.7
	Male	12.8	12.4	62.5	0.4	3.3	8.6
	Female	5.8	38.2	33.9	0.0	19.2	2.9
Tunisia	Total	10.6	48.7	39.6	0.4	0.4	0.3
	Male	14.0	42.8	42.3	0.6	0.0	0.3
	Female	5.8	56.8	36.0	0.0	1.1	0.3
Average	Total	6.4	49.6	38.5	0.4	2.2	2.8
	Male	7.7	42.7	44.5	0.5	0.9	3.8
	Female	4.6	58.6	30.5	0.3	4.7	1.4

Source: SWTs, latest years (see table 3.1 for reference period by country).

Table 7.4 shows that the largest share of unemployed youth look for professional occupations, although the share is especially high among young women (58.4 per cent). This finding is consistent with the disproportionately high unemployment rates among educated young women shown in table 7.1. The unemployment rates of youth seeking occupations that are classified as mid-skilled – clerks and sales workers, for example – are substantially lower than those of youth aiming for professional work. The SWTS data reviewed so far therefore support the premise of an oversupply of labour market entrants with tertiary education that is not matched by demand.

Table 7.4 Unemployed youth by occupations sought (%)

Occupation	Sex	Egypt	Jordan	Lebanon	OPT	Average
Legislators, senior officials and managers	Total	0.4	–	10.2	1.2	3.0
	Male	0.9	–	12.0	1.3	3.6
	Female	0.0	–	8.4	1.1	2.4
Professionals	Total	40.0	45.4	37.4	29.9	38.2
	Male	25.7	27.3	21.7	13.7	22.1
	Female	50.8	65.9	54.4	62.6	58.4
Technicians and associate professionals	Total	27.1	6.1	13.2	8.5	13.7
	Male	26.1	5.2	18.7	5.9	14.0
	Female	27.9	7.0	7.3	13.7	14.0
Clerks	Total	6.3	8.5	7.0	1.8	5.9
	Male	3.5	6.6	6.3	0.1	4.1
	Female	8.5	10.6	7.9	5.3	8.1
Service workers, shop and market sales workers	Total	3.0	18.3	9.3	19.0	12.4
	Male	4.1	24.7	9.2	21.2	14.8
	Female	2.2	11.1	9.3	14.5	9.3
Skilled agricultural and fishery workers	Total	0.5	1.0	–	0.3	0.5
	Male	1.2	1.8	–	0.5	0.9
	Female	–	–	–	–	–
Craft and related trades workers	Total	4.7	9.9	1.8	13.7	7.5
	Male	10.9	15.5	3.4	20.5	12.6
	Female	–	3.5	–	–	0.9
Plant and machine operators and assemblers	Total	4.7	4.5	0.7	7.2	4.3
	Male	7.9	8.0	1.3	10.7	7.0
	Female	2.3	0.5	–	–	0.7
Elementary occupations	Total	3.5	6.5	1.2	18.0	7.3
	Male	6.0	10.9	2.3	26.1	11.3
	Female	1.5	1.4	–	1.7	1.2
Armed forces	Total	0.4	–	1.9	0.1	0.6
	Male	1.0	–	3.6	0.1	1.2
	Female	0	–	–	–	–
Not classified	Total	9.4	–	17.4	0.3	6.8
	Male	12.7	–	21.6	–	8.6
	Female	6.8	–	12.9	1.0	5.2

Source: SWTSs, latest years (see table 3.1 for reference period by country).

Elder and Kring (2016) take the discussion further to consider youth's field of study as a possible contributory factor in high levels of graduate unemployment. The report finds that an excessive concentration of young women in non-technical specializations within the education system, such as humanities and education, works to their disadvantage when it comes to finding work. This premise is borne out in Jordan and OPT where the SWTS data showed that as many

as 30.1 and 38.9 per cent of young female unemployed tertiary graduates had trained as teachers. In Lebanon, 45.9 per cent of female graduate unemployed had specialized in humanities or social sciences. In all three countries (no data were available for Egypt and Tunisia), female STEM graduates (i.e. those specializing in science, technology, engineering and mathematics) appear to stand a better chance of eventually finding work than those who specialized in education and/or humanities.

Regarding job-search methods, the results show that unemployed youth rely principally on the use of informal networks, asking relatives and friends about employment possibilities. Shares using this method ranged from 26.8 per cent among unemployed youth in Tunisia to 87.5 per cent in OPT (table 7.5; multiple responses were allowed). Direct inquiries at places of employment was the second most frequently cited option among unemployed youth in the five-country average. Public employment services are well-established institutions in the region (unlike in other regions where the SWTSS were carried out, with the exception of Eastern Europe and Central Asia), and this is demonstrated by the shares of unemployed youth who are registered at employment centres as a means of finding work. The shares of unemployed youth using this method range from a low of 23.2 per cent in Egypt to a high of 49.9 per cent in Tunisia (recalling that multiple responses were allowed).

Table 7.5 Job-search methods of unemployed youth (multiple responses, %)

Reason	Egypt			Jordan			Lebanon		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Registered at an employment centre	23.2	14.4	29.9	28.6	16.6	43.2	30.9	31.6	30.2
Placed/answered job advertisements	24.0	22.5	25.1	46.4	43.0	50.5	43.2	41.4	45.1
Inquired directly at factories, farms, shops	14.5	20.4	10.0	55.2	59.6	49.9	44.1	57.9	29.1
Took a test or attended an interview	10.3	6.7	13.0	5.1	6.5	3.5	15.3	15.4	15.1
Asked friends, relatives, acquaintances	76.1	84.2	69.9	33.2	36.2	29.7	68.1	68.6	67.4
Waited on the street to be recruited	1.2	2.3	0.4	0.8	1.5	0.0	2.7	5.2	0.0
Searched online	31.2	26.6	34.7	–	–	–	–	–	–
Sought financial assistance to look for job or start business	–	–	–	0.4	0.6	0.3	1.0	2.3	1.6
Looked for land, building or equipment to start own business	0.3	0.6	0.0	–	–	–	–	–	–
Applied for permit or licence to start a business	–	–	–	0.8	1.0	0.6	1.0	1.1	1.1
Other	1.1	2.0	0.5	3.0	3.4	2.6	4.6	6.9	5.7
Method	OPT			Tunisia			Average		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Registered at an employment centre	25.1	19.5	36.5	49.9	37.6	66.9	31.5	23.9	41.3
Placed/answered job advertisements	2.8	3.3	1.6	10.4	7.4	14.7	25.4	23.5	27.4
Inquired directly at factories, farms, shops	59.1	53.4	71.0	66.9	72.4	59.2	48.0	52.7	43.8
Took a test or attended an interview	19.3	9.4	39.5	11.5	10.2	13.3	12.3	9.6	16.9
Asked friends, relatives, acquaintances	87.5	96.9	68.2	26.8	32.6	18.6	58.3	63.7	50.8
Waited on the street to be recruited	8.4	12.5	0.0	7.2	11.1	1.8	4.1	6.5	0.4
Searched online	44.0	31.4	69.8	–	–	–	15.0	11.6	20.9
Sought financial assistance to look for job or start business	–	–	–	2.6	2.8	2.5	1.2	1.3	1.0
Looked for land, building or equipment to start own business	–	–	–	0.2	0.4	0.0	0.2	0.2	0.3
Applied for permit or licence to start a business	4.1	5.0	2.0	–	–	–	1.2	1.4	0.7
Other	0.6	0.9	0.0	3.0	1.6	4.9	2.5	3.0	2.7

Source: SWTSS, latest years (see table 3.1 for reference period by country).

7.2 Obstacles to finding work

An analysis of the obstacles faced by unemployed young people (self-reported) in finding jobs not only points to the economies' low capacity to absorb labour market entrants but also to the fact that a lack of initial work experience represents a significant obstacle. The lack of availability of a sufficient number of jobs (i.e. a lack of job creation) was the most frequently mentioned obstacle to finding work among unemployed youth in all five countries (but especially in Jordan), taking an average share of 52.8 per cent of the responses among unemployed youth (table 7.6). The lack of work experience was cited as the principal obstacle by 10.1 per cent of unemployed youth and a similar share (9.8 per cent) felt that the requirements for the job were higher than their own qualifications. Fairly high shares of unemployed youth in all five countries mentioned the low wages in available jobs as the main obstacle when trying to enter the labour market, which suggests that some unemployed youth in the surveyed countries have a reservation wage below which they are unwilling to accept work.

Table 7.6 Unemployed youth by main obstacle to finding employment (%)

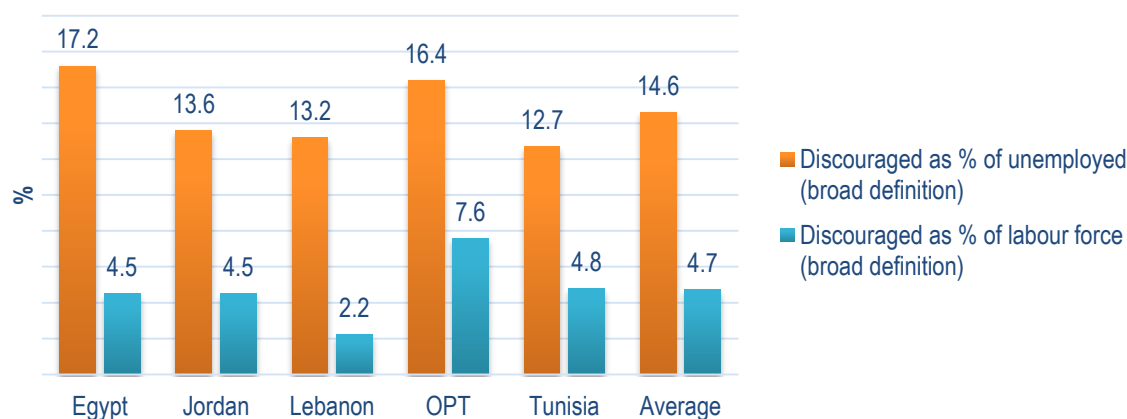
Obstacle	Egypt	Jordan	Lebanon	OPT	Tunisia	Average
Qualifications requirements for job were higher those received	7.4	12.4	3.2	7.8	18.3	9.8
Not enough work experience	4.6	22.3	4.0	8.6	10.9	10.1
Not enough jobs available	57.9	36.4	66.8	62.6	40.4	52.8
Considered too young	0.3	0.6	2.1	2.0	2.5	1.5
Being male/female	0.4	0.1	0.0	0.1	0.8	0.4
Discriminatory prejudices	1.3	3.1	3.8	1.0	4.3	2.7
Low wages in available jobs	10.6	11.0	3.6	6.5	9.8	8.3
Poor working conditions in available jobs	9.7	5.7	7.3	4.6	3.2	6.1
Did not know how or where to seek work	5.5	1.7	3.0	3.5	4.7	3.7
Other	2.4	6.8	6.3	3.4	5.2	4.8

Source: SWTs, latest years (see table 3.1 for reference period by country).

7.3 Discouraged youth

Discouraged workers are defined as those who are not working and who have expressed a desire to work but who are not seeking work for a range of reasons which imply that they felt that undertaking a job search would be a futile effort. The term is frequently used for advocacy purposes, presented as a growing phenomenon among youth during the global economic crisis and a threat to national prosperity and security. But the reality is that numbers of discouraged young workers are never high. Even in this region, with its high youth unemployment rates, few youth show an inclination to give up on the search for employment. Discouraged workers accounted for 14.6 per cent of unemployed youth (broad definition), as an average of the five countries, and 4.7 per cent of the average labour force (figure 7.2).

Figure 7.2 Discouraged youth among total unemployed and labour force



Note: The broad definition of unemployment – persons without work regardless of whether or not they are engaged in an active job search – is used as the denominator since discouraged workers are only included among the unemployed when the job-search criterion is “relaxed”.

Source: SWTs, latest years (see table 3.1 for reference period by country).

As discouragement is only one reason among several that explain why young people who are without work and available for work would not actively seek employment, it is interesting to identify those reasons that account for the bulk of the responses. In table 7.7, the reasons that imply a sense of discouragement are highlighted in grey. It is clear that, in the five MENA countries, a large share of non-jobseeking youth said that they do not look for work because “no jobs are available in the area”. Other reasons given by respondents varied across the countries, but two reasons that took sizable shares were that the respondents felt they were unable to find work to match their skills or they had already looked and not found anything. In Egypt, 21.4 per cent of respondents said they did not know how or where to seek work. An important reason for not seeking work, which falls outside the reasons constituting discouragement, is personal family responsibilities. Although not shown here by sex, disaggregated data show that this response is much more common among young woman.

Table 7.7 Female share in discouraged youth and reason for not seeking work (among non-jobseeking youth, available to work; unemployed broad definition) (%)

Female share/reason	Egypt	Jordan	Lebanon	OPT	Tunisia
Female share in total discouraged youth	77.6	58.8	59.3	61.6	67.9
Reason for not actively seeking work					
Waiting for the results of a vacancy competition or an interview	2.2	9.4	–	2.8	10.2
Awaiting seasonal work	0.6	1.7	3.1	1.3	1.9
Education leave or training	0.6	3.8	5.5	9.9	–
Personal family responsibilities	27.8	21.3	–	14.4	15.8
Pregnancy	0.5	0.7	–	1.3	0.9
Own illness, injury or disability	3.3	2.5	–	2.0	–
Do not know how or where to seek work	21.4	10.1	5.5	5.7	6.5
Unable to find work to match skills	9.2	10.9	7.9	5.1	6.9
Had looked for job(s) before but had not found any	10.2	5.0	14.2	10.9	20.8
Too young to find a job	0.0	1.3	11.7	2.6	0.3
No jobs available in the area/district	16.9	16.3	38.6	13.0	27.8
Other reason	7.4	17.1	13.5	31.1	9.0

Note: – = Not applicable (response not included in questionnaire).

Source: SWTs, latest years (see table 3.1 for reference period by country).

8. Labour market transitions

8.1 ILO approach to measuring transitions

The preceding sections analysed youth with respect to their current activity status. Another means of classifying youth is to group them according to where they stand in relation to their transition into the labour market. The labour market transition of young people concerns not only the length of time from their exit from education (either upon graduation or early exit without completion) to their first entry into any job, but also relates to qualitative factors, such as whether the job is stable (measured by contract type).

The SWTS is designed to apply a stricter definition of “stable employment” than is typically used. By starting from the premise that a person has not “transited” until they are settled in a job that meets very basic criteria of stability, as defined by the duration of the employment contract, the SWTS analytical framework introduces a new qualitative element into the standard definition of labour market transition. However, not all young people in the MENA region attain stable employment and, if the “end goal” does not fit the reality of the situation, then perhaps the statistics are not framed widely enough. For this reason, the ILO added job satisfaction as a component and built it into the concept of labour market transition.

More specifically, labour market transition is defined as the passage of a young person (aged 15–29) from the end of schooling (or entry into first economic activity) to the first stable or satisfactory job.¹⁶ The definition acknowledges the transitory state of current students and also the subjectivity of job satisfaction. The transition is thus considered to be complete only when a young person has attained a stable job based on a written contract of duration greater than 12 months or oral agreement with likelihood of retention or has attained a satisfactory temporary job judged on the young respondent’s willingness to stay there.

The stages of transition are defined as follows:

- I. **Transited** – A young person who has “transited” is one who is currently employed and not in school in:
 - i. a stable job
 - a. based on a written contract of at least 12 months’ duration, or
 - b. based on an oral agreement and likely to keep the job over the next 12 months;
 - ii. a satisfactory temporary job
 - a. based on a written contract of less than 12 months’ duration and does not want to change the job, or
 - b. based on an oral agreement, not certain to keep the job over the next 12 months and does not want to change the job, or
 - c. satisfactory self-employment (in self-employed status and does not want to change the job).

¹⁶ Based on their experience in analysing data from 2012–2013 SWTS data sets, the ILO made slight revisions to the methodology for calculating the stages of transition. The justification for these revisions, based on lessons learned in the analyses, is summarized in ILO (2015), Chapter 4.

- II. **In transition** – A young person still “in transition” is one who is currently:
- i. an active student (employed or unemployed);
 - ii. unemployed (non-student, broad definition);
 - iii. employed in a temporary and non-satisfactory job
 - a. based on a written contract of less than 12 months’ duration and wants to change the job, or
 - b. based on an oral agreement, not certain to keep the job over the next 12 months and wants to change the job;
 - iv. in non-satisfactory self-employment (in self-employed status and wants to change the job); or
 - v. inactive and not in education or training, with the aim of looking for work later.
- III. **Transition not yet started** – A young person whose status is “transition not yet started” is one who is currently:
- i. still in school and inactive (inactive student); or
 - ii. inactive and not in education or training (inactive non-student), with no intention of looking for work.

Two elements of this classification are noteworthy. First, the stages of transition span across the boundaries of economic activity as defined in the standard labour force framework.¹⁷ The “transited” category includes a sub-set of youth classified as employed; the remaining employed fall within the category of “in transition”, which includes those who fall under the strict definition of unemployed and portions of the inactive (namely, those without work, available for work but not actively seeking work¹⁸ and inactive non-students who have stated an intention to join the labour force at a later stage). The “transition not yet started” category is the residual of the inactive population.

Second, the stages of transition are not intended to be a normative framework. Because of the inclusion of youth in satisfactory self-employment and satisfactory temporary employment, one cannot say that all young people in the transited category have transited to a “good” job. In fact, many young people in self-employment – the own-account workers and unpaid family workers – are engaged in the informal economy and, by definition, make up the bulk of the country’s share of irregularly employed. Yet they have expressed a degree of satisfaction with their job, and they are likely to have finished their transition in the sense that they will remain in the self-employed classification for the remainder of their working lives.

The classification into stages of transition offers a flow concept. A person is in transition until they have reached a stable position in the labour market, meaning they have a job they are likely to maintain, regardless of whether it is good or bad. For a normative framework, it is better to look at the job-quality indicators presented in the previous sections.

¹⁷ The international guidelines for measuring statistics on the economically active population, set out by the 13th International Conference of Labour Statisticians (ICLS) in 1982, provide the framework for measuring who is counted as employed and as unemployed according to the economic production boundaries set out by the System of National Accounts.

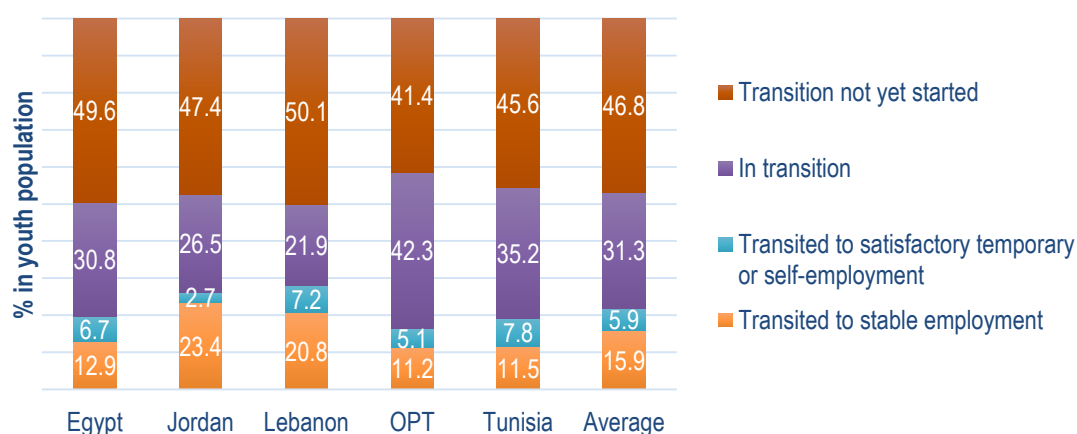
¹⁸ This is the portion added to the “strictly” unemployed category to make up the unemployed according to the broad definition.

8.2 Stages of transition

In the MENA region, a slight majority of youth had already started their process of transition at the time of the surveys. The five-country average in figure 8.1 indicates that 46.8 per cent of the youth had not yet begun their transition, 31.3 per cent were in transition and the remaining 21.8 per cent had fully transited (15.9 per cent to a stable job and 5.9 per cent to a satisfactory temporary or self-employment job). The variations between countries in terms of the stages of transition are not large. In all countries surveyed except OPT, the largest share of youth fall within the category of transition not yet started. The OPT is the only country in which the largest share consisted of those remaining in transition, but in all other countries besides Lebanon, the share of youth in transition is higher than the share of those who have completed the transition.

High unemployment and inactivity rates are predominantly the cause of the low shares of transited youth in the region. Lebanon has the highest percentage of transited youth (28.0 per cent), followed by Jordan with 26.1 per cent. For all five countries, youth who transit are more likely to attain a stable job than a job that is temporary in nature.

Figure 8.1 Youth by stage of transition



Source: SWTs, latest years (see table 3.1 for reference period by country).

Labour market transitions to stable employment proved to be more likely for young men than for young women in the region (as in other regions investigated to date). All five countries show shares of young men who have completed the transition to stable employment that are more than double those of young women (table 8.1). In Egypt, Jordan and OPT, the male share of transited youth in stable jobs is more than four times greater. In these same countries, only a handful of young women have managed to complete their labour market transitions (7.5 per cent of young women in Egypt, 9.7 per cent in Jordan and 4.3 per cent in OPT). The shares of youth who have transited to satisfactory temporary or self-employment are also higher for young men than young women in all the countries, as are the shares of those remaining in transition (with the exceptions of Jordan and Lebanon). Young women, in contrast, are more likely to fall within the category of transition not yet started; in fact, here the shares for young women are nearly double those of young men in all countries.

Regarding area of residence, there are only slight differences in the stages of transition for youth living in urban or rural areas. In Egypt and Tunisia, the shares of young people who have transited into stable employment are higher in urban areas than in rural areas, while shares of youth who have transited to satisfactory temporary or self-employment and youth still in transition are more numerous in rural areas. In the three countries with available information,

the likelihood of remaining in transition is greater in rural areas, while more youth fall into the category of transition not yet started in urban areas. This result is consistent with the higher shares of youth in school in urban areas, where schools and universities are generally more concentrated.

Table 8.1 Youth by stage of transition according to sex and area of residence (%)

Country	Sex/area of residence	Transited to stable employment	Transited to satisfactory temporary or self-employment	In transition	Transition not yet started
Egypt	Male	20.4	10.4	34.1	35.1
	Female	4.8	2.7	27.2	65.3
Jordan	Male	36.8	4.7	23.9	34.6
	Female	9.1	0.6	29.2	61.1
Lebanon	Male	28.3	10.5	21.7	39.5
	Female	12.8	3.8	22.2	61.2
OPT	Male	19.0	8.8	47.2	25.0
	Female	3.1	1.2	37.1	58.5
Tunisia	Male	15.3	10.3	38.6	35.8
	Female	7.5	5.2	31.7	55.6
Average	Male	24.0	8.9	33.1	34.0
	Female	7.5	2.7	29.5	60.3
Egypt	Urban	13.2	5.7	28.7	52.3
	Rural	12.7	7.4	32.3	47.6
Jordan	Urban	22.8	3.0	25.3	48.9
	Rural	26.0	1.7	31.8	40.6
Tunisia	Urban	12.7	6.6	29.6	51.2
	Rural	9.1	10.2	46.3	34.5
Average	Urban	16.3	5.1	27.9	50.8
	Rural	15.9	6.4	36.8	40.9

Note: The area of residence variable (urban/rural) is not available in Lebanon. In OPT, data are disaggregated according to residency in the West Bank or Gaza Strip rather than urban/rural.

Source: SWTSS, latest years (see table 3.1 for reference period by country).

Finally, the transition stages are examined by level of completed education (thus excluding current students from the denominator) in table 8.2. The survey findings suggest that higher educational achievement in Jordan and Lebanon provides a better chance of, first, completing the labour market transition and, second, of completing the transition to a stable job. While, in all the countries, the share of youth who have completed the transition to stable employment increased for the tertiary educated over the primary educated, it is only in Jordan and Lebanon that a majority of tertiary-educated youth have managed to complete their transition (table 8.2). In the other countries – Egypt, OPT and Tunisia – the majority of tertiary-level graduates remain in transition, having not yet attained a stable or satisfactory job. The least educated youth (with less than primary schooling) were either primarily inactive non-students (Egypt, Lebanon and Tunisia) or remained in transition (Jordan and OPT). Still, approximately 5 per cent of tertiary-educated youth in all countries except OPT – Egypt (5.5 per cent), Jordan (4.5 per cent), Lebanon (5.2 per cent), Tunisia (5.7 per cent) – were also inactive. If these graduates

remain outside the labour market indefinitely, they would represent a significant lost productive potential of the educational investment.

Table 8.2 Youth by completed educational level and stage of transition (%)

Country	Educational level	Transited to stable employment	Transited to satisfactory temporary or self-employment	In transition	Transition not yet started (inactive non-students)*
Egypt	Less than primary	18.1	19.1	22.2	40.6
	Primary	18.3	14.4	30.9	36.4
	Secondary vocational	18.5	7.9	55.8	17.8
	Secondary general	21.3	8.5	50.3	19.9
	Post-secondary vocational	23.6	5.8	54.7	15.9
	Tertiary	30.2	3.7	60.6	5.5
Jordan	Less than primary	25.4	4.9	39.8	29.9
	Primary	36.0	5.5	36.6	22.0
	Secondary vocational	54.5	5.5	37.4	2.6
	Secondary general	34.1	2.3	30.0	33.6
	Post-secondary vocational	45.8	1.4	42.0	10.7
	Tertiary	49.2	4.7	41.5	4.5
Lebanon	Less than primary	26.4	0.0	29.7	44.0
	Primary	36.8	21.9	25.4	15.8
	Secondary vocational	46.8	17.9	21.5	13.8
	Secondary general	40.5	12.7	20.4	26.4
	Post-secondary vocational	44.2	20.3	33.8	1.7
	Tertiary	57.9	11.1	25.8	5.2
OPT	Less than primary	19.1	11.9	44.6	24.5
	Primary	20.1	8.9	50.7	20.3
	Secondary vocational	18.7	12.6	51.5	17.2
	Secondary general	16.0	12.8	41.7	29.5
	Post-secondary vocational	19.8	9.6	68.5	2.2
	Tertiary	23.9	3.6	71.6	0.9
Tunisia	Less than primary	7.7	13.8	31.6	46.9
	Primary	15.6	14.2	51.8	18.4
	Secondary vocational	17.8	15.1	62.7	4.4
	Secondary general	20.8	13.4	51.7	14.1
	Post-secondary vocational	–	–	–	–
	Tertiary	26.6	5.5	62.3	5.7

Note: * Because “completed educational level” excludes current students, the category of “transition not yet started” refers to inactive non-students only.

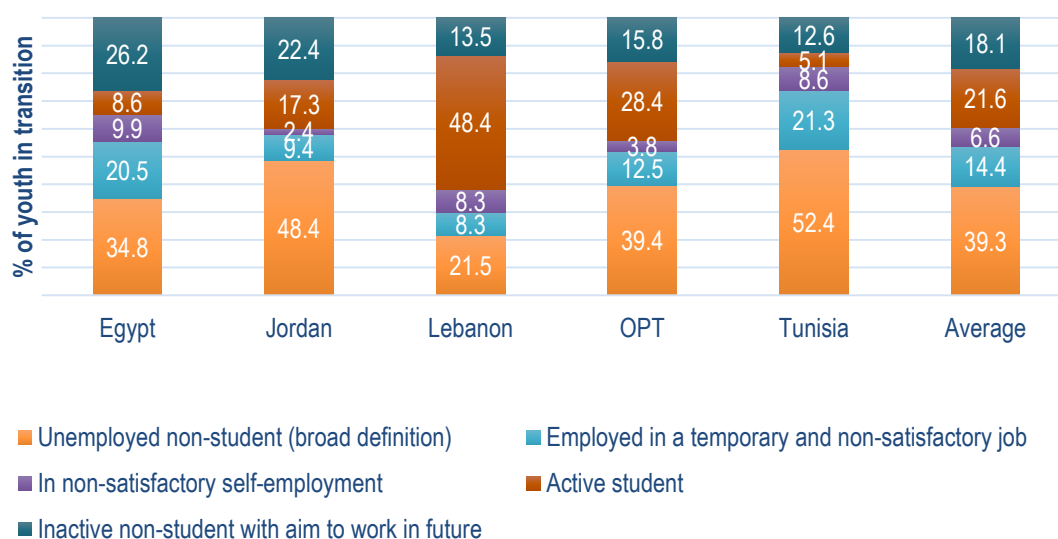
Source: SWTs, latest years (see table 3.1 for reference period by country).

8.2.1 Youth in transition

Youth remaining in transition can be further broken down into those who are unemployed (broad definition), those working in non-satisfactory temporary work and non-satisfactory self-employment, and those who are inactive non-students with a desire to join the labour market in the future. As the Lebanon results show an abnormally large share of current students

combining work with their studies (active students), it is preferable to refer to country results here rather than the five-country average shown in figure 8.2. In all countries except Lebanon, the largest share among those remaining in transition consists of the unemployed; in Jordan and Tunisia, approximately one in two youth who remain in transition was unemployed. Egypt and Jordan exhibit the highest rates of inactive youth with plans to look for work in the future, at 26.2 and 22.4 per cent, respectively. In Egypt and Tunisia only, over one-quarter of youth in transition were working, either in non-satisfactory temporary employment or non-satisfactory self-employment. These shares in the other countries were closer to one in eight.

Figure 8.2 Youth in transition by sub-category

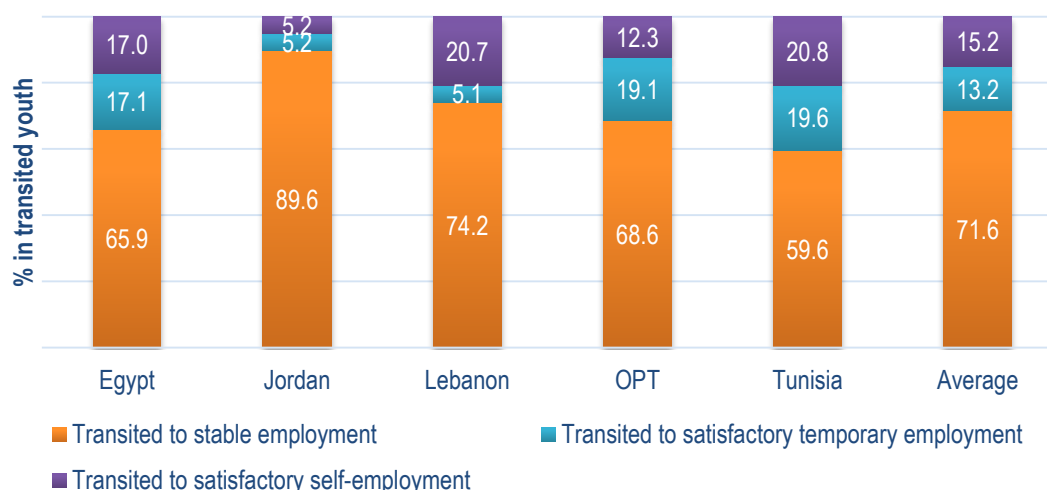


Source: SWTs, latest years (see table 3.1 for reference period by country).

8.2.2 Youth who have completed their transition

Figure 8.3 shows the distribution of youth who have completed their labour market transition by sub-category: transitioned to stable employment, transitioned to satisfactory temporary employment and transitioned to satisfactory self-employment. Among those who have completed their transition, more than 70 per cent (five-country average) have successfully completed the transition to a stable employment situation. In Jordan, nearly nine out of every ten (89.6 per cent) transitioned young individuals are in stable employment. The countries with the largest shares of youth transitioning to satisfactory temporary employment are Egypt (17.1 per cent of transitioned youth), OPT (19.1 per cent) and Tunisia (19.6 per cent). In Egypt, Lebanon, OPT and Tunisia, the shares of youth transitioning to satisfactory self-employment are comparatively sizable at 17.0, 20.7, 12.3 and 20.8 per cent, respectively.

Figure 8.3 Youth who have completed the transition by sub-category



Source: SWTs, latest years (see table 3.1 for reference period by country).

8.3 Transition paths and lengths

The ability to review the historical path of economic activities of youth who have completed the transition is one of the SWTs's biggest values added. Using the historical path, it is possible to identify the labour market categories held by the young person prior to transiting to stable or satisfactory employment, as well as prior to the first job. Table 8.3 shows that the majority of transited youth attained their first stable and/or satisfactory job either as their first labour market experience – i.e. directly (63.9 per cent, on average) – or following a period of unemployment (27.2 per cent). The fact that there is very little turnover in the MENA labour market is clear from the data in the table, which shows that only a handful of youth completed the school-to-work transition to a stable or satisfactory job from any of the following other activities: inactivity, other employment – whether self-employment, temporary employment or contributing family work – or internship or apprenticeship. Considering the latter category, at most 4.3 per cent of transited youth in OPT found their first stable job after a period of internship or apprenticeship. Tunisia is an exception in having a higher than average share who transited after a period of inactivity. It is noteworthy that, in Tunisia, 27.3 per cent of young women obtained their first transited job after a period of inactivity, since it shows that there is a possibility of returning to the labour market for those who have exited, most likely for family reasons.¹⁹

¹⁹ Elder and Kring (2016) explore in detail the topic of the inactivity trap.

Table 8.3 Flows to first stable and/or satisfactory employment (transited category, %)

Sex	Country	Activity prior to first transited job					
		Direct	Unemployment	Inactivity	Temporary or self-employment	Internship or apprenticeship	Contributing family work
Total	Egypt	73.2	17.6	6.7	0.3	0.1	1.9
	Jordan	65.1	31.9	1.6	0.5	0.7	0.2
	Lebanon	73.1	23.6	0.7	0.5	1.8	0.4
	OPT	60.6	32.2	1.6	0.6	4.3	0.6
	Tunisia	47.7	30.5	17.1	1.1	2.2	1.5
	Average	63.9	27.2	5.5	0.6	1.8	0.9
Male	Egypt	73.9	16.2	7.1	0.4	0.1	2.3
	Jordan	65.0	32.2	1.2	0.6	0.8	0.2
	Lebanon	74.5	22.1	0.7	0.2	1.9	0.6
	OPT	60.5	34.0	0.5	0.7	3.6	0.7
	Tunisia	52.6	30.0	11.7	1.5	2.3	2.0
	Average	65.3	26.9	4.2	0.7	1.7	1.2
Female	Egypt	70.6	23.0	5.3	0.5	0.2	0.4
	Jordan	65.2	30.8	3.1	0.5	0.3	0.0
	Lebanon	69.8	26.8	0.7	1.1	1.5	0.0
	OPT	61.3	23.4	7.1	0.5	7.8	0.0
	Tunisia	38.3	31.4	27.3	0.4	1.9	0.6
	Average	61.0	27.1	8.7	0.6	2.3	0.2

Source: SWTSS, latest years (see table 3.1 for reference period by country).

Table 8.4 provides information on the length of school-to-work transitions in the region. Lengths are calculated from the date of graduation to (i) the first job, (ii) the first transited job and (iii) the current transited job. The various categories may or may not overlap: a young person could have only one job experience, which is deemed stable and/or satisfactory (so that the first job = first transited job = current transited job), or the young person might have held several jobs and moved into and out of transition before settling finally into the current stable and/or satisfactory job (so that the first job \neq first transited job \neq current transited job). In the MENA region, with its high levels of unemployment, a high frequency of jumping between jobs would not be expected, so the average transition lengths within the sub-categories should not vary widely (recalling table 8.3, where the majority of transited youth moved directly to their first stable job).

The results show that it takes a young person, on average, 13 months, from the time of graduation to attainment of a first job that is deemed to be either stable or satisfactory. The longest average transition was for youth in Jordan, at nearly 16 months, and the shortest was 11 months in Lebanon. It takes young women longer than young men to make the transition from school to work. The largest gender gap in transition lengths is seen in OPT, where it took 20 months, on average, for young women to complete the transition to their first job compared to 12 months for young men.

Some youth continue their pathway in the labour market even after attaining a first transited job – perhaps they are made redundant or dismissed from the job or leave to have children or for other reasons. Regardless of the specific reason, it therefore makes sense that the average length to current transited jobs is longer than the length to the first transited job. In

the four-country average, it took a young person an average of 21.4 months to complete the transition from school to the current transited job (almost the same duration for both sexes). Whichever form of measurement is applied, it is clear that the labour market in the region has a significant problem in absorbing its emerging young graduates effectively. The economic and social costs of financially supporting so many youth through the lengthy transition periods are a clear hindrance to the growth potential of the region.

Table 8.4 Average length of labour market transitions from school graduation (months)

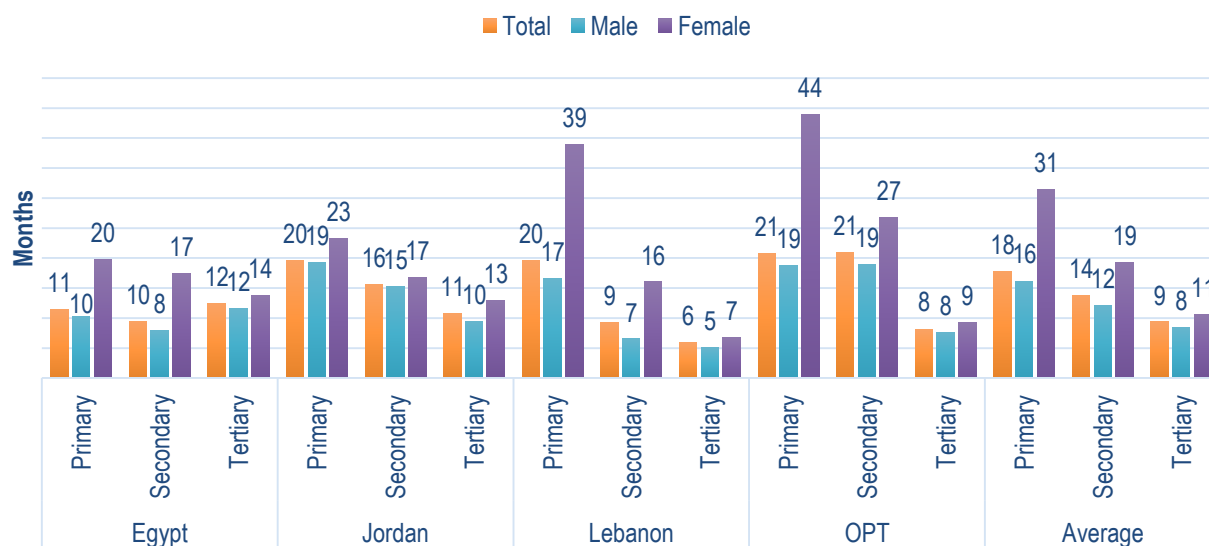
Country	To first job			To first transited job			To current transited job		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Egypt	9.4	8.0	15.4	11.6	10.5	15.7	26.2	27.3	21.6
Jordan	13.7	13.4	14.9	15.6	15.7	15.3	21.7	22.3	18.6
Lebanon	8.6	7.7	10.2	11.2	10.0	13.9	20.1	20.2	19.7
OPT	9.9	9.0	13.7	13.4	12.1	20.1	17.5	16.1	27.2
Average	10.4	9.5	13.6	13.0	12.1	16.3	21.4	21.5	21.8

Note: The indicator cannot be produced for Tunisia due to a limitation in the questionnaire design.

Source: SWTs, latest years (see table 3.1 for reference period by country).

Figure 8.4 shows that the expected advantage that education should bring to the school-to-work transitions of youth is not always evident in the region. As a four-country average, the transition length to a first stable/satisfactory job is halved for those youth who graduate at the tertiary level compared to the primary level (9 and 18 months, respectively). Yet, in Egypt, tertiary graduates experienced transition periods that were longer by one month (12 months' transition for tertiary-educated youth compared to 11 months for the primary-educated and 10 months for the secondary-educated).

Figure 8.4 Average length of labour market transitions from school graduation to first stable and/or satisfactory job by level of completed education and sex (months)



Note: The indicator cannot be produced for Tunisia due to a limitation in the questionnaire design.

Source: SWTs, latest years (see table 3.1 for reference period by country).

Despite the higher representation of young women than men among tertiary degree holders, it still takes the young tertiary-educated female longer to complete the school-to-work

transition in comparison to her male counterpart (11 and 8 months, respectively), which is a further reflection of the gender bias in the labour market in the region. Still, for young women, attainment of a tertiary degree substantially lessens the length of transition. On average, the primary-educated young woman took as long as 31 months to complete the transition to a first transited job. The very lengthy transitions of young women with low levels of education can be partly explained by their much younger age on school leaving, but the question of what those youth do during the long interim period remains to be answered. It is probable that much of the interim period is spent looking after the household.

Finally, table 8.5 shows the average length of transition by the occupation of the young worker (i.e. the occupation within which they transited to their first satisfactory and/or stable job). While the results do show a shorter transition period to high-skilled occupations (10.7 months, on average), there is little difference in lengths among the other occupation clusters. In both Egypt and Jordan, youth who transited to low-skilled occupations faced transition durations that exceeded 16 months, while the transition duration to high-skilled occupations required approximately one year. In Jordan, Lebanon and OPT, however, those with mid-skilled non-manual occupations waited longest to complete their transition to a stable and/or satisfactory job. The shorter transition length of those in manual jobs in Egypt is consistent with previous findings on the comparative value of technical training in the country.

Table 8.5 Average length of labour market transitions from school graduation to first stable and/or satisfactory job by skills level of the job (months)

Skills level	Egypt	Jordan	Lebanon	OPT	Average
High-skilled	12.7	10.9	9.4	9.8	10.7
Mid-skilled non-manual	13.2	16.4	12.7	16.8	14.8
Mid-skilled manual	9.9	18.0	12.6	12.7	13.3
Low-skilled	16.9	18.8	11.2	11.6	14.6

Note: The indicator cannot be produced for Tunisia due to a limitation in the questionnaire design. See table 6.3 for details on the occupation groupings by skills level.

Source: SWTSs, latest years (see table 3.1 for reference period by country).

9. Policy implications

This report has summarized the SWTS results from five countries in the MENA region. The survey findings show multiple barriers facing young people in their attempts to secure a smooth transition into the labour market. The main concerns emerging from the analysis of the SWTS include alarmingly high levels of youth unemployment in most countries in the region, widespread informal employment, occupational segregation, skills mismatch and extensive gender inequalities, all of which culminate in inefficient school-to-work transitions and underutilization of the potential youth labour force. Only a limited number of youth take up entrepreneurial activities or follow the technical training route despite an apparently healthy demand for technical skills in the labour market. The prospect of limited opportunities to find stable work can lead young people to migrate in search of better opportunities elsewhere in the region or further abroad. ILO (2015) reported a share of 28 per cent among young respondents who expressed a willingness to migrate, based on Gallup World Poll data. Given the high levels of educational attainment in the surveyed countries, both un/underemployment and migration represent missed returns on the investment in education made by youth, their families and society as a whole.

An effective policy mix to address youth employment challenges will need to be comprehensive, inclusive in its formulation process and financially sustainable. Since youth employment is highly dependent on each country's general employment situation, it is critical to prioritize employment in national policy-making and to centralize employment within economic and social policies. Policy responses to promote job growth and the creation of quality jobs for youth can start from macroeconomic and sectoral measures that include provisions to improve employability, strengthen labour market policies, promote youth entrepreneurship and ensure adherence to labour standards. No single institution can tackle all policy areas alone. Rather, governments and employers' and workers' organizations will need to work together if they want to reach a detailed understanding of the current challenges, and formulate relevant solutions. Finally, if such responses are to have the desired results, they must be financially viable. Needless to say, political instability in the region is likely to continue, as will the challenges that come with integrating migrants (with many of these countries, especially Jordan and Lebanon, serving as host countries to millions of migrants). Such challenges can hamper the ability of policy-makers in the countries to shift their focus to the long-term perspective in order to address the structural issues that inhibit youth labour market prospects in the region.

The remainder of this report offers some suggestions for effective policy-making which emerge from the results of the SWTs in the five surveyed countries:

1. **Design macroeconomic policy to promote job growth, especially within the sectors involving skilled manual labour.** In addition to improving the alignment of the educational system to the demands of the labour market, demand-side solutions are needed to generate additional jobs (both skilled and unskilled) for young people. This course of action requires coordinated policy efforts to support aggregate demand through pro-employment macroeconomic policies and to foster growth engines in higher value-added services or industries. While few youth in the MENA countries invest in technical training (with the exception of Egypt), the indicators reviewed in this report show that the demand for high-skilled manual labour remains relatively strong. There is thus potential to pursue strategies for production diversification and sectoral approaches designed in collaboration with the private sector and including apprenticeship systems. While numbers are still low overall, the report has shown that the few youth who benefited from an apprenticeship or internship programme managed to use the system as a stepping stone to stable and/or satisfactory employment.
2. **Address qualification mismatch issues, as they hamper the economic potential, productivity and well-being of youth.** The report has highlighted the fact that qualification mismatch is high among young workers in the countries analysed, but perhaps not in the way expected. While 11.4 per cent of young workers in the region (four-country average) are overeducated for the job that they do, as many as 43.2 per cent are undereducated for their job. Enabling youth, males and females, to stay in school at least until completion of the secondary level is a fundamental step towards reducing undereducation and the resulting productivity gaps. In particular, the report has shown that there is considerable room to strengthen vocational education in the countries analysed. Given the evident over-supply of skilled youth seeking work as professionals, one could argue that the education system should try to encourage less participation in higher academic studies and more in technical, vocational studies. A vocational system that offers quality and market-responsive education plays a critical role in ensuring that the skill base available in a country matches the needs of its economy.

Private sector collaboration is an essential feature of an effective TVET system since it ensures that vocational education caters directly for needs of the enterprises. A challenge remains when TVET focus heavily on typically “male” occupations. A system that displays such characteristics will end up losing potential female students, since it does not cater for their needs. Broadly defined curricula, developed in tandem with the private sector, and career guidance services that also reach out to students’ parents, could potentially expand the outreach of the TVET system.

3. **Expand the array of labour market policies targeting youth.** Labour market policies (LMPs) can facilitate young people’s entry into the labour market and increase their chances of finding a job that matches their qualifications. A combination of passive (such as unemployment insurance) and active (such as employment services, skills training or public works programmes) LMPs provide young jobseekers with income support while supporting their transition to employment. Active labour market policies (ALMPs) can be particularly beneficial in countries with high rates of unemployment, as they are designed to support jobseekers with a range of services that vary depending on the duration of the individual’s unemployment spell, their level of educational attainment and other elements. Angel-Urdinola and Leon-Solano (2013) report that ALMPs in the MENA region are mainly offered through the private rather than the public sector (less so in Tunisia), with training as the most common component. Improving the effectiveness of ALMPs could be achieved through more assertive involvement of public–private partnerships (PPPs), systems and programme integration, improved monitoring and evaluation frameworks, and expansion of services related to entrepreneurship/self-employment, on-the-job training and life skills training for jobseekers.
4. **Promote evidence-based youth employment policies and programmes.** While global experience and evidence show that LMPs can be effective in improving labour market outcomes of youth when well-designed and implemented, improvements can be made to the process of evidence-based policy-making and programming. The majority of policy-makers do not perceive evaluations as an important tool for programme design. As a result, monitoring and evaluation frameworks are often underdeveloped or missing, and only a minority of programmes conduct any type of evaluation. Robust impact assessments are rare. Thus, there is limited documented experience about the effectiveness of ALMPs in MENA and what can be learned from them.
5. **Enhance the role of institutions that deal with employment and unemployment issues and improve the collection and dissemination of labour market information.** The core functions of employment services to youth can range from career and vocational counselling to job-search assistance, provision of labour market information, administration of unemployment benefits, training and public works programmes. The SWTs have shown that few young people use formal means of finding work, and too many still rely on informal networking in their job search. This means that youth who lack personal connections will have lower chances of finding employment opportunities. In addition, informal matchmaking mechanisms are likely to lead to inefficient matches between labour supply and demand and therefore weakened productivity. Strengthening employment services can help to make the connections between young people and enterprises more efficient and systematic.
6. **Improve the coordination mechanisms across the institutions that target youth employment.** Institutions (e.g., ministries) charged with employment promotion in the region have historically varied in strength and influence depending on the leadership at a given time. The formulation and implementation of employment policy and ALMPs is

further influenced by a complex institutional landscape that is oftentimes fragmented among multiple ministries and governmental and semi-governmental institutions. An example here is Egypt where 30 ministries and authorities are currently overseeing publicly run training centres and programmes in the country. Greater coordination, elimination of redundancies and more parity in the decision-making process across institutions could help to improve the situation.

7. **Support employers in taking an active part in the creation of decent jobs for young people.** Employers may take on young people when subsidies are offered in the way of tax breaks or other financial incentives, although the high levels of informality among enterprises in the countries surveyed can hamper the effectiveness of such a strategy. Such wage subsidies intervention should be targeted towards first-time jobseekers or those who have faced long periods of unemployment or inactivity (as such programmes have been shown to be effective at providing short-term work experience, but less effective at sustainable job creation). Perhaps more can be done to make the business case for employing young people by highlighting how this impacts on organizations' competitiveness. Helping employers to link investment in young people, including through on-the-job training of new entrants, to their business strategy is an area to be further expanded. At the same time, governments are advised to give clear signals to enterprises that they will reward private-sector enterprises that respond well to measures which induce job creation for young people.
8. **Strengthen support mechanisms to youth-led enterprises.** Access to finance, lack of business skills and a lack of networks are consistently listed as major constraints for enterprises to start and expand their operations and workforce. This is particularly important in countries where a majority of establishments are micro- and small enterprises. Macro-level interventions that would encourage a transition from the informal to the formal sector include: streamlining business registration and licensing regimes; simplifying tax administration; reviewing land ownership; creating an enabling environment for enterprises; introducing incentives to encourage compliance with the legal and regulatory framework. Growth of small and medium-sized enterprises is hampered in the region by a policy environment that favours a few dominant market players and insulates them from competition (Schiffbauer et al., 2015). Such policies will need to be dismantled if the region is serious about creating job opportunities for all youth, and not just a privileged few.

Youth entrepreneurship can be a pathway to a successful transition for some young people, but only if an enabling environment exists to bolster enterprise development. Governments and social partners can set up specific initiatives to cater for the needs of young entrepreneurs. Evidence shows that providing stand-alone services such as training or microfinance is not enough to allow youth to start a business. Indeed, entrepreneurship training complemented with financial support and advisory services has been shown to be more effective at enhancing labour market activity than programmes that focus on training or financing alone. Holistic approaches can be adopted under a variety of support models depending on the specific target group, such as the graduation model (for the extreme poor), microfinance plus and microfranchising (for low-income vulnerable groups) and incubators (for growth-oriented entrepreneurs).

9. **Reduce gender-based gaps in labour market outcomes.** Pre-existing gender differences and inequalities in the labour market affect the outcomes of all areas of youth employment interventions (Elder and Kring, 2016). This is especially true in the MENA region where youth employment outcomes for women fall short of outcomes for men in all aspects, due to the context-specific combination of economic and social pressures. Lack of female

empowerment prevents women from improving their own circumstances and those of their households, limits the amount of skills and talent available to an economy and weakens the enabling environment for enterprise development. Any other effort towards economic development and decent work creation will only succeed in a context where women are free to choose independently how to best use their economic potential. Yet, freedom of choice is key here, and research has repeatedly shown that programmes which aim to get young women into employment and/or training programmes fall short of expectations because young women themselves have not bought into the idea.²⁰ Or young women participate initially in the programme but the effects are not sustained when they drop out to get married or have children. EFE, Bayt.com and YouGov (2015) suggests that one means of encouraging higher female labour force participation is for employers to address what really matters to the young women themselves; examples given are the provision of nursery/day-care facilities and flexible schedules, transportation solutions, along with a clear and transparent process for when and how employees can earn such benefits.

At the same time, a World Bank study estimates that, if women's participation in labour markets in the MENA region were equal to that of men, regional GDP could rise by 47 per cent over the next decade (World Bank, 2013). The economic arguments to overcome segregation in the labour market are clearly in place; and, by segregation, is meant not just segregation in terms of jobs for men and jobs for women, but also the divide in perceptions of the public versus the private sector and attitudes towards migrant and non-migrant jobs. When norms and connections determine the distribution of labour in the economy, productivity and growth are stifled. The same report bravely calls for a "change in the rules of the game" in the region that would allow for an uninhibited redistribution of the countries' untapped productive potential.

10. **Promote bipartite and tripartite cooperation on youth employment to yield better employment outcomes.** Fundamental principles and rights at work, labour standards, collective bargaining and social dialogue need to be at the heart of the policy formulation processes. Establishing an enabling environment for the successful implementation of employment and labour market interventions for young people requires bipartite and tripartite cooperation. Governments, employers' organizations and trade unions have a role to play by fulfilling their own specific mandates and through concerted and joint efforts for the promotion of decent work for youth in the country.

²⁰ See, for example, a recent systematic review of evaluations of active labour market programmes in the region for evidence of impact on gender equality (ILO, 2016c).

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Annex I. Definitions of labour market statistics

1. The following units are defined according to the standards of the International Conference of Labour Statisticians:
 - a. The **employed** include all persons of 15 years of age or more who during a week of reference:
 - worked for wage or profit (in cash or in kind) for at least one hour;
 - were temporarily absent from work (e.g. because of illness, leave, studies, a break in the activity of the firm), but had a formal attachment to their job;
 - performed some work without pay for family gain.
 - b. The **unemployed** (strictly defined) include all persons of 15 years of age or more who met the following three conditions during the week of reference:
 - they did not work (according to the abovementioned definition);
 - they were actively searching for a job or took concrete action to start their own business;
 - they were available to start work within the two weeks following the reference week.
 - c. Persons not included in the employed category or in the unemployed category are classified as **not in the labour force** (also known as **inactive**).
2. The International Classification of Status in Employment (ICSE) categorizes the employed population on the basis of their explicit or implicit contract of employment, as follows:
 - a. **Employees** (also wage and salaried workers) are all those workers who hold the type of jobs defined as “paid employment jobs”, where the incumbents hold explicit (written or oral) or implicit employment contracts that give them a basic remuneration that is not directly dependent upon the revenue of the unit for which they work.
 - b. **Employers** are those workers who, working on their own account or with one or a few partners, hold the type of jobs defined as “self-employment jobs” (i.e. jobs where the remuneration is directly dependent upon the profits derived from the goods and services produced) and, in this capacity, have engaged, on a continuous basis, one or more persons to work for them as employee(s).
 - c. **Own-account workers** are those who, working on their own account or with one or more partners, hold the type of jobs defined as “self-employment jobs” and have not engaged, on a continuous basis, any employees to work for them.
 - d. **Contributing (unpaid) family workers** are those who hold “self-employment jobs” as own-account workers in a market-oriented establishment operated by a related person living in the same household.
3. The employed are also classified by their main **occupation**, in accordance with the International Standard Classification of Occupations (ISCO-08).
4. A **household** is a family or other community of persons living together and jointly spending their income to satisfy the basic necessities of life. The concept of a household includes members present in the place where the household resides, as well as individuals who are temporarily absent and living elsewhere, including abroad, for business, education or other

purposes, as long as their residence in the foreign country does not exceed one year. A person living alone can also qualify as a household (“single household”) if s/he does not already belong to another unit. The single household can reside in a separate or shared apartment, considered as an independent unit, as long as the household’s income is not shared with other residents.

5. **The reporting period**, to which the questions for the economic activity are related, is the week before the week of interview (52 reporting weeks throughout the year).
6. The following units are also defined within the SWTS analysis but are outside the scope of those defined within the international framework of labour market statistics mentioned in item 1 above:
 - a. **Broad unemployment** – a person without work and available to work (relaxing the jobseeking criteria of item 1b above).
 - b. **Labour underutilization rate** – the sum of shares of youth in irregular employment, unemployed (broad definition) and youth neither in the labour force nor in education/training (inactive non-students) as a percentage of the youth population.
 - c. **Regular employment** – the sum of employees with a contract (oral or written) of 12 months or more in duration and employers; the indicators are therefore a mix of information on status in employment and contract situations.
 - d. **Satisfactory employment** – based on self-assessment of the jobholder; implies a job that respondents consider to “fit” their desired employment path at that moment in time.
 - e. **Stable employment** – employees with a contract (oral or written) of 12 months or more in duration.
 - f. **Temporary employment** – employees with a contract (oral or written) of less than 12 months in duration.

Annex II. Additional statistical tables

Table A.1 Youth population by sex and selected characteristics (%)

Country	Sex	Age group			Area of residence		Marital status			
		15–19	20–24	25–29	Urban	Rural	Single	Engaged/ married	Divorced	Widowed
Egypt	Male	35.0	36.6	28.4	41.4	58.6	88.5	11.5	0	0
	Female	33.9	32.5	33.6	43.2	56.8	59.7	40.3	0	0
Jordan	Male	27.6	44.3	28.2	82.1	17.9	88.6	11.3	0	0
	Female	31.4	38.5	30	81.5	18.5	71.1	28.9	0	0
Lebanon	Male	31.2	35.5	33.3	–	–	90.6	9.4	0	0
	Female	32.0	35.6	32.5	–	–	82.1	17.9	0	0
OPT	Male	31.5	37.1	31.4	–	–	81.7	18.4	0	0
	Female	33.6	37.3	29.2	–	–	63.1	37.0	0	0
Tunisia	Male	30.7	34.7	34.6	67.4	32.6	94.7	5.3	0	0
	Female	29.3	34.7	36	65.6	34.4	80.2	19.1	0.7	0
Average	Male	31.2	37.6	31.2	63.6	36.4	88.8	11.1	0	0
	Female	32.0	35.7	32.2	63.4	36.6	71.2	28.6	0.1	0

Source: SWTs, latest years (see table 3.1 for reference period by country).

Table A.2 Young wage and salaried workers and self-employed workers by occupation (%)

Occupation	Egypt	Jordan	Lebanon	OPT	Tunisia	Average
Legislators, senior officials and managers						
Wage and salaried	0.3	0.0	6.1	0.6	1.9	1.3
Self-employed	13.2	0.0	32.5	1.3	3.3	12.8
Professionals						
Wage and salaried	9.8	31.1	26.8	11.3	4.1	15.1
Self-employed	3.1	13.6	18.1	4.8	2.3	7.5
Technicians and associate professionals						
Wage and salaried	6.5	5.6	10.0	7.1	8.7	7.1
Self-employed	1.9	0.0	2.7	4.8	0.8	2.2
Clerks						
Wage and salaried	4.2	4.7	7.8	1.1	4.8	4.7
Self-employed	0.1	1.9	1.0	1.5	1.0	0.8
Service workers, shop and market sales workers						
Wage and salaried	13.8	29.3	20.3	19.6	16.2	20.6
Self-employed	14.3	32.7	16.3	39.9	16.5	20.7
Skilled agricultural and fishery workers						
Wage and salaried	13.3	1.2	0.1	0.8	6.2	5.3
Self-employed	46.0	11.8	6.4	15.7	35.0	28.5
Craft and related trades workers						
Wage and salaried	29.7	13.6	10.2	24.2	16.0	20.0
Self-employed	8.3	24.0	13.8	16.3	11.1	12.6
Plant and machine operators and assemblers						

Wage and salaried	13.3	8.1	1.6	8.1	14.4	9.4
Self-employed	7.0	15.3	4.0	7.1	5.9	6.9
Elementary occupations						
Wage and salaried	9.2	6.4	3.1	25.9	27.7	13.9
Self-employed	6.1	0.8	4.3	8.6	23.9	7.7
Armed forces						
Wage and salaried	0.1	0.0	13.9	1.4	0.0	2.6
Self-employed	0.0	0.0	0.0	0.0	0.0	0.2

Source: SWTSS, latest years (see table 3.1 for reference period by country).



This report presents the results of the School-to-work transition surveys (SWTS) implemented in five countries in the Middle East and North Africa region – Egypt, Jordan, Lebanon, Occupied Palestinian Territory and Tunisia – between 2013 and 2015. The indicators resulting from the surveys and analysed in this report provide a detailed picture of youth in the labour market in a part of the world where unemployment rates are among the highest in the world. The region's increasing levels of educational attainment, especially among women, accompanied by insufficient demand for skilled workers are among the primary causes of difficulties in the labour market transitions of youth. The report focuses heavily on issues of quality of employment and also draws attention to the path and duration of the labour market transitions of young people, while drawing some conclusions about the characteristics or experiences that can help to achieve a smoother transition.

The SWTSs are made available through the ILO “Work4Youth” (W4Y) Project. This Project is a five-year partnership between the ILO and The MasterCard Foundation that aims to promote decent work opportunities for young men and women through knowledge and action. The W4Y Publications Series covers national reports, with main survey findings and details on current national policy interventions in the area of youth employment, regional synthesis reports and thematic explorations of the 53 datasets from the 34 target W4Y countries.

Work4Youth



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