Background Paper

EMPLOYMENT, EDUCATION AND SOCIAL INCLUSION

ALGERIA, MOROCCO, TUNISIA, EGYPT, LEBANON

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Abstract

This paper combines two different theoretical concepts of social inclusion and (as its converse) social exclusion in the fields of education and employment/labour market in five Arab Mediterranean countries (Algeria, Morocco, Tunisia, Egypt and Lebanon): the structural determined concept of social inclusion/exclusion on the macro and meso level (e.g. policies, laws, socio-economic conditions and the individual/group level concept on the micro level. Insofar this paper considers institutional settings as well as individual dimensions, using harmonized data and statistics, which enables cross-country comparisons. First the paper starts with key issues of socio-economic information (demography, urbanization, economy) as a frame for the then following fields of education and employment/labour market. The paper concludes with a summary of major aspects of social inclusion/exclusion, using the UNDP Human Development Index as a general term combining major aspects of social inclusion/exclusion. Subsequently the performance of the countries’ elites (and here especially the governments) to meet the challenges of social exclusion are described. Last but not least similarities and differences social exclusion of young people in AMCs and Europe as well as a discussion about the outcome of the popular revolts in some Maghreb and Machrek countries in 2010/2011, referring to the paper’s topic are presented. Finally we raise two major research questions for the SAHWA project, which include metric measurements aspects of social inclusion/exclusion well as the respective individual-subjective perceptions by young people.

Keywords: Arab Mediterranean Countries, social inclusion & exclusion, education, employment & labour markets, youth.
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INTRODUCTION

This background paper “Employment, Education and Social Inclusion in Algeria, Morocco, Tunisia, Egypt, Lebanon” – hereafter called as Arab Mediterranean Countries (AMCs) – raises the question whether the fields of education and employment/labour market are contributing to social inclusion and social exclusion (as a converse of social inclusion).

According to the definition by the World Bank (2013), social inclusion is affirmative action to change the circumstances and habits that lead (or have led) to social exclusion. Insofar social inclusion is the process of improving the ability, opportunity, and dignity of people; disadvantaged on the basis of their identity, to take part in society. Coming from this, the reasons and the outcome of social exclusion should be addressed first. Social exclusion, as a part of a marginalization process, was first used in France (Silver 1994) and now widely used in all over Europe¹.

According to Silver (2007, 15), social exclusion is a multidimensional process of progressive social rupture, detaching groups and individuals from social relations and institutions and preventing them from full participation in the normal, normatively prescribed activities of the society in which they live.

But how to conceptualize social inclusion and social exclusion?

One model is that social inclusion and exclusion are on a consortium on a vertical plane below and above “Social Horizon” (Jehoel-Gijsbers/Vrooman 200/, Hills/ LeGrand/Piachaud 2002). According to this model, there are ten social structures that impact exclusion and can fluctuate over time: race, geographic location, class structure, globalization, social issues, personal habits and appearance, education, religion, economics and politics.

In an alternative conceptualization, social exclusion theoretically emerges at the individual or group level on four correlated dimensions: insufficient access to social rights, material deprivation, limited social participation and a lack of normative integration. Insofar this model regards social exclusion as the combined result of personal risk factors (age, gender etc.); macro-societal changes (demographic, economic and labour market developments, technical innovation, evolution of social norms); government legislation and social policy; and the actual behaviour of businesses, administrative organizations and citizens (Jehoel-Gijsbers/Vrooman 200/, Hills/ LeGrand/Piachaud 2002).

A more applied explanation of what social exclusion could mean, has been given by Castel (1995, 461): Despite the efficacy of social policies and the extensive reach of the social security net (in the developed countries), Many people in contemporary societies continue to be placed in situations of poverty, the increase of which heralds the return of a kind of mass

¹ The EU Commission supports and complements the Member States’ policies in the fields of social inclusion and social protection. The EU 2020 strategy sets target to lift at least 20 million people out of poverty and social exclusion and to increase employment of the population aged 20-64 to 75 percent (see “Platform against Poverty and social Exclusion” and the “Agenda for New Skills and Jobs”). Through its “Social Investment Package” the EU Commission provides guidance to Member states to modernize their welfare systems towards social investment throughout life. The package complements, the “Employment Package”, the “White Paper on Pensions” and the “Youth Employment Package”.
vulnerability. This suggests that there is the emergence of challenges of a new social question, which can be analysed primarily through economic instability and fragile social bonds. This applies even more for countries like the five AMC’s, which could be (more or less) determined as transformation societies2.

Taking “Education”, and “Employment & Labour Market”, as fields of social inclusion/exclusion means to

- combine these two concept models,
- refer to the more practical explanation by Castel, and
- bring together the (empirically proven) criteria of social inclusion/exclusion with important themes and work packages of the SAHWA project.

Education and Employment/Labour Market are always embedded in national or/and regional specific institutions. Following North’s (1991) definition, institutions are humanly devised constraints that structure political economic and social interactions. Constraints are devised as formal rules (constitutions, laws, property rights) and informal restraints (sanctions, taboos, customs, tradition, code of conduct), partly coming from different ethnicities (e.g. Berbers, Arabians) and different tribes within the countries concerned. The degree to which these institutions are effective is subject to varying circumstances, such as government’s limited coercive force, a lack of organized state, or the presence of strong religious precept.

For this background paper, we consider that there are different institutions in the five AMCs, which are shaping or “producing” the hereafter presented figures on education, employment & labour market including material distribution of income, partly as a result of opportunities and participation in education, employment and labour market.

Another issue is arising here: As specific languages and the meaning attached to the languages could cause uniform discourses, influenced by the Western world. This has the “potential to dilute or even annihilate local cultures and traditions and to deny context specific realities” (Sewpaul 2006, 421) – e.g.

- the specific roles of the families in AMCs, related to employment,
- to explain female participation in labour market is not only linked to the educational level, but should consider cultural and social trends within the gender roles,
- taking into account the construction of kinship and (in some areas) tribal solidarities to explain employment& labour market issues as well as Poverty Rates and Distribution of Income and Wealth.

The effect of dominant global discourses can cause individual and cultural displacement, as well as an experience of “de-localization”, as individual notions of security and safety are jeopardized. So in EU member states – despite huge differences between the single countries - the basic understanding of social policy is that the state should take over a larger part of responsibilities, whereas in the AMCs the common understanding is that families and the (not state-organized) community are mainly responsible for.

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2 The concept of transformation societies comprises much more than the concept of transition economy, that means the transition from centrally-planned economies to market economies (Tholen et al 1997, Lavigne 1995). It includes as well the process of democratization towards an Open Society (Popper 1947)
Insofar EU programmes related to social inclusion, could not be translated one to one into the AMC.

Another decision must have been taken, whether this paper

- should be constructed as country case studies (that would have meant 5 papers each for every single AMC), using different approaches of statistical data. For a cross-country comparison this approach should have needed additional contextual information on the countries’ culture, history and social institutions (see Raffe 2014), or
- should be a cross-country comparison between the five AMCs (including worldwide rankings), using the same definition of all data available (= harmonized statistics).

We decided for option No. 2, as the themes “Education” and “Employment & Labour Market”, related to social inclusion/exclusion, could be measured by data, based on international standards. Insofar this paper gives the reader and the SAHWA Project the chance to compare the conditions and facts of all the five AMCs properly and directly.

A general remark to all these statistics should be done here: many of the available data (either from international organizations like the World Bank, the IMF, the ILO or the EU and from the respective national statistical office in the five AMCs) are highly controversial. Sometimes, the measurement criteria are not explained, or they are different from country to country, or they are incomplete. Following this, there are in general two options for this paper:

- either to give up from the very beginning according to the slogan “Do not believe in any statistic unless you have falsified these data by yourself”;
- or trying to check these data with reference to their plausibility and rationality. For the SAHWA Project this can only be done by a comparison between the five AMCs by using mostly international-harmonized data and statistics; so giving another argument for choosing “Option 2”.

As for the content and organization of this background paper, first it starts with some general socio-economic information about the five countries (demographic, urbanization and economic trends) as a base of the paper’s topics (chapter 1). Chapter 2 comprises all the (statistically relevant) facts and data concerning the first topic of this background paper – education. The employment/labour market issues with all their (by statistics) measurable dimensions are presented in chapter 3. Furthermore this chapter refers to major aspects of active labour policies, as far as valid data are available. Finally this chapter is highlighting important aspects of “Poverty Rate and Distribution of Income & Wealth” as partly an outcome of social inclusion/exclusion in the fields of education and employment/labour market.

All these data and statistics will focus on young people (as far as respective data are available), but considering their embeddedness in the general society. For all chapters, a short

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3 The SAHWA project follows the understanding of “youth” in the AMCs: The category "young” appears in conjunction and contrast with other life stages. Maturity is regarded in the Arab world as
summary presents the main findings. The final chapter “Summary and Conclusion” first refers to the UNDP’s Human Development Index, which expresses the social inequality in the AMCs by comprising some more factors than only money-metric data, followed by a general summary of similarities and differences of youth exclusion in Arab and European countries to give a hint to policy-makers.

Last but not least we discuss more broadly the governments’ answers to change the framework of social exclusion, which means to launch the necessary transformation processes. Referring to global indices (Status Index and Governmental Management Index) we consider the poor level of the administrations’ willing and ability to reform the five AMCs.

Last but not least similarities and differences social exclusion of young people in AMCs and Europe as well as a discussion about the outcome of the popular revolts of 2010/2011, referring to the paper’s topic are presented.

Finally this paper will present two main research questions, derived from this paper’s context, which could be useful for the surveys and the fieldwork in local contexts.

1. General Information

This chapter will give an overview of demographic, urbanization and economic trends.

Demographic Trends:

Table 1.1.: Population, total (averaged per year) and growth rates (1989-1993/2009-2013)

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, 1989-1993</td>
<td>36,383,302</td>
<td>31,276,564</td>
<td>10,439,600</td>
<td>76,775,023</td>
<td>4,246,924</td>
</tr>
<tr>
<td>Total, 2009-2013</td>
<td>39,208,194</td>
<td>33,008,752</td>
<td>10,886,500</td>
<td>82,056,378</td>
<td>4,467,390</td>
</tr>
<tr>
<td>Growth rates in % (comparison 1989-1993/2009-2013)</td>
<td>+ 7.7</td>
<td>+ 5.5</td>
<td>+4.3</td>
<td>+6.9</td>
<td>+5.2</td>
</tr>
</tbody>
</table>

Sources: World Bank 2014 a: Population databank

The size of the population in the five AMCs is dissimilar. Egypt ranks – according to the size of population – worldwide as No. 16, whereas Lebanon could be called with 4.5 Mio people

the stage when the individual has completed its cycle of socialization. For the survey and the ethnographic fieldwork, SAHWA selected the age group between 15 and 29 years.
as a small country. The growth rates in the 5 countries, though decreasing in the last 20 years, are all positive, with Algeria and Egypt at the top.

Table 1.2.: Adolescent Fertility Rate (Births per 1,000 women ages 15-19), 2009, 2012

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>10</td>
<td>34</td>
<td>5</td>
<td>46</td>
<td>12</td>
</tr>
<tr>
<td>2012</td>
<td>10</td>
<td>36</td>
<td>5</td>
<td>43</td>
<td>12</td>
</tr>
</tbody>
</table>

Sources: World Bank 2014b: Adolescent fertility rate (births per 1,000 women ages 15-29)

The differences between the five AMCs are striking: Egypt and Morocco are the countries with a very high fertility birth rate of young women, whereas in Lebanon, Algeria and Egypt these rates are one fifth or even less of the two top countries. This has huge impacts not only concerning the opportunities of young women in the labour market, but for education and employment in general. But what is in common of all the five countries is the more or less standstill of the fertility rates in the last 4 years.

This is confirmed by the Fertility Rate for all women:

Table 1.3: Fertility Rate, Total (births per woman), 1990 - 2009

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>4.7</td>
<td>4.0</td>
<td>3.6</td>
<td>4.4</td>
<td>3.1</td>
</tr>
<tr>
<td>2000</td>
<td>2.6</td>
<td>2.7</td>
<td>2.1</td>
<td>3.3</td>
<td>2.4</td>
</tr>
<tr>
<td>2009</td>
<td>2.3</td>
<td>2.3</td>
<td>2.1</td>
<td>2.8</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Sources: World Bank 2012, Hakimian et al 2013

The table above shows, that after a significant delay, the AMCs demographic transition has taken effect, marked by a slow reduction in fertility rates. Although significantly lower than in the 1990s (4-5 births per woman), the region’s fertility rates in 2009 still stand above that of other world regions.

What is characteristic for all of the five AMCs is that the population is rather young. The median age in three out of five AMCs is below the average of the global median age (28.4 years), and the proportion of young people (aged 15-24 years, definition by the World Bank) of the whole population is rather high\(^4\) – with all the consequences for education, employment and social inclusion (see below).

If we take a look to the age group of children (which will become in the next decade the age group of young people), we will consider that this age group in the five AMCs is rather high as well, compared with the total population – again Egypt is on the top:

Table 1.4.: Population ages 0-14 (% of total), 1994-1998/2009-2013, averaged

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-2013</td>
<td>28</td>
<td>28</td>
<td>23</td>
<td>31</td>
<td>21</td>
</tr>
</tbody>
</table>

\(^4\) Worldwide 2013, the proportion of young people between 10 and 24 years is 25 % (UN Statistics Division 2014)
Sources: World Bank 2014 c: Population ages 0-14 (% of total)

But as already mentioned before, the extreme growth rates has come to a stop as well in the last two decades. This is confirmed by the median age and the age dependencies ratio:

**Table 1.5: Median Age and Age Dependencies Ratio (% Working Population), 1990-2009**

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>80.9</td>
<td>18.1</td>
<td>70.4</td>
<td>19.7</td>
<td>66.5</td>
</tr>
<tr>
<td></td>
<td>18.1</td>
<td>70.4</td>
<td>19.7</td>
<td>66.5</td>
<td>20.8</td>
</tr>
<tr>
<td></td>
<td>20.8</td>
<td>74.2</td>
<td>19.4</td>
<td>61.4</td>
<td>21.7</td>
</tr>
<tr>
<td>2000</td>
<td>55.5</td>
<td>21.7</td>
<td>54.4</td>
<td>22.6</td>
<td>47.2</td>
</tr>
<tr>
<td></td>
<td>22.6</td>
<td>47.2</td>
<td>24.7</td>
<td>60.5</td>
<td>21.4</td>
</tr>
<tr>
<td></td>
<td>24.7</td>
<td>60.5</td>
<td>21.4</td>
<td>48.6</td>
<td>25.6</td>
</tr>
<tr>
<td>2009</td>
<td>39.6</td>
<td>26.2</td>
<td>42.1</td>
<td>26.3</td>
<td>33.7</td>
</tr>
<tr>
<td></td>
<td>26.3</td>
<td>33.7</td>
<td>24.4</td>
<td>36.5</td>
<td>29.1</td>
</tr>
</tbody>
</table>

Sources: World Bank 2012, Hakimian et al 2013

This table shows clearly that the age structure of the five AMCs continues to be heavily skewed in favour of those under 15 years of age – though in the last two decades the proportion of the under 15 aged has been halved. Whilst this implies a favourable change in the structure of the population in favour of producers as opposed to consumers overall, the total number and the ratios of the working population has been increased dramatically (see below the chapters “Labour Market and Employment”). This has posed serious challenges to the dynamics of the labour force and employment in the five AMCs and this is likely to continue for a while. The pressure for young people to get a decent job is therefore extremely high. The young age structure of the five AMCs is also clear from the strikingly low median age, though the median age has been increased in the last 2 decades as well.

**Urbanization Trends:**

All over the world, there is a trend towards urbanization. This is the case especially for transition countries.

**Table 1.6.: Rural Population, in % of total population, 2009 and 2013 (calculated as the difference between total population and urban population)**

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage rural, 2009</td>
<td>29</td>
<td>44</td>
<td>34</td>
<td>57</td>
<td>13</td>
</tr>
<tr>
<td>Percentage rural, 2013</td>
<td>25</td>
<td>42</td>
<td>33</td>
<td>56</td>
<td>13</td>
</tr>
</tbody>
</table>

Sources: World Bank 2014 d: Rural population
The table shows huge differences of urbanization between the five AMCs. Especially in Egypt, and Morocco the rural percentages are rather high, whereas in Algeria and even more in Lebanon, the rural areas do not play a big role – Lebanon is often called as one big city. What is shown in the table above is the general trend of urbanization. What is not shown in this table, are the slums in the urban areas, which have been often the scene of social and political tensions that preceded the popular revolts of 2010 and 2011.

**Economic Trends:**

One of the main differences between the five AMCs is the (non) existence of natural resources, primarily oil and gas. Algeria is a producer and exporter of oil and gas, whereas the other four AMCs are small producers or even importers of oil and gas (O’Sullivan, Rey, Mendez, 2012). Insofar the GDP are rather different:

*Table 1.7.: Gross Domestic Product – GDP, current prices, USD, in Billions, 2005, 2013*

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
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<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>103.198</td>
<td>59.198</td>
<td>32.272</td>
<td>89.519</td>
<td>21.286</td>
</tr>
<tr>
<td>2013</td>
<td>206.095</td>
<td>105.101</td>
<td>47.439</td>
<td>271.427</td>
<td>44.439</td>
</tr>
</tbody>
</table>

Sources: IMF 2014, April: World Economic Outlook Database

Whereas the oil and gas sector in Algeria is dominant and insofar the GDP is high, in countries with a large agricultural production (as e.g. in Morocco) the GDP is comparably low. There is a slight growth of the GDP in all five AMCs – though the data are not cleaned by the inflation rates, etc.

*Table 1.8: GDP per capita, 2013, USD, World Ranking*

<table>
<thead>
<tr>
<th></th>
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<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013, in USD</td>
<td>5,361</td>
<td>3,109</td>
<td>4,329</td>
<td>3,314</td>
<td>9,928</td>
</tr>
<tr>
<td>World Ranking (1-189)</td>
<td>97</td>
<td>127</td>
<td>108</td>
<td>121</td>
<td>71</td>
</tr>
</tbody>
</table>

Sources: World Bank 2014

Though the world ranking of the five AMCs in terms of the real GDP per capita (Table 1.8) seems discouraging, the real GDP per capita growth rates in the last period 2006-2010 (till the start of the Arab uprisings) was in four out of five AMCs (exception: Algeria) almost double
that of the world average (2.2 %) and compared favourably with most other world regions (with the exception of South Asia) (Table 1.9).

The structure of the respective national economies by sectors in terms of GDP is different: Whereas in Egypt and Morocco a rather high proportion of the GDP income is produced by agriculture (this is in correspondence with the level of urbanization), in Algeria the industry (mainly oil and gas) is the largest sector.

Table 1.10: Average Annual Sectorial Growth (%), averaged 2001-2010

<table>
<thead>
<tr>
<th></th>
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<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>4.8</td>
<td>8.5</td>
<td>1.7</td>
<td>3.4</td>
<td>0.8</td>
</tr>
<tr>
<td>Industry</td>
<td>3.0</td>
<td>3.7</td>
<td>3.1</td>
<td>5.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Services</td>
<td>5.2</td>
<td>4.7</td>
<td>6.4</td>
<td>5.2</td>
<td>5.3</td>
</tr>
</tbody>
</table>

Sources: World Bank 2012, Hakimian et al 2013

With the exception of Morocco, where agriculture plays a dominant role for the annual growth (and here the majority of new jobs have been created), the services sector has been the main source behind the recent growth. This has main impacts of urbanization, job opportunities and qualifications for young people.

Summary:

In all of the five AMCs, the growth of the population has been slowed (and thus following the global trend), though the share of the young population is rather high. This creates a huge pressure on the education system and on the labour market. Though the trend to move into the cities could be observed in the five countries, the rural areas especially in Egypt, Morocco and Tunisia are very important – with all the consequences for opportunities for young people to get a good education and a decent job. Coming to the economic growth, the GDP per capita growth rates for all the countries were positive in the last decade, but compared with the global ranking, the rate GDP per capita is still behind.

Concerning the different areas (urban, semi-urban, rural), it may be argued that the deteriorating conditions in many of the AMCs’ cities were catalysts of political activism that pushed for greater social justice: Exploding numbers of young (educated) people – partly coming from the birth rates, partly from the urbanization trend, good communication channels by IT (Social Media), less job opportunities lead to an explosive mixture of the feeling “Nothing to lose” and political activism. Improving the conditions of neglected and decaying urban and semi-urban areas provides a tremendous opportunity for employment and social inclusion (UNDP 2012, 11). In addition, small and medium sized towns must be viewed as pivotal areas in regional development networks and a base for integrating agricultural, commercial, industrial, tourists and service activities. Furthermore rural development is dependent on links between small and medium cities and their rural hinterlands.

It is evident, that the current conditions in rural areas of four out of the five AMCs (apart from Lebanon) require broad structural changes that aim to achieve comprehensive rural development based on a more diversified set of economic activities (e.g. by increasing productivity of small farms and improving access to markets and credit on reasonable terms).
By diversifying economic activities in rural areas, rural exodus would be slowing down and insofar the pressure on cities to provide social services, infrastructure, decent jobs etc. would be eased.

The unfavourable economic structure (agriculture-industry-services), together with low competitiveness, accompanied by a growing portion of (especially young) employable people, is responsible for the failure of the five AMCs to generate decent and productive jobs of its people. The rise in international and domestic food prices since 2007 has also placed a huge burden on the well-being of millions of poor in rural and semi-rural (peripheral-urban) areas.

Concerning the political framework of the economies of the five AMCs (a deeper analysis for this would mean a different paper), it should be noted, that all the five AMCs are “Non Market-Oriented” economies. Either their economies are oligopolistic or even monopolistic. All the five countries could be called as “corporatist” economies, though from country to country with different dominant factors (either influenced by large companies – partly governed by influential families, which had been privatized only formally) or by direct state interventions. Insofar a special responsibility for changing the economic structure with the target to enhance the opportunity of (young) people to be socially included comes up to the governments, and not only in their original field of politics, but as a dominant economic actor as well.

But as the – political and economic – elites in the five AMCs (with the exception of Tunisia) have no interest in any fundamental change of the economic structures, these unfavourable structures will remain in a foreseeable time. What is interesting is the perception of this oligopolistic economic structure of the respective economies by young people. Many of them oversee the real cause for this; instead they often blame international (mostly Western) organizations for these erroneous trends (Brownlee, Masoud, Reynolds 2013).
2. Education

In this chapter we take a closer look into the public financing of the educational systems, the enrolment rates for primary and secondary schools as well as for Higher Education, school life expectancies and school survival rates, and literacy rates, all under the special gender aspect and, where necessary, divided by different age groups.

Here huge differences of public education expenditures between the five AMCs could be considered. Morocco is ahead, followed closely by Tunisia, Egypt, and – with a huge gap – Lebanon. For Algeria no data are available.

Table 2.1.: Public Education expenditure per pupil (% of GDP per capita), 1998-2001/2006-2009 (averaged)

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-2009</td>
<td>n.a.</td>
<td>24.1</td>
<td>23.5</td>
<td>n.a.</td>
<td>7.8</td>
</tr>
</tbody>
</table>

Sources: World Bank 2012, Hakimian et al 2013

Although data are patchy, it shows, that according to the raising population, the public expenditures per pupil have not really been increased in the last 15 years. Again, Lebanon is far at the end in this field as well.

Table 2.2.: Elementary/Primary School, Net Enrolment Rate, in % of all children of this age group, by gender, 2012

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt 2011</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>97</td>
<td>97</td>
<td>99</td>
<td>95</td>
<td>93</td>
</tr>
</tbody>
</table>

http://data.worldbank.org/indicator/SE.PRIM.NENR (primary schools)
http://data.worldbank.org/indicator/SE.SEC.NENR/countries (secondary schools)

All five AMCs have a very high rate of Elementary School Enrolment Rate (nearly 100 percent). In all the four AMCs (for Egypt there are no data available) there is gender parity. Young girls reach the same enrolment share as young boys.

And the survival rates for elementary / primary school are very high as well, though we have for this only data from three AMCs:

Table 2.3.: Survival Rate for Elementary/Primary School, in % of all children of this age group, different years

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco 2012/13</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total (male +)</td>
<td>92.8</td>
<td>91.5</td>
<td>94.7</td>
<td>n.a.</td>
<td>93.3</td>
</tr>
</tbody>
</table>
female)


More than 90 percent in Algeria, Morocco, Tunisia and Lebanon do not leave the elementary/primary school before the official termination.

Table 2.4.: Secondary School, Net Enrolment Rate, in % of all children of this age group, by gender, different years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>39.7</td>
<td>25.5</td>
<td>75.4</td>
<td>n.a.</td>
<td>74.0</td>
</tr>
<tr>
<td>Female</td>
<td>56.1</td>
<td>23.7</td>
<td>82.3</td>
<td>n.a.</td>
<td>74.3</td>
</tr>
<tr>
<td>Total</td>
<td>49.4</td>
<td>n.a.</td>
<td>78.8</td>
<td>n.a.</td>
<td>74.0</td>
</tr>
</tbody>
</table>

Sources: HCP-Enquête nationale sur l’emploi 2011, HCP/Morocco; Edunet.tn/Tunisia; World Bank: World Development Indicators/Lebanon, ONS, Algerian Ministry of Education.

There is a clear break between primary and secondary schools in the four out of five AMCs (for Egypt, no data are available): The enrolment rates for secondary schools in Tunisia and Lebanon are around 20 percent less than those for the primary schools – in Algeria the enrolment rate is about 50 percent and in Morocco the enrolment rate is only one quarter of all children in this age group.

Apart from this, the trend of gender parity is continuing here as well, even more: In Algeria and Lebanon the female enrolment rate for Secondary Schools is slightly higher than the male enrolment rate.

Table 2.5.: Ratio of Female to Male enrolment, in %, 2000 and 2009, Secondary School and Higher Education

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary School:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>79.3</td>
<td>103.4</td>
<td>92.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>101.8</td>
<td>105.8</td>
<td>n.a.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher Education:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>72.3</td>
<td></td>
<td>104.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>144.2</td>
<td>87.1</td>
<td>118.9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: World Bank 2012, Hakimian et al 2013

This table shows that gender parity in both Secondary and Higher Education has been improving significantly in the last decade – Morocco seems to be a little bit sluggish in this respect.
The rising trend of female participation in education has been even more marked in the Higher Education. Although following a worldwide trend, the ratio of female to male enrolment in this sector has jumped significantly.

While an encouraging trend, the rising share for female participation in Higher Education, however, should be seen against a background of generally limited opportunities for women in the social and economic spheres (see also chapter “Employment & Labour Market”). Here we will describe, that the female labour force participation rates in the five AMCs are amongst the lowest in the world. Women also have fewer opportunities for studying abroad and are generally also over-represented among the unemployed.

Table 2.6.: Combined Gross Enrolment in Education, both sexes, in %, different years as noted, global HDI Ranking

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>brackets)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>brackets)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HDI Ranking</td>
<td>93</td>
<td>130</td>
<td>94</td>
<td>n.a.</td>
<td>72</td>
</tr>
<tr>
<td>(out of 186</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ranked countries)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Definition: Number of students enrolled in primary, secondary and tertiary levels of education, regardless of age, as a percentage of population of theoretical school age for the three levels

The Combined Gross Enrolment Rate shows clearly, that – with the exception of Lebanon – the other three AMCs (for Egypt no figures are available) are located in the second half of the global HDI ranking, with Morocco far behind. What is encouraging is that in the course of the time, there is a slight increase in the Combined Gross Enrolment rates in all four AMCs.

School-life expectancy (SLE) describes the average number of years that a child is likely to spend in the educational system of his or her country. Specifically, SLE is defined as the total number of years of schooling that a child entering the school system could expect to receive in the future, assuming that the probability of his or her enrolment is equal to prevailing participation rates. SLE indicates the average duration of schooling in years, not the number of grades reached. It is not necessarily a measure of actual or current attainment but rather of what the next cohort entering the schooling system may achieve.

SLE is a useful metric for several reasons. Because it uses a common scale – number of years of schooling – it allows comparisons across countries with widely varying populations, types of programmes and combinations of primary, secondary and tertiary levels of education. SLE also allows comparisons of post-secondary programmes, which are diverse in many respects,
including the lack of a common duration period. Finally, SLE offers a measure of overall participation in a country’s education system, primary through tertiary.

The good news regarding SLE is that it has been increasing consistently around the globe. For the world as a whole SLE increased between 1990 and 2009 from 8.3 to 11.0 years for females and from 9.6 to 11.4 years for males (UNESCO, 2010).

Table 2.7: School Life Expectancy (primary to tertiary (Higher Education) education), in years, 2009

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Years</td>
<td>13-16</td>
<td>8-12</td>
<td>8-12</td>
<td>n.a.</td>
<td>13-16</td>
</tr>
</tbody>
</table>

Sources: Unesco 2010, Map 6.1.1

School Life Expectancy (from Primary Schools to Higher Education) is more or less the same in all four AMCs (for Egypt no data are available). What is worth to know is, that there are no or if any, only small differences between male and female (= gender parity). Furthermore the SLE in Algeria and Lebanon are above the global average, and the SLE in Morocco and Tunisia is similar to the global average.

Reflecting all these trends (net enrolment rates for Primary and Secondary School, in Higher Education, School Life Expectancy etc.), the question arises about the success. For answering at least partly this question, we use as valid criteria the rate of Literacy:

Table 2.8.: Literacy, in %, total population and young people, different years

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population/Definition: age 15 + can read and write</td>
<td>78 (for 2008)</td>
<td>67 (for 2011)</td>
<td>80 (for 2011)</td>
<td>74 (for 2012)</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Sources for the total population: World Bank 2014d: Literacy Rate, adult
Sources for the youth group: UNICEF: childinfo.org/Morocco;
http://www.unicef.org/french/infobycountry/Tunisia_statistics.html/ (for Tunisia); World Bank : World Development Indicators/Lebanon, ONS/Algeria

Table 2.9.: Global Literacy rates for Adults and Youths, 2013, in % of the whole population

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult literacy rate, total</td>
<td>84.1</td>
</tr>
<tr>
<td>Adult literacy rate, male</td>
<td>88.6</td>
</tr>
<tr>
<td>Adult literacy rate, female</td>
<td>79.9</td>
</tr>
</tbody>
</table>
Youth literacy rate, total  89.5  
Youth literacy rate, male  92.2  
Youth literacy rate, female  86.8  

Source: Unesco 2013  
*Note:* Adult: 15 years and older; Youth: 15-24 years  

Though the data are patchy insofar, as the years of reference are different, it could be considered, that in four AMCs, for which data are available, the literacy rates are below the global average.  

But what is really considerable are the percentages for *youth* literacy. Here the results in Lebanon, Tunisia and Algeria are much better than the global average, and even in Morocco the gap to the global average is not so striking (for Egypt no data for this are available). That means that at least a small success of the education policy, in terms of (youth) literacy, now can be noticed.  

*Summary:*  

Though in the last two decades, the participation rate in education has been rising in the five AMCs (especially for women), the conditions in these countries in terms of public expenditure (which is not catching up with the growth of the population) and literacy rate are lagging behind the global averages. What should be emphasized here is the fast caching-up process of female education, enrolment and literacy. But this does not go hand in hand with the opportunities on the labour market. Beyond this, the fast rising rate of literacy of the younger generation is to be noted as being positive.  

One question arises here, whether the rising social inclusion especially of women in the educational systems is continuing in the field of employment/labour market.  

And another question is on the gap between rural and urban areas, one of the crucial differences, the SHAWA project is making. Normally the opportunities for youngster in rural areas in transition/developing countries to get a decent educational training, is not so good as in urban areas (Tholen et al 2012).
3. Employment & Labour Market

The underlying question for this chapter is the school to-work-transition of young people, a topic for European research for more than 20 years. Unfortunately, for the AMCs, the research on this is just at the beginning (Rosso, Bardak, Zelloth 2012). Insofar first we take a look at:

- Labour Market Trends (labour force, labour participation rates, employment in formal/grey economy, employment status, labour force by occupation, child labour, vulnerable employment, etc.), divided by gender, occupation, level of education, regions (urban/rural) and different age groups
- Unemployment Trends (unemployment rates), divided by different levels of education and age groups.

The then following sub-topic tries to answer the question, how the governments in the five AMCs tries to tackle the problems of unemployment (and following this: social exclusion) by an (active) labour market policies. Last but not least this chapter closes with some major aspects of the distribution of income and wealth as partly being a result of social inclusion/exclusion in the field of employment and labour market.

**Labour Market Trends:**

*Table 3.1.: Labour Force, total, 2009, 2012*

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>11,341,979</td>
<td>11,298,026</td>
<td>3,732,501</td>
<td>25,348,543</td>
<td>1,486,318</td>
</tr>
<tr>
<td>2012</td>
<td>12,205,635</td>
<td>11,803,097</td>
<td>3,930,459</td>
<td>27,193,916</td>
<td>1,636,637</td>
</tr>
</tbody>
</table>

Sources: World Bank (2014f): Labour force, total

Definition: Total labour force comprises people ages 15 and older who meet the International Labour Organization definition of the economically active population: all people who supply labour for the production of goods and services during a specified period. It includes both the employed and the unemployed. While national practices vary in the treatment of such groups as the armed forces and seasonal or part-time workers, in general the labour force includes the armed forces, the unemployed, and first-time job-seekers, but excludes homemakers and other unpaid caregivers and workers in the informal sector.

The total labour force has been increased in all five AMCs (due to the rising population, see demographic trends in chapter 1):  

*Table 3.2.: Labour Force Growth, Average Annual (%), 1990-2009*

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991-1995</td>
<td>5.4</td>
<td>3.3</td>
<td>3.4</td>
<td>2.2</td>
<td>5.8</td>
</tr>
<tr>
<td>2006-2009</td>
<td>2.2</td>
<td>1.3</td>
<td>1.3</td>
<td>2.1</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Sources: World Bank 2012, Hakimian et al 2013
As seen in chapter 1 (General Information/Demographic trends), high population growth over the last few decades has created a demographic momentum that continues to swell the size of the workforce in the five AMCs (Egypt is here an exception). Although gradually moderating over the last two decades, annual labour force growth has been consistently one of the highest in the world.

**But:** The ratio employment to population (= participation rate) in all of the five AMCs is very low, compared with the world: the next two tables highlights the twin features of the five AMCs´ labour markets: very high labour force growth rates (though the growth rates declined in the last 2 decades), combined with limited employment and job opportunities:

**Table 3.3.: Employment –to-Population Ratios ( % of population aged 15+), 1990-2009**

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991-1995</td>
<td>23.7</td>
<td>39.8</td>
<td>27.8</td>
<td>23.9</td>
<td>24.3</td>
</tr>
<tr>
<td>2006-2009</td>
<td>31.5</td>
<td>35.3</td>
<td>23.2</td>
<td>26.1</td>
<td>23.5</td>
</tr>
</tbody>
</table>

Sources: World Bank 2012, Hakimian et al 2013

The labour force growth goes hand in hand with some of the lowest employment-to-population ratios compared with other world regions, though here as well, this ratios has been increased in the last 2 decades, but only in Algeria and Egypt. That means that in the future with higher ratios the pressure on the labour market to create jobs, especially for young people, will turn out as dramatic.

**Table 3.4.: Labour Force Statistics (Period Averages)**

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour Participation Rate (% of population aged 15 +)</td>
<td>51.0</td>
<td>24.6</td>
<td>53.0</td>
<td>24.6</td>
<td>48.2</td>
</tr>
<tr>
<td>Labour Force, Female (% of total labour force)</td>
<td>52.3</td>
<td>26.0</td>
<td>48.0</td>
<td>26.6</td>
<td>48.1</td>
</tr>
</tbody>
</table>

Sources: World Bank 2012, Hakimian et al 2013
Algeria is the only country out of the five AMCs, in which the Labour Force Participation Rate (= LFPR) has been increased considerably in the last 20 years; the same is for the ratio of the female labour force. In the other four AMCs the LFPR either was stagnant or even decreasing. Egypt is the only country, in which the female labour force decreased in the last 2 decades.

The prognosis for the region’s employment problem could be even more challenging in the next years. This indicates that the current population bulge within the working age groups comes against some of the lowest overall LFPR in the world. As more of the population will become active (as it is already reality in Algeria), this leads to more pressure on creating jobs and employment in the future.

The region’s low LFPR is in the main due to very low female labour force participation rates – again the lowest by world standards. At first glance this (low) female participation rate is closely linked to the educational level. This female participation rate increases constantly, the higher the educational level of women is:

Table 3.5: Labour Force Participation Rate of Women, by educational level, in % of all employed women, different years

<table>
<thead>
<tr>
<th></th>
<th>Algeria 2012</th>
<th>Morocco 2012</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Education</td>
<td>48.5</td>
<td>12.4</td>
<td>n.a.</td>
<td>n.a.</td>
<td>40.5.</td>
</tr>
<tr>
<td>Secondary School</td>
<td>18.6</td>
<td>10.2</td>
<td>n.a.</td>
<td>n.a.</td>
<td>19.90</td>
</tr>
<tr>
<td>Primary/Elementary School</td>
<td>21.3</td>
<td>23.8</td>
<td>n.a.</td>
<td>n.a.</td>
<td>24.20</td>
</tr>
</tbody>
</table>

Sources: Algeria (ONS, rapport n°653), HCP, Activité, Emploi, Chômage (2012)/Morocco, World Bank: World Development Indicators/Lebanon

For women with higher education (university’s degree) the female LFPR is rather high (no data available for Tunisia and Egypt). On the first glance the much lower female LFPR in the section “Secondary School”, compared with the rate in the section “Primary/Elementary School”, seems distracting. But considering, that women with secondary school degree compete with those with a university’s degree in the labour market, the low female LFPR for secondary schools degree holders is explainable. And the female primary schools degree holders enter a different labour market segment than the other women.

But beside the educational level, other factors contributes the female LFPR, as they are the specific role of the women in their families, influenced by religion, historic definition of the women’s role, tribal cultures etc. – in one word, cultural and social trends are contributing to specific gender roles.

In general, female workers make up only about a quarter of the workforce in the five AMCs, whereas the norm elsewhere is over 40 %. Thus a rise in the economic activity of women in the coming decades can only boost labour supplies intensifying competition over scarce jobs.

Table 3.6: Labour Force Participation Rate of Young People (15-24), different years, in % of youths in this age, by gender, by region
The low female labour force participation rate, to be stated for the whole Labour Force, finds a reflection in the Labour Force Participation Rate of young people: The ratio between female and male labour force participation rate is between 1 or 2 to 5 (for Tunisia and Egypt no data are available). Furthermore the total participation rate of young people corresponds with the enrolment rates for Secondary Schools and Higher Education: The higher these enrolment rates are, the lower is the youth LFPR. Last but not least the youth LFPR in rural areas are much higher than in urban areas (Algeria, Morocco). One of the reasons for that could be found in the agricultural jobs´ share of the overall number of jobs, combined with the Employment Status (Contributing Family Workers, see table 3.9 below):

Table 3.7.: Labour Force – by Sector, in %, different years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>14.0</td>
<td>44.6</td>
<td>18.3</td>
<td>32.0</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>(10.6 for 2013)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>13.4</td>
<td>19.8</td>
<td>31.9</td>
<td>17.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Construction and Public</td>
<td>10.0</td>
<td>Services: 35.5</td>
<td>Services: 49.8</td>
<td>Services: 51.0</td>
<td>Services: 9.0</td>
</tr>
<tr>
<td>Works</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td>14.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>32.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>16.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: CAS 2011, ONS/Algeria.

\(^5\) For Egypt a study on Labour market transitions of young people in Egypt (Barsoum, Ramdan, Mostafa 2014) is available, but unfortunately it is using different categories than those used by the World Bank, IMF and ILO. Again this gives the hint to the tremendous challenges by the SAHWA project, which is constructed as a cross national comparison between the five AMCs, and not as five single case studies.
Morocco is the country where employment in the primary sector (agriculture) is dominant, compared with industry and services (there are no figures available for Lebanon). But in Egypt, though the employment in the service sector is above 50 percent, the agriculture offers around one third of all jobs in the Egyptian economy.

**Table 3.8: Employment by Economic Sectors (Period Averages - % Total) (Tunisia, Lebanon n.a.)**

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Egypt</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agricul. t.</td>
<td>Industy</td>
<td>Service</td>
</tr>
<tr>
<td>2001 - 2006</td>
<td>21.0</td>
<td>24.8</td>
<td>54.1</td>
</tr>
<tr>
<td>2006 - 2009</td>
<td>14.4</td>
<td>32.5</td>
<td>55.7</td>
</tr>
</tbody>
</table>

Sources: World Bank 2012, Hakimian et al 2013, ONS

Tables 3.7. and 3.8. do not say anything about the dominant Public Sector in all of the five AMCs. This region has one of the highest central government wage bill in the world (as a percentage of the GDP) – roughly 9.8 % of GDP compared to a global average of 5.4 % (IMF 2012). This high wage bill partly reflects the fact that government employment in AMCs is comparatively high, but it also reflects the fact that public wages in AMCs were on average about one third higher than the private sector wages, compared to 20 % lower worldwide. As an example, the public sector accounted in 2000 about 22 percent in Tunisia and 35 percent in Egypt (IMF 2012, pp2). So it is reasonable, that young people are trying very hard to get a decent job in the public sector – but often these jobs are given to the ruling elites´ networks (= closed segmented labour market). Taking Egypt as an example, around the turn of this century, the public sector accounted for about 35 percent of total employment.

Public sector employment shares even higher as a percentage in non-agricultural employment – reaching e.g. 70 % in Egypt. This dominant role of the public sector as employer throughout AMCs has distorted labour market outcomes and diverted resources away from a potentially more dynamic private sector. Governments´ hiring practices (remind the remarks about the elites´ networks) have typically inflated wage expectations and placed a premium on diplomas over actual skills, influencing educational choices and contributing to skill mismatch (the outcome could be seen in the ranking of AMCs´ governments´ performances in the last chapter) (O´Sullivan, Rey, Mendez 2012, 6).

In order to analyse the changing nature of jobs, the previous table disaggregates employment data by sector in a first step. Unfortunately this table has no data from Tunisia and Lebanon. But for the other three AMCs this table shows, as expected, that the service sector is the largest provider of jobs and has been grown in the last two decades considerably.

**Table 3.9: Employment Status (% Total Employed), 2001-2005 (averaged)**
In order to analyse the changing nature of jobs, the table 3.9. disaggregates employment data by employment status. With the exception of Morocco, family workers account for a rather low share of overall employment in the other four AMCs and the bulk of employment is made up of self-employed and wage and salaried workers (of course with differences between Algeria, Egypt, Lebanon and Tunisia). This means that family and tribal networks are not so dominant in terms of job opportunities as normally expected in transition countries. But this statement applies only for the averaged national level. In some regions and localities below the national level families and tribal networks are playing a crucial role for the employment status.

Self-employment is rather high in Morocco, although even here its share has been broadly constant or falling in the last decades. Very often, self-employment means working under minimum lines (e.g. kiosk owners). But these “petty” jobs very often contribute to the family incomes and secure the survival of the overall family network.

Two remarks are necessary at this point. The Employment Status:  
1. says nothing about the level of wages, income and social security. In the private sector in the AMCs normally the wages are rather low (with the exception of specialists in the oil and gas industry in Algeria), and accordingly the level of social security as well. On the other hand, Contributing Family Workers often enjoy a certain level of social security, guaranteed by the family and tribal networks;  
2. give no evidence, in what way the workers have got the jobs. As already mentioned in connection with well-paid jobs in the public sector, family networks, kinships, affiliation to a tribe etc. are very often a decisive factor in the recruiting process.

Even if they could be taken at face value, a significant portion of those “employed” fall into “vulnerable” employment category (those either self-employed or working as contributing family workers):

Table 3.10: Vulnerable Employment, 2001-2009, averaged, (% of total unemployment)

<table>
<thead>
<tr>
<th>Year</th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia (1991-1995)</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2009</td>
<td>31.6</td>
<td>51.5</td>
<td>20.9</td>
<td>24.4</td>
<td>29.8</td>
</tr>
</tbody>
</table>

Sources: World Bank 2012, Hakimian et al 2013

This category of vulnerable employment lacks the formality that goes with wage and salaried jobs and consists of many informal occupations. Especially in Morocco, where the share of
contributing family workers is very high, the vulnerable employment is very high, accordingly.

Beyond, but partly combined with the category “Vulnerable employment” (consider the definition by the World Bank), the grey/black economy creates huge problems. People working here, have no rights, earn less money for the same work as those working in the formal economy, have temporary contracts, no social security and often suffer from bad working conditions.

On the other hand, the informal (grey) economies offer opportunities to improve the poor salaries in the formal (private) economy. Typical for all transition countries is the fact, that workers in the formal economy often have a second or even third job in the informal economy, with all the respective negative impacts on the formal economy as well.

Table 3.11: Formal, Informal (Grey) Economy, in % of the total labour force, 2006, 2012

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal Economy</td>
<td>58.2</td>
<td>32.0</td>
<td>65.0</td>
<td>52.0</td>
<td>43.8</td>
</tr>
<tr>
<td>Informal/Grey</td>
<td>41.8</td>
<td>68.0</td>
<td>35.0</td>
<td>48.0</td>
<td>56.2</td>
</tr>
<tr>
<td>Economy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: ONS-Algeria-2012; Angel-Urdinola, Tanabe 2012; O’Sullivan, Rey, Mendez 2012, 4 (Morocco, Tunisia, Egypt)

In Lebanon, more than half of the labour force work in the grey economy, in Algeria after all roughly 40 percent of the labour force (this slightly lower percentage is due to the oil and gas industry in Algeria, which mostly needs qualified worker and thus offers jobs in the formal economy). As in table 3.11, there are no data for Morocco, Tunisia and Egypt, we present in table 3.12. figures for all the five AMCs, but somewhat older and focused only on non-agricultural employment:

Table 3.12: Share of Informal Employment in total Non-agricultural Employment, 2000-2007 (averaged), %

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>41.3</td>
<td>67.1</td>
<td>35.0</td>
<td>45.9</td>
<td>51.8</td>
</tr>
</tbody>
</table>

Sources: OECD 2009, Table 1

But even with these statistical constraints, the statement coming from table 3.11, is confirmed by table 3.12: In Morocco, the two-third of jobs in the non-agricultural sector belongs to the informal sector, in Lebanon slightly more than 50 percent, in Egypt slightly less than 50 percent, even in the oil and gas rich country Algeria, more than 40 percent of all non-agricultural jobs could be counted as informal. This is for the more notable, as normally in the agriculture sector (which is not counted in table 3.12), informal economy is supposed to be dominant.

The problem of the grey economy with all its impacts especially for the employees is often connected with child labour:
Table 3.13: Child labour (children ages 5-14), %

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of the age group, engaged in child labour</td>
<td>5</td>
<td>8</td>
<td>n.a.</td>
<td>7</td>
<td>2</td>
</tr>
</tbody>
</table>

Sources: Childinfo (2013): Child Labour

In three out of the five AMCs, Child Labour plays a considerable role, highest in Morocco (for Tunisia no data are available). This goes together with the status “Contributing Family Workers” (which is in Morocco high as well), the large share of the agricultural sector, and with the phenomena “Informal/Grey Economy”. Child Labour has a huge (mostly negative) impact on education and future opportunities of children and young people. On the other hand, child labour often ensures the families’ material survival.

Unemployment Trends:

Table 3.14: Unemployment Rate, Total, in % of total labour force, 2009-2012 (averaged), by gender

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>8</td>
<td>9</td>
<td>12</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Female</td>
<td>19</td>
<td>10</td>
<td>14</td>
<td>27</td>
<td>11</td>
</tr>
</tbody>
</table>

Sources: World Bank 2014g: Unemployment Data
Definition: Aged 15 years and older

Official unemployment data most probably underestimate real unemployment in many AMCs. Furthermore, the unemployment figures do not give a hint to the different situations in a country: in some regions and locations the unemployment rates are very often more than 50 percent.

Compared with other world regions, the unemployment situation in the five AMCs is rather bad. What is equally interesting, is the trend of unemployment: In those countries, in which the popular revolts of 2010 and 2011 have taken place (Tunisia, Egypt), negative impacts on the economy especially in the tourism/service sector in terms of the rise of (official) unemployment rates has to be assessed.

Table 3.15: Long Term Unemployment, 2009-2012 (averaged)

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of all unemployed</td>
<td>71</td>
<td>65</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Sources: World Bank 2014g: Unemployment Data
Definition: Long-term unemployment: 12 months and longer

Though no comparable figures on long term unemployment for all five AMCs are available – only for Algeria and Morocco data can be presented here, the phenomenon of long term unemployment in AMCs in well-known (World Bank 2014g). Social exclusion can be a
possible result of long-term unemployment, especially in countries with weak welfare safety nets (Furlong 2013, 31), as this is the case for the AMCS.

Now we will take a closer look to the unemployment rates by educational attainment:

**Table 3.16: Unemployment by educational attainment, 2009-2012 (averaged), in percent of total unemployment)**

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Education</td>
<td>56</td>
<td>50</td>
<td>22</td>
<td>9</td>
<td>37</td>
</tr>
<tr>
<td>Secondary Education</td>
<td>19</td>
<td>23</td>
<td>43</td>
<td>51</td>
<td>22</td>
</tr>
<tr>
<td>Higher Education</td>
<td>23</td>
<td>19</td>
<td>31</td>
<td>25</td>
<td>37</td>
</tr>
</tbody>
</table>

Sources: Sources: World Bank 2014g: Unemployment Data

It is striking, that in all five AMCs at least 20 percent of all unemployed have passed a higher education, in Tunisia and even more in Lebanon this rate is above 30 percent. This means not only a waste of talents, but a social explosive substance for the respective societies. Very often, this comes together with (high) unemployment rates for young people (especially in urban areas), as in the last two decades the numbers of youths, who passed higher education, has been increased considerably in the five AMCs.

**Table 3.17: Youth Unemployment rate, aged 15-24 years, 2009-2012 (averaged), by gender**

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male (in % of male labour force, aged 15-24 years)</td>
<td>19</td>
<td>18</td>
<td>30</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td>Female (in % of female labour force, aged 15-24 years)</td>
<td>36</td>
<td>16</td>
<td>27</td>
<td>65</td>
<td>22</td>
</tr>
</tbody>
</table>

Sources: World Bank 2014g: Unemployment Data

Despite the region’s improved growth experience in the last decade, it appears that the five AMCs Achilles heel has been its inability to translate such growth into productive jobs especially for its young population. Compared with the general unemployment rates for the total labour force in the five countries, the unemployment rates for young people are double as high.

As we have seen above, the population in the five AMCs is generally very young. The working-age youth account for about between one-quarter to one-third of the total population.
Given the absolute size of the youth bulge, it is not surprising that the youth make up a significant bulk in total unemployment figures.

Furthermore the female unemployment rates of young people in Algeria and in Egypt are double (or even more) as high as the respective male unemployment rates. Vice versa, in Morocco, Tunisia and Lebanon the female rates are equal to the male one’s or even just below. Whether these differences between the five AMCs could be explained
- by different statistical approaches in the AMCs,
- or by different family traditions in the five Countries (see the remarks about the role of the institutions in those countries in the introduction)
- or by different economic structures including labour demands in the AMCs, is an open question.

Labour Market Policies:

Coming back to challenges of the SAHWA project, to implement a cross-country comparison between main features of the five AMCs on the macro level, especially comparing labour market policies of the five countries, is extremely difficult. The reason for that could not only be found in the fact, that the governments’ (active) labour market policies (if there are any) in the five countries:
- all have different targets, different implementations, different financial budgets,
- but beyond this the labour market policies are embedded in different national (cultural) traditions (though all of these five countries belong to the same region) and economic frameworks.

Giving this, the works of the European Training Foundation since 2011, especially since the so-called “Arab spring”, is the only reliable source to get some information of labour market policies in the AMCs. Unfortunately these studies (Rosso, Bardak, Zelloth 2012; Bardak 2014a, Bardak 2014b) have – until now – not been done in all of our five AMCs, and beyond this, there is no common measurement stick for all the countries concerned, in order to compare the (non)success of (active) labour market policies. Insofar, these data are patchy, but nevertheless could give a good overview in what direction further academic and political discussion could go, concerning this topic.

For Algeria (Bardak 2014a), the ETF report is listing the different (partly governmental) labour market institutions and their labour market programmes like
- the National Employment Agency (ANEM) and its Youth Employment Programmes
- the Social Development Agency ADS and its Social Inclusion Programmes
- and the state support services for the creation of micro enterprises by three agencies (ANSEJ, CNAC and ANGEM) and their instruments.

The success or non-success of all these programmes could not be measured on a valid basis. To assess these programmes, interviews had been carried out with some resource persons with a variety of profiles (government officials, ex-executives of the agencies, representatives of the social partners and civil society). The outcomes of these interviews “are not accompanied by any evidence, as the resource persons’ statements are drawn from their present or past official position” (23) (Bardak 2014a).
The ETF Tunisian report (Bardak 2014b) necessarily follows a slightly different organization than the Algerian one, as the government institutions, the economic framework and the cultural-political traditions are different.

According to this, in Tunisia active labour market policies have been implemented since years. In general two kinds of programmes exist:

- Training and integrating jobseekers in the labour market and including public work schemes targeting unskilled and poor people,
- Promoting and providing funds for self-employment and small business development.

Saying this, a wide range of instruments are described in this report:

1. **Active Labour Market Policy Schemes like:**
   - Initiation Training for Professional Life – SVIP
   - Higher Education Graduates’ Insertion Contract – CIDES
   - Voluntary Public Service – SCV
   - Employment Solidarity Contract – CES
   - Contract for Adaptation and Professional Integration – CAIP
   - Contract for Reintegration into Working Life – CRVA
   - AMAL Programme (consequence of the Popular revolts of 2010/2011, shall facilitate the school-to-work-transition)

2. **New Employment Schemes under the Decree 2012-2369:**
   - Employability Improvement Cheque
   - Employment Support Cheque
   - Support of Small Business Entrepreneurs
   - Local Community Partnerships to Foster Employment
   - Programme to Foster Employment – PEE

3. **Other Actors have created their active labour policies by themselves:**
   - **Donors like:**
     - ETF (European Training Foundation)
     - GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit)
     - World Bank
     - International Organization for Migration – IOM
   - **Non-Governmental Organizations like:**
     - Education for Employment – EFE
     - ENDA Inter-Arabe
     - International Youth Foundation – IYF
     - Center for Young Business Leaders – CJD
     - Souk AT-Tanmia.

According to the evaluation of the Tunisian National Observatory for Employment and Qualifications ONEQ from 2012, “the integration rate (those employed upon the completion of the programme as a share of total beneficiaries) for all employment programmes was 42 percent some 18 months after programme termination, compared to only 20 percent six months earlier, according to ANETI data from December 2012 (ONEQ, 2012). Around 90 percent of those employed in the labour market as a result of the programmes have been
working in the private sector as wage workers or employers/self-employed” (taken from Bardak 2014b, 16).

Only two remarks are necessary here:
1. Real success of active labour market programmes can only be checked by panel studies, as normally public organizations and private enterprises are used to employ the beneficiaries of these programmes, taking the subsidies and firing those beneficiaries after a period of time,
2. More than 20 programmes of an active labour market policy in Tunisia are focused on a total labour force of about 3.9 million. It could be the case, that some of the programmes are contradictory to each other. We know from other countries, that especially the international donors, which are financing and organizing their own active labour market programmes, sometimes are acting in a negative competition in order to legitimize their existence and political targets in their home as well in the host country, independent from the question, whether the donation is useful or not.

Beyond the ETF reports for Algeria and Tunisia, Bardak (2014b, 10) refers to the ILO report on Youth employment interventions in Africa from 2012 (that means the data are from 2011 and earlier, before the Popular revolts of 2010/2011) (ILO 2012), which counts for Tunisia and Egypt as North Africans countries more than four youth unemployment interventions, for Morocco fewer than four and for the remaining North African and Middle East countries none.

**Poverty Rate and Distribution of Income & Wealth:**

Poverty rates and distribution of income and wealth are partly the result coming from the fields of education and employment/labour market and mark crucial elements of social inclusion/social exclusion. Insofar only key (money-metric) factors will be presented here, as they are expressing some outcomes of social inclusion/exclusion, measurable by data according to internationally used criteria.

Judged by international standards, the five AMCs’ poverty rates appear notoriously low, compared with East Asia. But the underlying issue may be whether fixed international poverty lines can be appropriate guides for estimating the real incidence of poverty in the region (Abu Ismail 2012, UNDP 2012).

| Table 3.18: Distribution of Income – Gini Coefficient, different years |
|-----------------|----------------|----------------|----------------|----------------|
| Gini coefficient | n.a.    | 40.9           | 41.4           | 30.8          | n.a.          |
| Human Development Index (World Bank), out of 199 countries | 97      | 134            | 98             | 116           | 77            |

Sources: World Bank 2014 h: Income Gini coefficient
**Explanation:** Gini index/coefficient is the relationship of cumulative shares of the population arranged according to the level of income, to the cumulative share of the total income received by them.

*Note 1:* The higher the Gini index/coefficient is, the more the distribution of income is unequal in a society.

*Note 2:* The ranking by the global country comparison is partly misleading, as the years of reference are widespread.

We can learn from this table that inequality in the three out of the five AMCs – for Algeria and Lebanon no data are available - is rather high, compared to world rankings. But Gini coefficients indicate relatively moderate income inequality, as they are based on consumption survey that tend to exclude the top 5% of the income stream (UNDP 2012, 26), and therefore there prevails a kind of “enigma of inequality”.

Insofar the UNDP developed a “Human Poverty Index”, which comprises components like real GDP per capita, people not expected to survive to age 40, adult illiteracy rate, population without access to improved water, underweight children under age five:

**Table 3.19: Human Poverty Index (HPI), 1997 and 2007, and HPI rankings (worldwide)**

<table>
<thead>
<tr>
<th></th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>HPI 1997</td>
<td>27.8</td>
<td>37.8</td>
<td>23.6</td>
<td>33.0</td>
<td>11.2</td>
</tr>
<tr>
<td>HPI Rank</td>
<td>48</td>
<td>62</td>
<td>41</td>
<td>54</td>
<td>13</td>
</tr>
<tr>
<td>1997</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HPI 2007</td>
<td>17.5</td>
<td>31.1</td>
<td>15.6</td>
<td>23.4</td>
<td>7.6</td>
</tr>
<tr>
<td>HPI Rank</td>
<td>43</td>
<td>61</td>
<td>37</td>
<td>48</td>
<td>13</td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: UNDP 2012, 125

With the exception of Lebanon and partly Tunisia, in 1997 the HPI was rather high, compared to world standards. Or in other words: The share of poor people in the other three countries (Algeria, Morocco and Egypt) was remarkably high. Though within a decade (1997-2007), by now this share in all of the five AMCs has been reduced, the world ranking did not change very much. That means that though there could be seen at a first glance an improvement of the HDI, no real catch-up process, compared with other countries, can be considered.

**Summary:**

Unemployment is a serious problem in the five AMCs, which report the lowest labour force participation rates in the world. It seems to be a vicious cycle, while rising youth unemployment and underemployment is to some extent a global phenomenon, the MENA region seems particularly hard hit (Murphy 2014): The ILO’s *Global Employment Trends for Youth 2013* (ILO 2014a) identified the Middle East as having the highest youth unemployment rate of all regions (28.3 percent in 2012 and expected to rise to 30.0 percent in 2018), in North Africa the corresponding rates were 23.7 and 24.0 percent).
Despite the reduction of the unemployment rates in the five AMCs during the last decades, the growing numbers of employable people with the focus on young (and female) people keeps the pressure on the labour market very high. Though there are huge differences between the five AMCs, the unemployment rate of young people in general and here especially of female young people is very high. A systematic expansion of informal employment (see e.g. the status of employment) is also a powerful sign of increased vulnerability and exclusion from decent work.

Women in these countries are exposed to unemployment and vulnerable employment, though the Western perception of gender roles may not meet the real intentions of (young) women in the five AMCs. But coming back to the figures, all data show, the lower the educational level of women is, the lower is the female labour participation rate. The share of women working in non-agricultural jobs is extremely low (UNDP 2012, 6). Even Tunisia, which has the highest percentage of women’s participation in the non-agricultural activities, lags behind the average of developing countries. What makes more concerning is the fact, that this share has remained relatively constant in the last two decades.

The often heard assumption, that the AMCs region’s incapacity to create decent employment is sometimes attributed to the low quality of education and insofar to the mismatch between the educational outcomes and market demands, is wrong in its absoluteness.

All figures show, that the limited labour demand for educated worker and skill is primarily a demand-side problem, associated with the structure of output growth and investment (= unfavourable macro-economic conditions).

Indeed, while the unemployment rate is declining, the bulk of jobs are generated in the informal sector with its low productivity activities. Insofar the international competitiveness of the five AMCs’s economies is not very high. Insofar the demographic opportunity, currently present in the high share of working-age/employable population, is not translated into real growth.

Especially the high level of youth unemployment is supposed to be a time bomb, which already exploded in 2011.

To sum up the key factors behind youth unemployment (see also IMF 2012, 1-2; Rosso, Bardak, Zelloth 2012, p 4) are:

- The demographic transition: The combination of low infant mortality rates and high fertility rates between 1950 and 1980 led to high population growth rates, which translated into high labour force growth rates from 1970 through 2000 and beyond. The number of labour force entrants remains daunting;
- Skill Mismatches: Labour market mismatches have been driven by the inability of the economy to create highly skilled work but – to a lesser extent – by the inappropriate content and delivery of education;
- Labour Market Segmentation and Labour Market Rigidities: According to the World Competitiveness Report 2013-2014, hiring and firing regulations in the Arab countries (including the five AMCs) are more restrictive than those in the average of transition countries. Parallel to this, data from the enterprise surveys indicates that, worldwide, the percentage of companies identifying rigid labour regulation as a major constraint to their business is, on average, greatest in the
Arab countries (including the five AMCs) (World Economic Forum 2013, chapter 2.1 Country/Economy Profiles, pp 95).
Parallel to this, strict labour market segmentation, especially for the public sector, is hindering a transparency between the different labour market segments, which is unfavourable especially for first-time job seekers;
- The large Public Sectors in all the five AMCs costs not only money, which would be needed to improve the countries´ infrastructure, but is supposed to contribute to the cementation of the non-transparent borders between the different labour market segments (O’Sullivan, Rey,Mendez 2012, 6).

For young people school-to work-transition is the main and decisive step, which very often shapes their whole life.

Patterns of school-to work-transitions are rarely studied in AMCs, and the concept is relatively new in AMCs. The European Training Foundation´s paper is listing six main factors in the Mediterranean region (which includes the five AMCs) to make entry into the labour market difficult (Rosso, Bardak, Zelloth 2012, p 6):
1. A weak business environment
2. Low levels of qualifications and enrolment in technical and vocational education and training
3. A lack of generic and/or soft skills (key competences) and skill mismatch
4. Weak job-matching services and fragmented labour market information systems
5. Lack of relevant work experiences
6. Territorial disparities and weak geographical mobility.

Some of the AMCs try to change the institutional framework by an active labour market policy, in order to meet the challenges of the growing demand for decent jobs. But not very much could be said about the success or non-success of these policies, if abandoning the self-praise of the governments and the decision-making actors and their statistics.

What is for sure, that the unfavourable macro-economic structure of the five AMCs, accompanied by a lack of labour demand and insufficient governments´ policies is at least partly responsible for the poverty in this region. Poverty, whether measured in terms of human capabilities or in money metric terms of income or expenditure, reflects the convergence of social, economic and political exclusions, which is glaring for the majority of the rural population in the five AMCs. Indeed the severity of rural poverty and the large disparities between rural and urban development are indicative of failed rural development policies.

It is sufficient to note, that especially in Egypt (57 percent) and Morocco (41 percent) more that 40 percent of the whole population lives in rural areas (see table 1.6), whereas only one third of the jobs are offered by the agriculture and moreover, only more or less 15 percent of the respective GDP comes from agriculture.

In general, the here presented data show, that the five AMCs have not been very successful in significantly reducing money-metric poverty since the 1990s. The reason is that per capita consumption expenditures did not rise in real terms to allow for any tangible poverty reduction, and income distribution did not show any signs of major improvement. This contrasts with substantial increases in per capita GDP over the same period.
Furthermore the absence of effective social protection mechanism exacerbates the risk of falling into poverty. Governments focused – if at all – on poverty only as a technical problem. The proposed technical solutions did little to address the governance and political economic failures that lie at the heart of the problem. Even at the technical level, poverty alleviation interventions such as cash transfer programmes or state-subsidized food prices, failed to impact poverty as they were conceptualized and implemented in isolation from broader framework of pro-poor macroeconomic policies. To conclude this argumentation, the five AMCs are characterized by huge income and wealth inequalities. To sum up: All these factors are leading to “the current young generation’s distrust in the socio-economic and political system” ILO 2014a, 2).
SUMMARY AND CONCLUSION

This final chapter starts with summarizing definition of “social inclusion” and as a converse “social exclusion”, coming from the theoretical consideration in the introductory chapter, based on the data and statistics in the fields of “Education” and “Employment/Labour Market” in chapters 1, 2 and 3, but now applied to the broader instrument of the UNDP’s Human Development Index.

In a second step, this paper asks for the political implications of social inclusion/exclusion, first describing the interdependencies between inequality and stages of democracy, and secondly, by using Hirschman’s concept of “Exit and Voice”, gives an idea about opportunities of young people answering social inclusion/exclusion. In the aftermath we learn from rankings, how the AMCs´ governments try to meet the challenges of social inclusion.

Thirdly, on a more general and abstract level, this paper point to similarities and differences of youth´ social exclusion in AMCs and Europe with the target to define research questions, which can not only help to construct the empirical fieldwork, but could lead to a broader discussion in the AMCs and in Europe.

Finally two main research questions for the SAHWA´s survey and fieldwork, derived from this paper’s context, will be raised.

Social Inclusion/Social Exclusion (see also Silver 2007) is

- context-specific: This means, taking the broad definition of institutions (see “Introduction”), that applying the concept of social exclusion in the AMCs, calls for analysis of what it means to be an Algerian, Egyptian and so on, to be a Muslim, an Arab etc.
- relational: As a social relationship, exclusion has two actors: Those who are excluded (e.g. young people), and those who exclude (e.g. governments, business, etc.)
- multi-dimensional: It transcends the narrow conception of material poverty, whether conceived in terms of income or the fulfilment of basic needs.

Insofar the UNDP’s annual ranking of countries, based on their estimated Human Development Index (HDI) can be taken as a broader – albeit limited – summary of social inclusion/exclusion. Introduced in 1990, the HDI provides an alternative to conventional measures of national development, such as the level of income and the rate of economic growth. HDI offer a broader definition of well-being, and provide a composite measure based on the three basic dimensions of human development: income, life expectancy and education.

Table 4.1: UNDP Human Development Rankings by Various Components, 2011 and 2012, Human Development Index (HDI)
The 2013 Human Development Report, *The Rise of the South: Human Progress in a Diverse World*, notes that, over the last decades all countries concerned accelerated their achievements in the education, health, and income dimensions as measured in the Human Development Index (HDI)—to the extent that no country for which data was available had a lower HDI value in 2012 than in 2000. As faster progress was recorded in lower HDI countries during this period, there was notable convergence in HDI values globally, although progress was uneven within and between regions.

But: A key message contained in this and previous Human Development Reports, however, is that economic growth alone does not automatically translate into human development progress. The extent of socio-economic disparities leads to a systematic exclusion of larger parts of the societies (rural, female, young, well-educated) from the benefits of economic growth. Weak social, political and administrative accountability mechanism as well as politically-oriented socio-economic planning models have further perpetuated structures of neglect (of people) and produced ostensible stability for elites oblivious to people’s social, economic, political, civic and cultural rights (UNDP 2012, 2). Especially the economic and social exclusion of the youth, exemplified in their lack of access to decent jobs, in addition to their marginalization from the political sphere, is the source of much of the tension witnessed in the region.

Failing to institute and respect mechanisms of participation and accountability, the regimes in the five AMCs (though governing within different conditions) missed many opportunities for course correction and even failed to understand people’s aspirations, thus creating some – not all - conditions that led to popular uprisings.

The high expectations produced by the Arab uprisings, make it imperative for the governments in the five AMCs and their civil societies and international (e.g. EU) partners to swiftly move towards meeting a number of critical challenges, notably creation of decent work opportunities for youth and female and genuine improvement in democratic governance.

Economic issues, which have been one of the central points to the Arab uprisings, are trailed behind the political issues in the post-revolution public discourses between the state, civil society and the International Community, thus potentially risking the erosion of popular support for democratic transition, if they are not properly addressed (UNDP 2012, 8).
The political dimension of social inclusion/exclusion:

We know from other sources (e.g. Wilkinson, Picket 2009), that the costs of inequality in societies are not only paid by the poor, but by the middle class as well. The lower the rate of social inequality is, the higher are the chances for implementing democratic rules and thus for a social and political inclusion especially of young people. Or putting it in other words: Democratic transformations will have no chance in the long run, if the current level of economic and social exclusion in the five AMCs will not be reduced noticeably.

Coming to Social Trust as the “cement” of a society, Kelly (2009) states that particularly young people affected by social exclusion resulting from disparities in educational settings, economic disadvantages, and health disparities feel low social trust. He stresses that social trust is an important factor for civic and social engagement and is therefore a significant trait for adulthood. Social trust is a cornerstone of social capital, which is a resource not only possessed by individuals (Bourdieu 1983, Coleman 1988) but also by collectives, focusing on norms and trust as producers of social capital to the exclusion of networks (Putnam 1995).

As the social trust of young people is low, and coming from, this the social capital in the five AMCs is not very well elaborated, the question is arising, how the ruling elites in the five AMCs are meeting the questions of social exclusion?

In the moment it looks not very likely, that the political elites in the five AMCs (though in Tunisia, some progress started in the beginning of 2014) are prepared to steer towards a reform agenda.

Two rankings of the governmental performance in the five AMCs may support this more pessimistic assumption:

Here we use the Bertelsmann Foundation´s Transformation Index (BTI). This index analyses and evaluates the quality of democracy, a market economy and political management in 129 developing and transition countries. It measures successes and setbacks on the path toward a democracy based on the rule of law and a market economy flanked by socio-political safeguards. Within this framework, the BTI publishes two rankings, the Status Index and the Management Index.

In-depth country reports provide the qualitative data used to assess these countries’ transformation status and challenges, and to evaluate the ability of policymakers to carry out consistent and targeted reforms. The BTI is the first cross-national comparative index that uses self-collected data to measure the quality of governance and provide a comprehensive analysis of countries’ policymaking success during processes of transition. The Status Index ranks the countries according to their state of democracy and market economy as of 31 January 2013:

Table 4.2.: Status Index, 2013, Ranking of 129 developing and transition countries

<table>
<thead>
<tr>
<th>Status index, Rank</th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
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<tbody>
<tr>
<td>80</td>
<td>96</td>
<td>60</td>
<td>82</td>
<td>51</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Political Transformation, Rank</th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>95</td>
<td>64</td>
<td>70</td>
<td>61</td>
<td></td>
</tr>
</tbody>
</table>
This Status Index relegates Algeria (No. 80), Egypt (No. 82) and Morocco (No. 96) to the second half of the 129 countries, and even Lebanon (No. 51) and Tunisia (No. 60) are ranked far behind the top.

This Status Index distinguishes between the political and economic transformations, and here we can consider that, with the exception of Egypt, in the other four AMCs the economic transformation has been performed slightly better than the political transformation.

The *Management Index* ranks the countries according to their leadership’s political management performance between 2011 and 2013:

<table>
<thead>
<tr>
<th>Management Index, Rank</th>
<th>Algeria</th>
<th>Morocco</th>
<th>Tunisia</th>
<th>Egypt</th>
<th>Lebanon</th>
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<td></td>
<td>77</td>
<td>80</td>
<td>78</td>
<td>82</td>
<td>103</td>
</tr>
</tbody>
</table>

Source: Bertelsmann Stiftung 2014

In all of the five AMCs the political elites have done poorly in organizing the transformation processes – all countries have been placed in the second half of this worldwide ranking of developing/transition countries.

**Social Exclusion of young people in AMCs and Europe – Similarities and Differences:**

Though there are huge differences between these two regions, some similarities could be stated here. The value of learning from the experiences of others could lead to adapt practices to new contexts. Insofar several important similarities (and differences) make the comparison worthwhile (see also Silver 2007, 6):

- **High Levels of Unemployment:** Especially in the southern part of Europe, after the financial crisis in the EURO zone in 2011, young people face similar challenges coming from over proportional rates of unemployment – similar to the AMCs conditions. Different in Europe at least until 2011 in comparison with the AMCs was, that unskilled face more problems in the labour market than the well-educated; the well trained in AMCs are disproportionately unemployed. This has changed a little bit in Europe after 2011, as beyond unskilled youths, well-trained young people in Southern Europe are threatened by unemployment as well.

- **Labour Market Segmentation:** Despite the differences of the two regions of income levels, level of industrialization, religious traditions and colonial histories, some of the same mechanisms are responsible for accumulating disadvantages among labour market outsiders (e.g. school-to-work transition). Social exclusion is strongly expressed in AMCs through many dimensions of labour market segmentation. Organized insiders with seniority benefit by monopolizing jobs and restrictive access
to particular sectors (e.g. the public sector). Outsiders like youths and new labour market entrants suffer from longer unemployment durations, skill atrophy, and declining health, which hints to the social dimensions of exclusion from work.

- **Rising Education and Delaying Marriages:** These two trends are shared by the two regions: Rise in the average ages of leaving home, marriages, and first birth. These inter-related trends are partly attributed to the same causes, especially rising youth unemployment, extended education, and increasingly costly housing. Altogether they have contributed to declining fertility. Apart from this, there are important differences in these tendencies across the countries, reflecting institutional and cultural variation.

- **Redistributive Policies and Role of the State:** As especially in the Southern European welfare regime where youth unemployment is extremely high, AMCs networks provide informal social support. This allows young people to remain in the parental home, spreading the risks of poverty and linking the job market with social contacts.

**Discussion:**

In the following some conclusions from the topic of this paper will be drafted, referring to the Popular revolts of 2010/2011 as the starting point of the SAHWA project.

Four years after the revolution (?) in the Arab world – called as “Popular revolts of 2010/2011”, no of these countries are stabilized in a sustainable way. Also in no country, in which transformation processes had been initiated, it came to a transition towards a liberal democracy (most likely in Tunisia).

In fact, in the course of the transformation processes, many social conflicts were broken out, which had been oppressed since decades by the authoritarian rulers. Partly these conflicts have been strengthened, as some ethnic or religious defined groups of population have been privileged, others discriminated and played against each other.

In addition to this, in the Arabian transformation societies, a basic consensus is missing how to organize administration, economy and society and which role the religion should play in the future. In this field, the Arabian countries differ distinctive from the Central&Eastern European countries in the end of the 1980s – here a broad mutual consent about the target of the transformation (Western orientation, market economy, liberal democracy) could be found. In succession, in the Arab transformation societies, the quarrels about the shaping of these processes very often were determined by – ideological shaped - power struggles. Insofar the original demands by the demonstrators for humane conditions of life, social justice and political participation had been executed rarely.

Concrete political provisions like structural reforms in administration, security institutions and judiciary, but also coming to terms with the dictatorships and human rights abuse in the frame of the transition judiciary, and the handling of the socio-economic challenges are missing. Especially the reduction of the high unemployment rates, and the reconstruction of the dysfunctional systems of the public redistribution systems (tax, social security and subsidies) did not move forward.

Of course socio-economic shortcomings have not solely led to the protests of the “Popular revolts of 2010/2011” in 2011 (there is no evidence of direct correlation between unemployment rates and political instability), the frustrated ambitions of young people about their material independence and personal autonomy did foreground the scale and severity of the problem, reinforcing the dire projections of an entire lost generation.

As the hopes and expectations coming from the protests of the Arab uprisings in 2010 and 2011, have not been fulfilled properly, large parts of the population got frustrated (low social trust and minor role of social capital).
All this contributed to the process, that especially young people disappointedly has turned away from politics. The voter participation in the last elections in 2014 in Tunisia and Egypt has declined in a distinctive way. Frustration and lack of prospects especially of the younger generations, enhance the liability to radical ideologies and populism.

But on the other hand the difficult transformation processes should not lead to the overall conclusion, that the so-called Arab spring has failed totally and that compared with the situation in 2010, no substantial changes have been taken place. Such a view would ignore not only the consequences of the regional power shifts, but also the important discussion about domestic politics and the societal changes, which had been initiated by the protest movements.

In this context it is remarkable, how diverse the transformation processes especially in Tunisia and Egypt has proceeded. In Tunisia, despite a strong social polarization between the Islamist and secular camps, a relatively inclusive transition towards a liberal and participative order has been achieved. In the end of the day, this was made possible by an elites´ compromise and the discouraging Egyptian example. In Egypt, after the interruption of the opening processes in the course of Morsi’s presidency and at the latest by the military coup in the summer 2013, the domestic violence has been escalated.

**Research Questions:**

Two major research questions are drawn from the topic of this background paper, reflecting both:

- The metric measurement of the different dimensions of education and employment/labour market in relation to social inclusion/social exclusion, using harmonized data for all the five AMCs,
- The different country-specific institutional settings, which are influencing education and employment/labour market, and which produces different perceptions by the actors.

Here are the two questions:

1. Do education systems and access to employment contribute to empower young people in the AMCs or do they rather reinforce existing social exclusion patterns? If the latter is the case, what other institutions or education or labour market reforms (might) compensate this effect?
2. How is the perception by young people of social inclusion/social exclusion in the fields of education and employment/labour market? What are the key factors, which are influencing this perception (e.g. different gender roles, regional/local traditions, ethnicities, religion)?
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The SAHWA Project ("Researching Arab Mediterranean Youth: Towards a New Social Contract") is a FP-7 interdisciplinary cooperative research project led by the Barcelona Centre for International Affairs (CIDOB) and funded by the European Commission. It brings together fifteen partners from Europe and Southern and Eastern Mediterranean countries to research youth prospects and perspectives in a context of multiple social, economic and political transitions in five Arab countries (Morocco, Algeria, Tunisia, Egypt and Lebanon). The project expands over 2014-2016 and has a total budget of €3.1 million. The thematic axis around which the project will revolve are education, employment and social inclusion, political mobilization and participation, culture and values, international Migration and mobility, gender, comparative experiences in other transition contexts and public policies and international cooperation.