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TUNISIA

Breaking the Barriers to Youth Inclusion

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CENTER for MEDITERRANEAN INTEGRATION
WORLD BANK GROUP
المرصد الوطني للشباب
Observatoire National de La Jeunesse

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Observatoire National de La Jeunesse
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Young People...Enterprise...Employment...

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Acronyms and Abbreviations

ALMP	Active Labor Market Programs
ANETI	National Agency for Employment and Independent Work (*Agence Nationale de l'Emploi*)
ATFP	Agency for Professional Training
BTS	Tunisian Solidarity Bank (*Banque Tunisienne de Solidarité*)
CAIP	Labor Market Access and Employability Program (*Contrat d'Adaptation et d'Insertion a la vie Professionnelle*)
CES	Employment Solidarity Program (*Contrat Emploi Solidarité*)
CIDES	Employment Program for Graduates of Higher Education
CNSS	National Social Security Fund (*Caisse Nationale de Sécurité Sociale*)
CSO	civil society organization
FNS	National Solidarity Fund (*Fonds National de Solidarité*)
FONAPRA	National Fund For the Promotion of Craft and Small Entrepreneurs (*Fonds National de Promotion de l'Artisanat et des Petits Métiers*)
GDP	gross domestic product
ILO	International Labour Organisation
INS	National Statistical Institute (*Institut National de la Statistique*)
MVTE	Ministry of Professional Training and Employment
NCA	National Constituent Assembly
NEET	Individuals who are Not in Education, Employment, or Training
OECD	Organisation for Economic Cooperation and Development
PAPPE	Program for Small Enterprises (*Program d'accompagnement des promoteurs des petites entreprises*)
SCV	Voluntary Civil Service (*Service Civil Volontaire*)
SMS	Short Message Service
SIVP	Professional Internship Program
THSYRA	Tunisia Household Survey on Youth in Rural Areas
THSYUA	Tunisia Household Survey on Youth in Urban Areas

Foreword

Youth inclusion is a central theme of the Post-2015 Development Agenda. Young people account for one-quarter of the world's population, and especially since the Arab Spring, youth have been shaping social and economic innovations, challenging social norms and values, and breaking new ground. Connected as never before, young women and men are increasingly influencing the course of their communities and countries. At the same time, this young generation faces many obstacles, ranging from discrimination, marginalization, and lack of access, to opportunities and voice in decision making. Globally, while more than one-quarter of young people are not in education, employment, or training (NEET), the share in the Middle East and North Africa region is a staggering 41 percent.

To address this mounting crisis of youth exclusion, we must look beyond unemployment. This report develops a comprehensive framework for youth inclusion that highlights how economic, social, political, and cultural dimensions need to be addressed simultaneously to develop solutions that can help young Tunisians to believe in their future again by enjoying the benefits of quality education, finding work or starting a business, working together with voices that are heard, and actively participating in civil society and politics at local, regional, and national levels.

This report attempts to identify the causes for widespread youth inactivity based on quantitative survey results along with extensive qualitative research and direct consultations with young people and relevant service providers and policy makers. Quantitative and qualitative analysis is combined with a review of successful international youth employment programs. The conclusions drawn from this extensive research and analysis form the basis of a series of proposals for new youth-specific policies and approaches for Tunisia.

Tunisia is undergoing dramatic changes. With a new government and constitution, the moment is right to engage in a conversation on how best to support young women and men in achieving their full potential. *Breaking the Barriers to Youth Inclusion* will be an essential guide to mapping the way forward. This well-researched and thoughtful report provides a good starting point from which to begin the conversation between the Government of Tunisia and its hopeful youth.

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Executive Summary

Overview

Over three years have elapsed since the Tunisian Revolution. Yet the aspirations of the younger generation that sparked sweeping changes across the Middle East and North Africa Region remain unmet. Unemployment among young people aged 15–29 increased after the revolution, with an official youth unemployment rate of 33.2 percent in 2013, according to the most recent International Labour Organisation School-to-Work Transition survey (ILO 2014). Even though youth played a leading role in bringing about a change in the regime, they have been unable to secure a role in decision making and feel that they are not consulted on issues that directly affect them. Nevertheless, there are positive manifestations in the post-revolution period. The new Tunisian Constitution, passed in January 2014, enshrines youth participation as a key pillar of the social, economic, and political development of the country.[1] However, given the time required to translate and implement constitutional principles into laws and practice, youth participation remains at the formative stage.

The study provides an analysis of the aspirations and needs of young Tunisians, taking into account both noneconomic and economic measures of exclusion that were at the root of the revolution. In particular, it highlights:

- the continuing rise of youth activism outside formally established political institutions as well as the need to support the transition of Tunisian youth from protest to active citizenship; and
- young people who are not in education, employment, or training (NEETs) as the category most affected by economic exclusion, and the need to ensure their socioeconomic integration through tailored policies and programming.

Active citizenship and civil participation among young Tunisians will be critical to sustaining the country's regained positive forward momentum. Constructive dialogue between Tunisia's youth and public institutions, together with broader civil society, political organizations, and the private sector, will be critical in addressing the most pressing barriers to youth inclusion. Facilitating youth inclusion enables the mobilization of the new generation as an economic and social resource, which can directly contribute to sustaining the stability and economic growth of the country. Participatory decision making in the design and implementation of youth policies and programs and in the management of civil society organizations (CSOs) yields benefits for all stakeholders, and is likely to increase the impact of public investments.

This report identifies specific categories of excluded youth and characterizes them according to multiple factors, including regional disparities, gender inequalities, and limited access to education, employment, and social goods. The findings help to identify crucial barriers to youth inclusion faced by young women and men from different backgrounds, especially from marginalized regions, and describe the youth's perceived and actual exclusion from social, economic, and political opportunities that

drove the Tunisian Revolution (Ayeb 2011). Overall, the report notes that while the situation of unemployed university graduates has often dominated discourse and policy, other socioeconomic groups of youth face distinct challenges to inclusion, which also require the attention and actions of policy makers.

In particular, the report highlights NEETs as the most excluded group. NEETs exemplify youth inactivity and discouragement, a more worrisome condition than youth unemployment, which does not include disengaged youth who have given up looking for formal sector (or other) employment (United Nations 2013). In Tunisia, young women are more likely to be NEETs. Highly educated youth, although affected by exclusion, constitute less than one-fifth of all NEETs. Early school leavers are the most highly represented in the NEET subgroup, irrespective of gender.

A multidimensional approach is used to identify and address the social, economic, political, and cultural barriers encountered by young Tunisians. Marginalization associated with social exclusion tends to occur simultaneously along multiple axes, so policies that address only one aspect of marginalization, such as improved access to education, may be too narrow to overcome exclusion more generally (World Bank 2013f). A combination of quantitative and qualitative research methods is used as well as an assessment of current youth programs and services in order to ask a range of questions: Why do young people continue to be active outside formal institutional venues as opposed to inside them? What channels are needed to increase youth trust in institutions and voice in decision making? Why are certain groups of youth over-represented among the inactive and unemployed or those working in the informal sector? How effectively is public policy at addressing the constraints that youth face? While also drawing on quantified measures, the analysis benefits from qualitative, narrative interpretations and solutions that emerge from young respondents, thereby attempting to avoid technocratic prescriptions that do not resonate with the discourse of youth themselves. This approach allows an analysis of the range of economic, social, and political exclusion, as well as examination of the ways in which they are mutually reinforcing.

Key Findings

Youth Participation, Voice, and Active Citizenship

Very few young Tunisians are active in civil society, although CSOs are on the rise. Since the revolution, civil society groups have been able to register with the state, and an increasing number of organizations focused on civic engagement have emerged. However, only a small fraction of young Tunisians are active in CSOs, and as little as three percent of rural youth participate in CSOs (ONJ 2013). Despite the low levels of participation in associations, 9 out of 10 young Tunisians consider volunteering in CSOs to be important for their communities. Among the few youth active in CSOs, the most frequently mentioned types of volunteering are for CSOs in the fields of regional development, charity and poverty, religious affairs, and science. Sports and leisure clubs are also frequently mentioned in qualitative interviews.

While political participation is a key pillar of active citizenship, very few young Tunisians engage in any form of political participation, except mobilizing for demonstrations. The low participation rate by youth in the Tunisian national elections of October 2011 was especially worrisome. Only one-half of under-30-year-olds

voted. In addition, very few young Tunisians are active in political parties, reflecting the large disconnect between the younger generation and the political establishment. Most young Tunisians say that they do not follow domestic politics, and self-reported knowledge about politics is low, especially in rural areas. A youth provision in the new electoral law, which incentivizes political parties to nominate at least one young candidate under age 35 among the top four candidates on any electoral list, provides an important entry point for political participation.[2]

Young Tunisians have little trust in public institutions, and only 8.8 percent of rural youth and 31.1 percent of urban youth trust the political system. There is also a low level of trust in the police, especially in rural areas. By comparison, the military, the local Imam, and religious organizations receive the youth's highest trust rating of up to 80 percent, which is nearly the same level of trust given to family. Like their counterparts in Egypt and Libya, young Tunisians express little trust in the press, which they see as commercial and manipulative.

More than any other medium, young Tunisians are using the Internet to access information. About 50 percent of all Internet users (43.3 percent in rural areas and 53.2 percent in urban areas) use the Internet for education, and between one-quarter and one-half of all youth uses the Internet to look for jobs (45.9 percent in rural areas and 26.8 percent in urban areas). In addition, more than 9 out of 10 young Tunisians in rural Tunisia own mobile phones. To advance citizenship in a sustainable way, however, youth must progress beyond "virtual citizenship" to formal political participation at the local and national levels.

Youth Unemployment, Inactivity, and NEET

One of the most pressing barriers for youth inclusion is the large share of NEETs. This category includes all officially unemployed youth aged 15–29 as well as discouraged young Tunisians who are no longer searching for jobs despite their young ages. NEET has been proposed as a core indicator for the Post-2015 Development Agenda to measure the degree to which young people effectively transition into the labor market.[3]

NEET rates display significant gender and regional disparities, and in rural areas, more than two out of five youth are NEET, compared with almost one in three in urban Tunisia. In rural Tunisia, half of all young women are NEETs (50.4 percent), compared with one in three young men (33.4 percent). This compares with urban Tunisia—the primary destination for many young job seekers—where about one-third of young women (32.4 percent) and one-fifth of all young men (20.3 percent) are NEETs. Gender gaps are significant among NEETs, which affects one in two young women in rural Tunisia (50.4 percent) and one in three rural young men (33.4 percent). While these rates are slightly lower in Tunisia compared with other countries in the region, such as Morocco, they do highlight a large untapped potential for economic inclusion.

High rates of school dropouts appear to be strongly linked to unemployment and inactivity. Systemic barriers affecting transitions at the end of grade six and grade nine cause high dropout rates and prevent many youth from completing secondary education. The majority of young Tunisians leave school long before obtaining a secondary school degree. Reportedly, more than 140,000 students drop out of school

annually, 80,000 of these without having completed their basic education (Romdhane 2010, 127).[4] As with other indicators, spatial differences abound: more than four out of five rural and one out of two urban young people do not complete secondary schooling. It is this group that comprises the bulk of NEETs: 83 percent in rural areas and 57 percent in urban areas. On the other hand, girls tend to stay in school longer than boys and are more likely to complete both their high school and university education. Women account for 62 percent of university students, and 26 percent complete their university education compared with 16.8 percent of young men.

Youth and student organizations should have the opportunity to voice concerns and offer solutions about educational policies and regulations. International experience from other middle-income countries shows that, apart from its immediate value in curbing corruption and malpractice in the school system, greater student participation in schools increases the accountability of teachers and school administrators while providing students with greater opportunities to influence how curricula are designed (La Cava and Michael 2006, 58–60). Initiatives at secondary and tertiary school levels could be supported through a competitive grant scheme to which students and youth organizations could apply.

Economic Opportunities

Ability, opportunity, and dignity are key requirements for youth inclusion. Ability and skills are needed to succeed in today's economy and to master the challenges and risks of a globalized world. Access to equal opportunity is important to reduce social and economic barriers to youth inclusion and is central to achieving shared prosperity for the next generation. Dignity was a central demand in the demonstrations of the Arab Spring across the region, including Tunisia.

The principal barrier to economic opportunities is regional disparities between governorates in the coastal, interior, and southern regions, which in many economic aspects are greater than the urban-rural divide. Exclusion of Tunisia's interior and southern regions is a fundamental driver of social, economic, cultural, and political youth exclusion. Young Tunisians face poor odds in finding employment, especially in the interior and the south, according to a recent report on the spatial divide of labor market outcomes (World Bank 2013b). In fact, among the underlying causes of the 2011 revolution is the spatial, economic, and political marginalization of society in parts of the country in favor of the coastal region (Ayeb 2011).[5] Rural youth continue to move to cities as they attempt to escape rural areas, despite the lack of good jobs in urban areas. Nearly 90.2 percent of rural households report that members of the direct family[6] have migrated to urban areas, mostly siblings of rural youth.

Gender gaps remain significant barriers limiting equal access to economic opportunities. Despite Tunisia's gender equality policies, surprisingly few young Tunisian women are working. Less than one in five women in rural Tunisia (18.5 percent) and less than two in five women in urban Tunisia (39.8 percent) have a job. Wages of young women are one-quarter lower than wages of young men. In addition, gender exclusion remains a daunting challenge for young Tunisian women trying to enter the workforce. Nearly two-thirds (61.4 percent) of female respondents report that women are discriminated against when seeking work in the private sector. Yet even in the public sector, discrimination against women is reported by nearly half (44.4 percent) of all female respondents. In rural areas, only 8.3

percent of young women from the southern and 15.4 percent from interior regions are working, compared with 23.6 percent in coastal region.

Schools and universities fail to impart essential skills to equip young people confronting the challenges of the labor market for transition to adulthood and active citizenship. Youth are particularly critical of an overly theoretical orientation of public education, which includes a minimal focus on skills to prepare them for the labor market. Overall, discouragement among students shapes the way in which teachers and students interact. Career counseling in secondary schools and universities is very limited, resulting in students receiving scant guidance concerning their critical career decisions. There were many criticisms of successive educational reforms, which students felt were arbitrary and poorly considered and for which many teachers were not well prepared to implement. In effect, even those young women and men who complete secondary school and continue to a university emerge lacking practical skills and ill-equipped to face the labor market.

Informal work is pervasive.[7] Few young people have access to secure jobs, with most available job openings being informal, without a contract. The few formal jobs come in the form of fixed-term contracts. As a result, fewer than one in three young workers have a secure work contract and access to social protection. Predictably, informal work is most prevalent in rural areas (71.9 percent) where agricultural employment and informal day-labor contracts remain the most common form of employment. Nonetheless, even in urban Tunisia, more than half of all working youth are employed informally (55.4 percent). Young Tunisians are very discontent with informal employment. Job informality and exploitation are cited as the primary concern among employed youth in the qualitative research for this report.

The great majority of employed young Tunisians work in low-skilled jobs in low productivity sectors: 82.5 percent youth in rural areas and 67.0 percent in urban areas work in jobs that do not require a secondary degree. Young women are especially likely to work in the low-skill sectors: 69.0 percent in urban areas and 85.9 percent in rural areas. Notably, the public sector provides relatively little employment for young Tunisians—only 6.8 percent of working youth in rural areas and 12.4 percent in urban areas are employed in that sector. Agriculture remains an important sector for rural youth employment even though many young people want to leave the sector due to the difficult working conditions and the negative image associated with it. It provides more than one-fifth of all rural jobs for young Tunisians (21.9 percent). Manufacturing and industries provide less than one-third (32.2 percent) of youth employment in urban Tunisia and less than one-quarter (23.8 percent) in rural Tunisia. Most young Tunisians work in the service sector, including tourism, which also provides most of the jobs in the informal sector.

Tunisia is well positioned to become a regional champion in innovation and entrepreneurship if it recognizes the potential of young aspiring businesswomen and businessmen. Self-employment is relatively common among young Tunisians: one in ten youth are self-employed microentrepreneurs. Notably, self-employment among young women is virtually nonexistent—only 2.2 percent in rural areas and 1.5 percent in urban areas. However, modern technology could make it easier for young women to start businesses and generate incomes. Self-employment could also help to overcome regional disparities. Currently, self-employment is more common in the coastal region (12.1 percent) and in the south (12.1 percent), compared with only 8.1 percent in the interior.

About 30–40 percent of young entrepreneurs work in sectors with high returns on average, demonstrating the potential of entrepreneurship. More than half of all self-employed youth operate small businesses in the service sector, including modern technologies: 45.4 percent in rural areas and 52.1 percent in urban areas. Only one in five young urban entrepreneurs works in the manufacturing and industries sectors (20.9 percent). In rural areas, 36.4 percent of young entrepreneurs work in agriculture and food processing; in urban areas, it is 10.8 percent. However, in rural areas, almost all young entrepreneurs work informally, often in unfavorable locations.

Young entrepreneurs struggle to gain access to finance, which remains the main challenge in successfully establishing a business. Existing microfinance programs seem to have limited reach and are widely perceived as inefficient. One-third of all young entrepreneurs struggle with the heavy cost of bureaucracy, including difficulties in obtaining required licenses and slow administrative procedures. The education level among young entrepreneurs is relatively low, and most self-employed youth have not completed secondary school, rendering it more difficult to participate in available programs and negotiate and manage microfinance assistance. Additional business training and enhanced access to business information would be helpful to many young entrepreneurs.

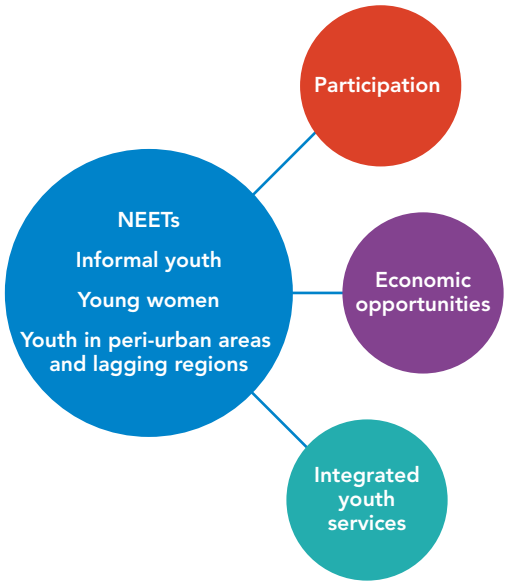
Skills for Employment and Entrepreneurship Programs

Tunisia has developed a large system of Active Labor Market Programs (ALMPs), which constitute the core of its labor market policy, but the perceived benefits remain limited. ALMPs are mostly unknown to young Tunisians. Most programs reinforce spatial disparities by overly focusing on urban areas along the coast. Only a few programs are available to youth in the interior and southern regions. Most ALMPs are also tailored for young university graduates, despite the fact that the absolute number of young Tunisians without work and without a secondary or university degree is about 3.5 times larger than the number of university graduates. In addition, most programs lack rigorous monitoring and evaluation, interagency coordination, and enforcement of criteria, which creates disincentives for young people to search for employment.

Youth entrepreneurship can play an important role in addressing youth exclusion while strengthening income generation and reducing youth unemployment. A number of programs are designed to support entrepreneurs or potential entrepreneurs. However, awareness of existing entrepreneurship programs remains low, and only one-third of rural youth and about half of urban youth are aware of existing programs. Program take-up is very low, especially in urban areas, where only about one in a hundred youth has participated in entrepreneurship programs. On the positive side, a substantial proportion of rural youth who participated reported that they benefitted from microloan programs.

Tunisian youth could benefit from an innovative approach that connects education to jobs in a three-way collaboration among the school system, technical colleges, and local corporate partners.[8] Many workplace skills, including teamwork and other social skills, problem-solving, and verbal and writing skills should be embedded in the curriculum. Course learning should be based on actual projects to enable students to work in teams, solve problems, practice presentation skills, and create business plans. Structured visits to companies partnering with the model should be part of the academic program. In addition, a mentoring program covering each student from his or her school's

Figure 0.1. Multidimensional Policy for Youth Inclusion



1. Participation and active citizenship
- Youth-led community development
- Volunteering
- Youth councils for participation and voice
- Human rights

2. Access to economic opportunities
- Job counseling in secondary and tertiary education
- Skills training
- Apprenticeships/internships
- Job intermediation
- Youth entrepreneurship

3. Youth-friendly services at the local level
- Life skills training
- Information and communication technology and language skills
- Healthy lifestyles
- Legal support services
- Peer mentoring
- Sports

corporate partner would provide in-depth career counseling and provide opportunities for visiting workplaces and learning through internships.

Key Recommendations

Developing a Multidimensional Youth Inclusion Policy

A multidimensional youth policy is needed to reduce barriers to youth inclusion and facilitate youth contributions to Tunisian society. The approach to youth development is now ready to move from piecemeal initiatives to an integrated set of policies and investments, maximizing the use of financial resources. To ensure equity, this can best be achieved through national youth policies and any related reforms that cut across sectors but that have a common focus on youth inclusion. These will also need to complement sector-specific policies—such as those in education, employment, and regional development—to address the needs of young people with greater efficiency. These policies should be reformulated with the participation of youth stakeholders—especially youth representative bodies—as partners in decision making. Moreover, policy implementation needs to be supported by performance-based management of institutions, strengthened by mechanisms for close interagency coordination that bring together government and youth organizations, and informed by systematic data collection and participatory monitoring and evaluation systems. As highlighted in figure 0.1, a multidimensional youth policy would include the following three pillars: (1) participation and active citizenship; (2) access to economic opportunities; and (3) youth-friendly services at the local level.

These three dimensions of youth inclusion policy, which involve participation, economic opportunities and youth-friendly services

require a specific set of measures at the national and especially at the local level, as indicated below.

Participation, Voice, and Citizenship

Local Level

- Youth-led community development
- Competitive grant scheme to support the capacity of nongovernmental organizations (NGOs) to engage/provide services to excluded youth
- Institutional channels to influence local policy—i.e., local youth councils
- Legal protection for young disadvantaged people in conflict with police
- Confidence/trust building between youth, local authorities and police
- Joint youth initiatives between religious and nonreligious organizations

National Level

- Capacity support of youth-led national NGOs and coalition building
- Competitive grant scheme to support student and youth organizations
- Student consultative bodies at secondary and tertiary education levels
- Voice in national policy and reforms—e.g., through National Youth Councils

Access to Economic Opportunities

Local Level

- Job counseling services in secondary schools in partnership with the private sector and NGOs
- Gender-sensitive youth-led community development, also with small cash transfers incentives
- Job intermediation
- Gender-sensitive individual and group entrepreneurship, through equity building grants and access to finance
- Apprenticeships and internships tailored to less educated youth and NEETs through gender-sensitive approaches

National Policy Level

- Job counseling services in universities through public/private/NGO partnerships
- Access to information—e.g., rigorous monitoring and evaluation, data, and youth policy dialogue on employment policy and Active Labor Market Programs
- Youth consultations and participation—also virtual—on labor market reform
- Beneficiary feedback and monitoring and evaluation

Youth-Friendly Services

Local Level

- Youth-friendly services tailored for NEETs and other disadvantaged youth, particularly inactive young women, with youth participation (i.e., life skills, information and communication technology and e-learning, entrepreneurship and employability skills, legal support services, peer mentoring, cultural activities, volunteering, and sports)

National Level

- Capacity building of NGOs providing youth services
- Quality standards of content
- Certification of skills
- Beneficiary feedback and monitoring and evaluation

While the revolution has given young Tunisians a glimpse of the possibilities of a new future, the task of building that future largely remains to be done. It is a task that cannot be accomplished by youth alone—any more than it can be accomplished without them. This is also not an undertaking that government can pursue singlehandedly. New forms of partnerships between government, the private sector, civil society, and communities will be needed to imagine and accomplish the task that Tunisia faces of simultaneously reforming its politics, economy, and society. Young people require the space to participate fully in this process of renewal and, indeed, to benefit from it. The stakes could hardly be higher: the possibility of a productive and equitable economy and vibrant political and civil society is set against the possibility of growing polarization, frustration, and cynicism. Moving toward a constructive outcome holds the promise of a multitude of rewards, including the energy, awareness, goodwill, and commitment of the young men and women of Tunisia for whom this report bears witness.

Notes

1. Article 8 of the new Tunisian Constitution, January 27, 2014.
2. The Tunisian National Assembly passed the new Electoral Law on May 1, 2014 (Jasmine Foundation 2014).
3. The indicator is preferable to traditional unemployment measures because it shows the scope of potential problems in the youth labor market.
4. Base Education is defined as grades one through nine.
5. The term "Jasmine Revolution" is arguably a misnomer, as it refers to the plant from the relatively lush and prosperous northern coast. Instead, Ayeb argues that "Alfa Grass Revolution" might be a better term, based on the plant growing in Tunisia's interior region.
6. The concept of the direct family includes children, spouse, and parents of the head of household.
7. This report refers to job informality based on survey responses of having a written formal work contract.
8. Based on Litow 2013.

CHAPTER 1
Introduction

> *What is a revolution? Why did we take it to the streets? Employment, freedom, and national dignity! But if we were to dissect these slogans, what would they show? We want an equal distribution of wealth, a fair development plan between the regions—[in] the inland regions, between first-class Tunisia and the other Tunisia.*
> **University student, Tunis**[1]

1.1 Background and Objective

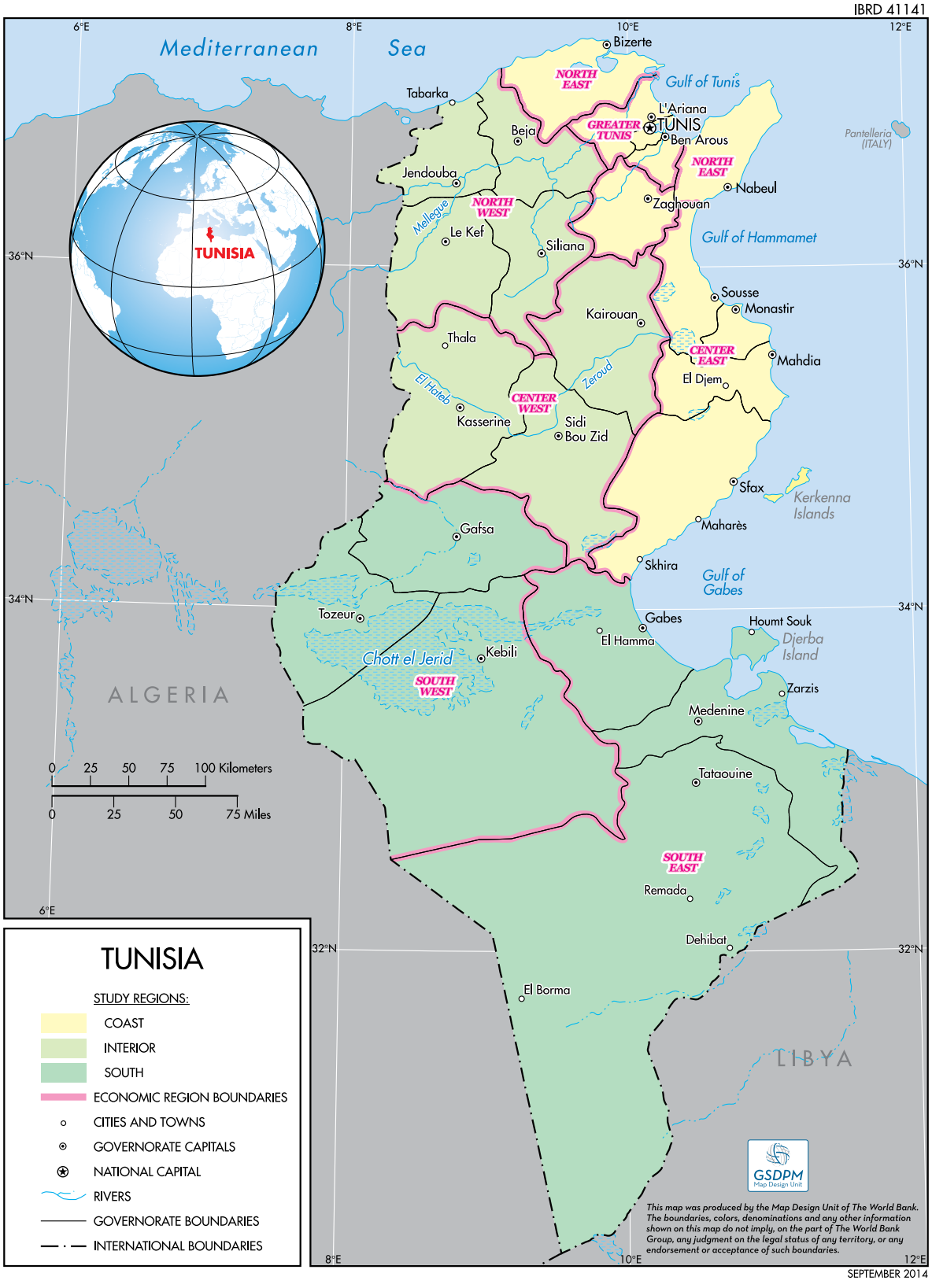
Prior to the revolution, Tunisia had been praised by international institutions for its substantial progress in economic growth and poverty reduction. It enjoyed an annual average gross domestic product (GDP) growth rate of 5 percent between 1997 and 2007, placing itself among the leading performers in the Middle East and North Africa Region (average 4.3 percent). In 2009, the per capita income of Tunisians worsened slightly and stood at US$7,200, close to the level it had been in 2005. Yet the overall decline was not dramatic, and the level still remained higher than any neighboring country except Libya, surpassing Algeria (US$6,600), Morocco (US$3,800), and Egypt (US$4,900). Tunisia's life expectancy and literacy rates compared very favorably with other Arab countries.

Nevertheless, Tunisia experienced a revolution in January 2011 driven in large measure by longstanding grievances about social, economic, and political exclusion. Significantly, the revolutionary movement was ignited by the anger and despair of a 26-year-old unemployed vegetable vendor in one of Tunisia's most underserved governorates, Sidi Bouzid. It resonated with the many Tunisians who faced similar day-to-day challenges and triggered waves of protests (Saleh 2010). Such protests were not new: as early as 2008, unemployed youth had been involved in demonstrations in Gafsa, a poor mining area which still suffers from one of the highest unemployment rates in the country (Filiu 2011).

One of the root causes of this disaffection can be traced back to the lack of opportunities available to young people. Tunisia's youth unemployment rate was particularly high at 30.7 percent (for ages 15–24), while the overall unemployment rate was 14 percent, making the ratio of youth-to-adult unemployment ratio 3.2 (World Bank 2010b). The 2005–09 Labor Force Survey data showed that 85 percent of the unemployed were between 15 and 35 years of age (Angel-Urdinola 2012). The Labor Force Survey also revealed that unemployment among younger age groups had increased between 2005 and 2009, while for older cohorts, the rate actually decreased. In particular, unemployment among 15- to 24-year-olds rose from 28 to 31 percent, and that of 25- to 34-year-olds increased from 17 to 19 percent. Public opinion surveys highlighted the political significance of these trends. In a poll conducted after the revolution in January 2011, the majority of the respondents believed that the revolution was induced by young people (96 percent), the unemployed (85.3 percent), and the disadvantaged (87.3 percent) (SIGMA Group 2011).

However, unemployment was by no means the only factor. Arab observers viewed the youth uprising in Tunisia as a response to a sense of closed possibilities, given that young Tunisians had been excluded from expressing their voice

Figure 1.1. Map of Tunisia



and exercising active citizenship (Bamyeh 2011). The 2005 National Youth Observatory's survey, covering 10,000 young people (aged 15–29), revealed a low rate of participation by young people in decisions affecting their lives, limited youth membership in associations, and a dearth of structures through which they could articulate their opinions. It also showed that young people were generally less optimistic about the future than they had been in 2000. Similarly, in 2007, a United Nations report pointed out the lack of active youth participation in decision making at community, municipal, regional, and national levels; a lack of youth engagement in the design, implementation, and evaluation of youth-targeted services and programs; limited opportunities for volunteering or community service; and lack of consultations (United Nations 2007). Therefore, youth demands for dignity should be understood in the broader context of an absence of opportunities for voice regarding the direction of the country as well as a lack of accountability on the part of public authorities.

In this context, the objective of this policy study, conducted in 2012/2013, is threefold: (1) to identify and analyze key barriers to youth inclusion encountered by young Tunisian men and women (aged 15–29) with a special emphasis on participation, active citizenship, and economic opportunities; (2) to assess the access, quality, and impact of various public services and programs for young people, including Active Labor Market Programs; and (3) to provide recommendations for policies and programming on how to address such barriers.

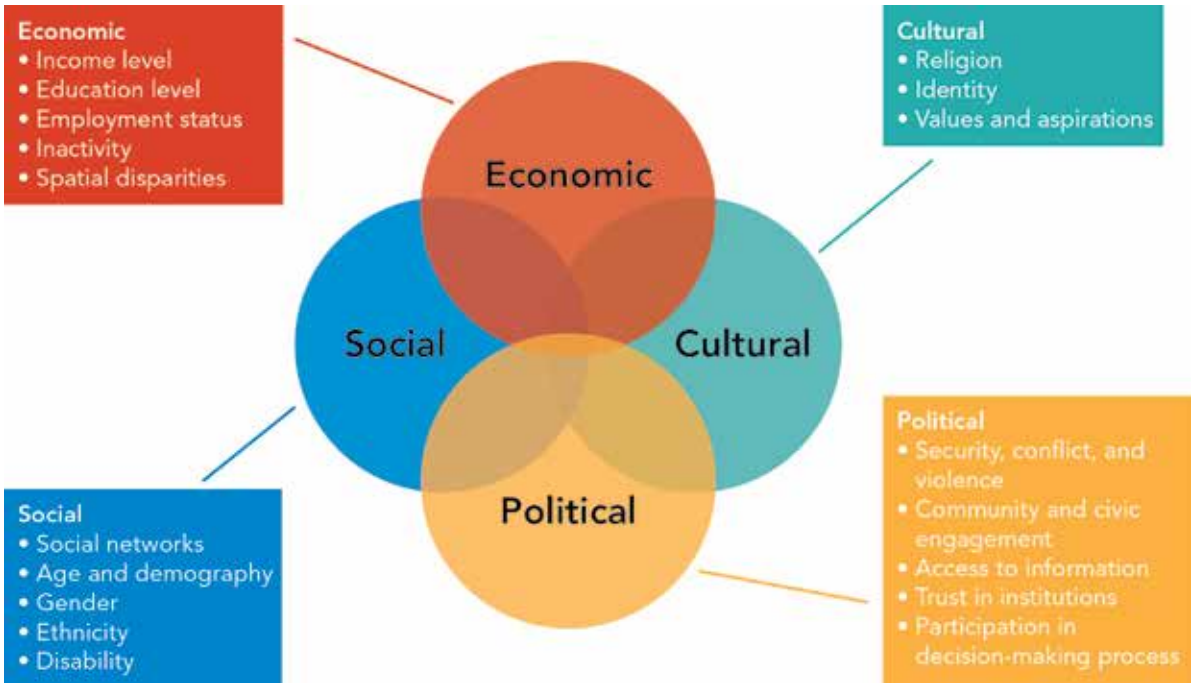
The study provides an analysis of the aspirations and needs of young Tunisians, taking into account essential noneconomic and economic measures of exclusion that were at the root of the revolution. In particular, it highlights:

- the continuing rise of youth activism outside the formally established political institutions as well as the need to support the transition of Tunisian youth from protest to active citizenship; and
- young people who are not in education, employment, or training (NEET) as the category most affected by economic exclusion, and the need to ensure their socioeconomic integration through tailored policies and programming.

1.2 What is Youth Inclusion?

This report uses a multidimensional approach to identify and address the social, economic, political, and cultural barriers encountered by young Tunisians. A variety of paradigms have been used to define and explain Arab youth, ranging from a demographic "bulge" and "dividend;" to frameworks of human capital formation, including educational and employment failures; to a state of transition to adulthood, when Arab youth are depicted as being in a stage of "waiting;" to a set of youth identities and subcultures.[2] Taken individually, these paradigms present some analytic limitations, as marginalization associated with social exclusion tends to occur simultaneously along multiple axes (see figure 1.2). According to a compelling interpretation of the Arab youth's uprisings, young people share as an experience "a generational narrative of exclusion, which traverses public and private life and results from the political, economic and social failures of authoritarian regimes" (Murphy 2012). As a result, policies that address only one aspect of marginalization—such as improved access to education—may be too narrow to overcome exclusion more generally (World Bank 2013f).[3]

Figure 1.2. Dimensions of Exclusion



Source: World Bank 2014.

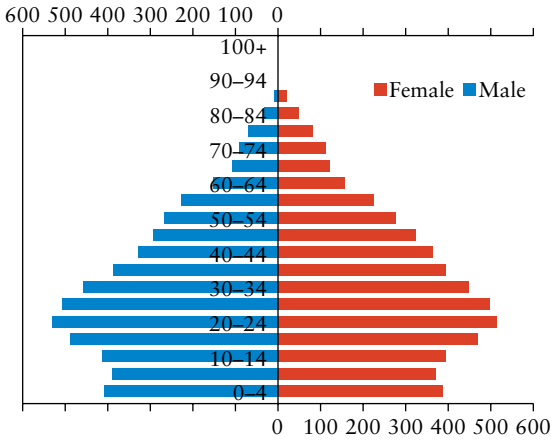
This study uses a combination of quantitative and qualitative research methods—as well as an assessment of current youth programs and services—to ask a range of questions, such as: Why do young people continue to be primarily active outside formal institutional venues? What channels are needed to increase their voice in decision making? Why are certain groups of youth overrepresented among the inactive and unemployed or among those working in the informal sector? How effectively is public policy addressing the constraints that youth face? While drawing on quantified measures, the report also heavily weights interpretations and solutions from young respondents themselves in an attempt to avoid technocratic prescriptions that do not resonate with the discourse of the youth.

Fostering youth inclusion requires recognizing the multiple dimensions of exclusion. The range of exclusionary dynamics that affect young Tunisians is set out in figure 1.2. Not all young people are subject to all exclusionary dynamics, but some young people suffer exclusion across many or all political, economic, social, and cultural spheres. For example, young people who are not in education, employment, or training may be simultaneously disengaged from community life, originate from a poor household, and lack social networks, which in turn preclude their access to opportunities in the labor market. These may be the most marginalized and disempowered youth. It is important to identify and recognize the heterogeneity of experiences to most effectively target interventions to those who are most excluded.

Nonetheless, the amelioration of one source of exclusion will not necessarily lead to inclusion if exclusionary dynamics persist in other spheres. Fostering youth inclusion requires interventions that simultaneously address a range of exclusionary dynamics, specifically in ways that enable greater youth voice and participation in the decision-making processes that affect their lives. The evidence presented in this report indicates that interventions are needed to rebuild trust between youth and public institutions to foster a sense of agency and ownership among young people. The report therefore highlights the importance of fostering voice, participation, and active citizenship for addressing socioeconomic youth exclusion.

In this report, young Tunisians are considered those aged 15–29. This broader age segment better captures issues of exclusion and delayed transition to socioeconomic autonomy than the 15- to 24-year-old grouping used in other studies and surveys (see, for example, World Bank. 2012c). According to recent population estimates, youth aged 15–29 make up 29 percent of Tunisia's total population and 43 percent of the working age population—aged 15–59 (see figure 1.3).[4] Today's youth represent one of the largest social cohorts of Tunisia, facing very distinct social, economic, cultural, and policy challenges, many of which have yet to be addressed.

Figure 1.3. Population of Tunisia by Age Group



Source: United Nations 2010.
Note: Measured in '000, year 2010, medium variant.

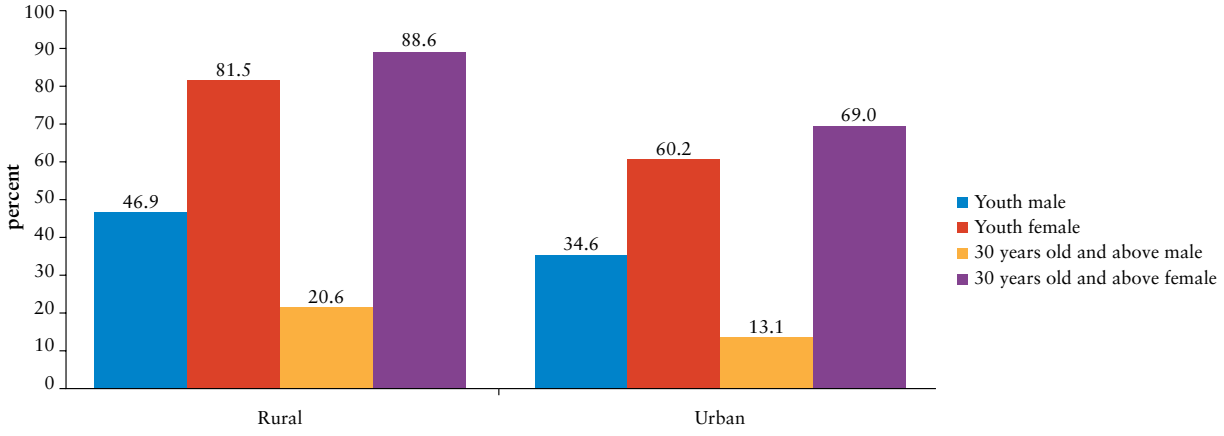
Young Tunisians are not a homogeneous group. While the situation of unemployed university graduates has often dominated national discourse and policy, other socioeconomic groups of youth face distinct challenges to inclusion. This report identifies specific categories of excluded young people and characterizes them according to regional disparities, gender differences, access and opportunities, employment and education status, and educational attainment. This analysis helps to identify crucial barriers to inclusion faced by young women and men from different backgrounds. It also contributes to an understanding of youth frustration with and perception of exclusion from social, economic, and political opportunities, which drove the Tunisian Revolution. It was, after all, a young street vendor from the interior region of Sidi Bouzid whose self-immolation catalyzed the revolt by the younger generation from marginalized regions (Ayeb 2011).

The analysis introduces a more comprehensive indicator of youth economic exclusion. The indicator is the share of NEETs, which is consistent with the goals of the Post-2015 Development Agenda. This measure goes beyond the narrow definition of youth unemployment, which does not include young people who have been discouraged from looking for work. The NEET indicator ensures a more accurate assessment of inactivity that includes discouraged and disengaged youth who have given up looking for formal sector (or other) employment (United Nations 2013). Tunisia currently has one of the highest NEET rates in the Middle East and North Africa Region, estimated at approximately 33 percent of the total number

of young people aged 15–29 years, according to calculations from the European Training Foundation (ETF 2014). Highly educated youth, although still suffering exclusion, are less likely to become NEET than those with less education. Youth who leave school early are the most highly represented NEET subgroup and, according to a recent analysis by the National Employment and Training Observatory and the ILO, there are very few policy instruments currently addressing NEETs (*Observatoire National de la Jeunesse-Social* Science Forum 2013). Figure 1.4 presents an overview of NEET rates for Tunisians of working age, comparing young Tunisians (aged 15–29) to those aged 30 and above.[5] Throughout the country, young men are about 2.5 times more likely to be NEET than men above 29 years.[6] In addition, young women are nearly twice as often affected by NEET than young men. On a positive note, NEET rates among young women are slightly lower compared with women above 29 years, suggesting a shift in the social roles of younger women. Nevertheless, NEET rates remain very high for young women (60.2 percent in urban areas and 81.5 percent in rural areas).

Overall, this report contributes to research and policy studies in the areas of youth participation, education, employment, and labor market policy in Tunisia. The concepts of social inclusion and social exclusion are rarely used in either the Francophone or Arab language research literature about Tunisia. The latter tends to focus on local traditions, identity, and cultural heritage. In the dominant strand of Francophone social research, the issue of social inclusion/exclusion has been articulated primarily through the lens of the economic integration or marginalization of youth (Mahfoudh-Draouti and Melliti 2006). Dropping out of school, unemployment, inactivity, and precarious work are portrayed as outcomes of marginalization. Some of the existing literature, primarily through in-depth interviews, also captures the subjective experience of living the life of a marginalized, vulnerable, and unemployed young person (Melliti 2011). A related concept is that of public acknowledgement (reconnaissance), in contrast to the invisibility experienced by an unemployed or inactive young person. The plight of unemployed graduates is also seen in social justice terms as the breaking of a social

Figure 1.4. NEET Rates among Working Age Population by Youth and Gender



Source: World Bank 2012c; 2012d.
Note: Youth refers to age 15–29. Comparison group refers to age 30–59.

contract with a state that encouraged tertiary education as a means of accessing secure employment (Dhillon and Yousef 2009).

1.3 Data and Methodology

This study draws on primary data derived from qualitative and quantitative methods and on secondary sources. A full overview of data sources can be found in annex 1. The main primary sources are as follows:

- A quantitative survey of urban youth from 4,214 urban households undertaken in 2012–13 and known as the Tunisia Household Survey on Youth in Urban Areas (THSYUA).
- A quantitative survey of rural youth from 1,400 households across Tunisia undertaken in 2012–13 called the Tunisia Household Survey on Youth in Rural Areas (THSYRA).
- A qualitative component, designed to elicit the narrative perceptions of youth with regard to the phenomenon of their experience with social inclusion and exclusion, supplements and helps explain the quantitative findings. This component was comprised of 21 focus groups and 35 individual interviews undertaken in 2012 with a total of 199 young people in seven regions of Tunisia.
- A desk review and analysis of institutions and programs serving Tunisian youth was undertaken in 2012.

This report compares youth living in rural and urban areas as well as in different geographic regions. Tunisia has 24 governorates, aggregated into seven administrative regions, each comprised of several contiguous governorates. For the purpose of this report, the governorates are grouped into three distinct survey regions: the coast, the interior, and the south, based on the structural differences the country is facing in terms of regional disparities and social and economic inclusion.[7] The analysis also builds on two separate surveys in urban and rural Tunisia.

1.4 Report Structure

The report is organized along the different dimensions of youth inclusion. Chapter 2 investigates voice and participation of young Tunisians and identifies both constraints and opportunities for their engagement in civic and political life. The report then analyzes economically excluded groups in decreasing order. Chapter 3 highlights the severity of the situation faced by young Tunisians that are NEET. Chapter 4 describes the available economic opportunities for young Tunisians; the state of employment and entrepreneurship, including informal work as well as gender and regional disparities; and relevant socioeconomic and educational data. Chapter 5 discusses programs and services relevant to employment—such as Active Labor Market Programs, including the quality and impact of the programs. Chapter 6 presents conclusions and recommendations, recognizing the need to address the interrelatedness of the different dimensions by combining a strong focus on inclusive youth policy and institutions with a call for youth participation in decision making.

Notes

1. As quoted in British Council 2013, 34.

2. The following contributions exemplify the various paradigms used to analyze the youth dimension: Assad and Roudi-Fahimi 2009, British Council 2013, Dhillon and Yousef 2009, and World Bank 2007.

3. The report also builds on the framework of socioeconomic constraints (i.e., job relevant skills constraints, lack of labor demand, and social constraints on the supply side) and interventions identified by Cunningham et al. 2010.

4. Data is from United Nations (2010), "World Population Prospects" database. 2010 estimate. Young people aged 15 to 24 represent nearly 20 percent of the total population.

5. The official retirement age in Tunisia is 60 years for men and women.

6. In rural areas, 20.6 percent of older men are NEET compared with 46.9 percent among young men, a NEET ratio of 2.3. In urban areas, the NEET ratio among old versus young men is 2.6 (NEET affects 13.1 percent of older men versus 34.6 percent of young men).

7. For the purposes of this report, the northwest, center-west, and southwest are collectively referred to as the interior or as interior regions. The northeast, which includes Greater Tunis, is treated separately from the rest of southeast for the purpose of some of the study's analysis. The center-east is the coast or the coastal region.

CHAPTER 2
Youth Participation, Voice, and Active Citizenship

> *We must advance hand-in-hand to achieve the aims of the revolution. We must be active in society, working in associations. We must not be divided, for the stakes are very high for our country. People must be woken up, and that is the role of the political class. They have to be aware of the critical phase through which the country is passing, to invest in this organization building, to be less selfish, and to make the goals of the revolution triumph.*
> **Female high school student, Mahdia (coastal Tunisia)**

Since 2010, young Tunisian women and men have stood at the forefront of social change, continually expressing their desire to participate actively in the public sphere. Yet, as this chapter shows, as of early 2013, when the data collection for this study was completed, young Tunisians believed that they continued to lack the institutional channels necessary to effectively participate in postrevolutionary Tunisia, and they expressed little confidence in the country's political and public institutions (Parker 2013).

Youth inclusion has direct economic, political, social, and cultural implications, and it requires the availability of institutional channels for active engagement in community and public life. Broadly speaking, youth inclusion includes the ability to make social contributions and to earn recognition and dignity. It also means having confidence and commitment to economic initiatives. Such inclusion is, in effect, active citizenship, which is further defined in box 2.1. In the recent Tunisian context, active citizenship can be considered social engagement to realize the ideals of the revolution.

The positive interrelationship between the exercise of active citizenship and economic outcomes for youth, particularly for young people who are not in education, employment, or training (NEETs), is validated by new global evidence. Recent econometric analysis finds that improvement in civil liberties, in addition to economic freedoms such as the reduction in

Box 2.1. Defining Active Citizenship

The European Youth Forum, one of the world's best established and most influential youth advocacy platforms, has defined active citizenship as a legal status and a role. A combination of specific attitudes and institutional arrangements must be in place for individuals to exercise "involvement, participation, and influence." This definition of citizenship also encompasses an individual's relations with others and the labor market, as well as questions of cultural identity, given that individuals belong to and participate in many different communities—social, economic, and cultural. Citizenship defined as status in a political, legal, and social community is based on a set of legal rules that defines membership in the political community. These rules include legal rights—e.g., freedom of speech, thought, and religious belief, and the right to own property—as well as and political rights—e.g., the right to participate and exercise power.

Source: European Youth Forum 2002b.

taxation and price stability, leads to a significant reduction of youth inactivity (i.e., NEETs) in the long run. As a consequence of this finding, the World Bank estimates that improving the level of freedom in various developing regions to that of developed countries is likely to reduce youth inactivity by more than half in the Middle East and North Africa and Sub-Saharan Africa or by 30 percent in Latin America (Ivanic and La Cava, forthcoming). Although the quantitative survey data available for Tunisia does not allow for a rigorous assessment of the causal relationship between civil liberties—which enable active citizenship of the youth—and a decrease in youth inactivity at the country level, the global evidence leads to the conclusion that as civil liberties take root in the country, particularly following the new constitutional provisions, NEETs are expected to substantially decrease.

While prospects for Tunisia appear promising, this chapter shows that young Tunisians still encounter significant barriers to their full exercise of active citizenship. Young people spoke in interviews of disappointments and broken dreams, as they face continuing social injustice, lack of opportunities for civic and political engagement, and unemployment, which they perceive is exacerbated by favoritism and regionalism. The deep divide perceived between the older generation that dominates decision making and the younger one that feels excluded from opportunities and lacks the voice to shape the future is also a critical issue that must be addressed for the long-term stability of the country.

At the same time, the qualitative research shows that, irrespective of gender and region, young Tunisians have developed a set of coping strategies. These strategies combine family and religion as a refuge from instability while focusing on the values of merit, hard work, innovation, self-seeking, and efforts to strengthen their autonomy. The opportunities for participation in community and political processes at the local and national levels, while not extensive, do exist and are expanding. Two key factors that directly affect whether youth engage in society are trust in institutions and the use of social media.

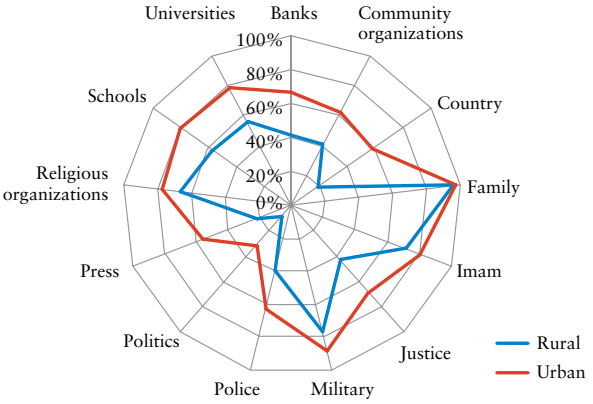
2.1 Trust in Institutions

Active citizenship depends on trust and a willingness to constructively engage with institutions. Without a minimum level of confidence in institutions, such as local politicians, courts, police, and political or religious groups, it is difficult for youth to work constructively with institutions. Trust is an enabling condition for active citizenship and crucial to the engagement of youth in the issues that affect their community or country. Trust must be earned by institutions. Unfair treatment, injustice, or police violence erodes confidence in institutions and without trust, societies tend to resort to confrontation.

Like the rest of their peers in the Middle East and North Africa, young Tunisians have little trust in public institutions. According to the Gallup World Poll 2013, with respect to standards of living, life evaluation, social well-being, community attachment, volunteering, and trust in national government, youth perceptions in the Middle East and North Africa and Sub-Saharan Africa score at the bottom when compared with other regions. However, the Middle East and North Africa had more youth reporting worsening standards of living in 2013 compared with 2012 and less confidence in national government than African youth (Gallup World Poll 2013).

Young Tunisians rely on their families and religious institutions. The military, the local Imam, and religious organizations receive the youth's highest trust rating of up to 80 percent, which is nearly the same level of trust given to family (see figure 2.1). In contrast, trust in

Figure 2.1. Trust in Public and Religious Institutions



Source: World Bank 2012d; 2012e.
Note: Figure includes all youth aged 15–29.

political institutions was at its lowest during the data collection: only 8.8 percent of rural youth and 31.1 percent of urban youth had trust in political institutions. In urban Tunisia, schools and universities are rated as trustworthy by about 80 percent of youth as public spaces for dialogue. Stark differences exist between rural and urban youth. As a whole, youth in rural areas express substantially less trust in the police, the government, the justice system, the press, and the country.[1] Across institutions, the trust level in rural Tunisia is, on average, 20 percent lower than in urban areas. The trust levels among youth are independent of work status, both within rural and urban areas (see annex 2, figures A2.1 and A2.2). The trust levels of Tunisian youth in banks and the press are slightly higher among those who are working, but otherwise, they mirror the trust levels among their peers who are NEET.

The overall discontent and the lack of trust in public institutions resonate among young Tunisians through cultural channels, including rap and other musical forms. Since the protests began in December 2010, rap has been the soundtrack to the Tunisian Revolution, while pop, folk, and rock genres have also provided musical accompaniment (see box 2.2).

Like their counterparts in Egypt and Libya, young Tunisians express little trust in the press, which they see as commercial and manipulative. While social media is recognized as having

Box 2.2. Young Artists and Freedom of Speech

The arts, most particularly rap music, have been used to express young people's anger at unemployment, poverty, and political repression. The rapper El General emerged as one of the revolution's icons. His song *"Rais Lebled"* (Head of State) is regarded as the "anthem" of the revolution.

Since the revolution, rappers have continued to give voice to youth disillusionment. Along with journalists, many musicians fell afoul of the government elected in 2012. They continued criticizing police brutality, expressing their disappointment with the revolution, and advocating for freedom of expression. Seven rappers were arrested in the first six months of 2012. The rapper Weld El 15 received a 21-month jail sentence in absentia on charges of performing songs deemed insulting to the police at a concert in the eastern town of Hammamet. After he surrendered to the authorities, he was retried and received a four-month sentence, against which he appealed. Rapper Klay BBJ was finally acquitted on appeal in September 2013, after being charged and retried twice for criticizing the police.

Sources: Al Jazeera 2013b; Auffray 2013.

raised awareness and supported social mobilization during the revolution, it is now viewed more ambiguously, as expressed by a young school teacher:[2]

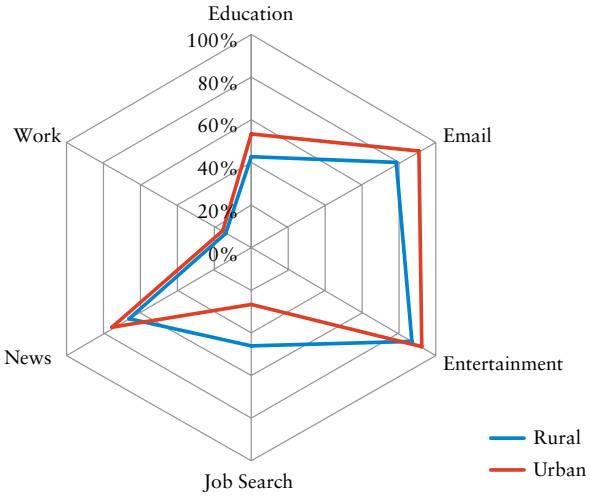
> *Facebook played a big role at the beginning of the revolution. Since the revolution, the followers of the different parties have their own pages and publish their programs. It is common to see mutual insults, and instead of serving the revolution, these arguments drag it backwards. Facebook, one of the sources of the revolution's success, has since turned into a space for attacking other parties.* Male primary school teacher, Tunis

2.2 Access to Information

More than any other medium, young Tunisians are using the Internet to access information. The Internet is primarily used for entertainment, email, and news, but young men and women also spend part of their time online to study, work, or look for jobs (see figure 2.2). About 50 percent of all Internet users (43.3 percent rural, 53.2 percent urban) use the Internet for education, and many youth use it to look for jobs (45.9 percent rural, 26.8 percent urban). Almost one out of six young Tunisians also uses the Internet for work (14.4 percent rural, 15.9 percent urban).

Access to basic information and communication technology is widespread. More than 9 out of 10 young Tunisians in rural Tunisia own a mobile phone. In comparison, between one to two-thirds of respondents used the Internet in the previous month (34.3 rural, 60.0 urban; see figure 2.3). About one-quarter of interviewed youth are members of a social networking site such as Facebook, which is primarily used to interact with friends and to read news. Television remains the main source of news (68 percent), followed by the Internet (13 percent), and personal discussion (12 percent). Relatively few relied on radio (6 percent), and even fewer on newspapers (1 percent). Access to the Internet is still limited in many rural areas, which also has implications for accessing labor market information. However, the relatively high level of connectivity has facilitated the emergence of a "youth culture" with its own styles, spaces, channels of communications, and leisure activities, distinct from the "official youth culture" of the former regime.

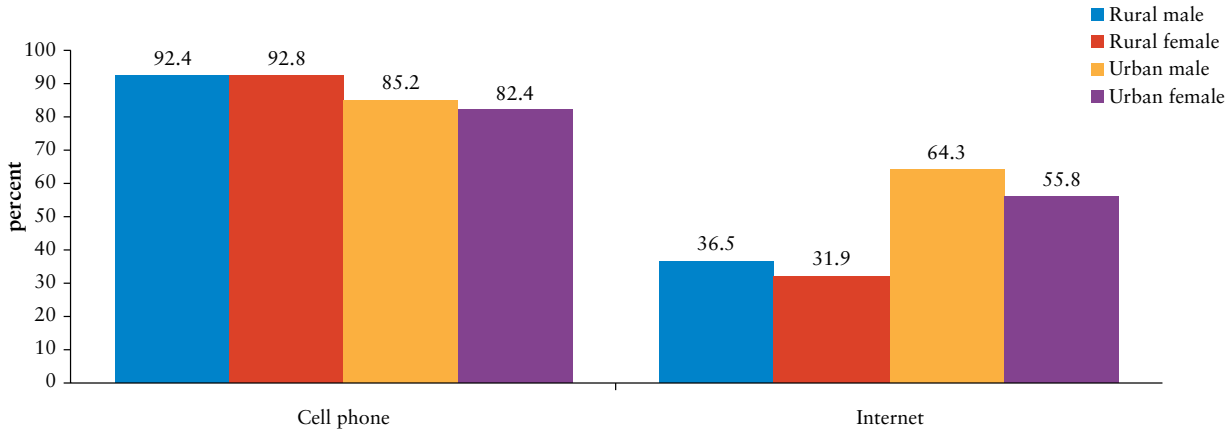
Figure 2.2. Use of Internet to Access Information



Source: World Bank 2012d; 2012e.
Note: Figure includes all youth aged 15–29. Multiple answers were allowed during survey.

Current and former graduate students spoke frequently about the Internet in the focus groups and individual interviews. Young people have a very positive attitude toward information and communication technology, seeing it as a source of information, communication with other youth (virtual networking), connection with the world media and entertainment, and an effective way to find employment. One Master's student from Sidi Bouzid (Central West Tunisia) called the Internet "a second family" for the young. However, respondents also perceived a spatial dimension to Internet access—a digital divide exacerbating the feeling of exclusion

Figure 2.3. Access to Information and Communication Technology—Rural Versus Urban



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth; use of cell phone and Internet in last month.

from broader Tunisian society among youth living in the interior of the country.

> *People in the interior have nothing apart from football, the street, and the café. Students are bored at school, and can't develop their abilities through creative activities or entertainment.* Male student, Gafsa

> *To find a job, you have to go on the Internet. This must be the one part of the country where there is no employment bureau. As for "Publinet Cybercafés,"[3] there are only a few in the center of Médenine, and that is an hour's journey, costing TND2 [US$ (PPP) 2.76]. Imagine, for anyone who lives in the villages around here, they have to pay for transport to the center of town, wait for an hour, and then pay TND10 [US$ (PPP) 13.79] just to register at the employment bureau. How can someone here get access to information? Male unemployed high school leaver,* Médenine

To advance citizenship in a sustainable way, youth must progress beyond "virtual citizenship" to "real" political participation at local and national levels. While youth were enthusiastic about political engagement and associational life, it has yet to be implemented in a fully active manner. In contrast to the idealistic aspirations associated with the revolution, the following youth's sentiments highlight the potential risk of engaging exclusively in a virtual public space.

> *I combed through all the information on Facebook to uncover the weaknesses of the administration. On Facebook, I take a critical stance, I am free and neutral, and what I don't like, I attack. The Revolution of 14 January is above all a psychic revolution, a transition from one situation to another. We feel liberty after repression, liberty to communicate our ideas. … After 14 January, the Internet is completely free of censorship.* Male unemployed graduate, Médenine, southeast Tunisia

> *We watch TV. We surf the Internet. We go to check our Facebook pages at Publinet. We contact our friends in Tunis. We follow the news. We know what is going on. I would like to participate, express my views, but I don't know how I should do it ….* Female unemployed graduate, Mahdia, Central East Tunisia

Making the transition from virtual to active citizenship will require new associational skills, which are as important as entrepreneurial skills in building effective agency. Youth can benefit from opportunities to learn how to establish and manage associations, including understanding the legal environment for doing so, managing budgets, being financially accountable and transparent, lobbying effectively, handling public relations and communications strategies, mapping democratic internal processes against effective management structures, and engaging in strategic networking.

2.3 Youth Participation in Civil Society

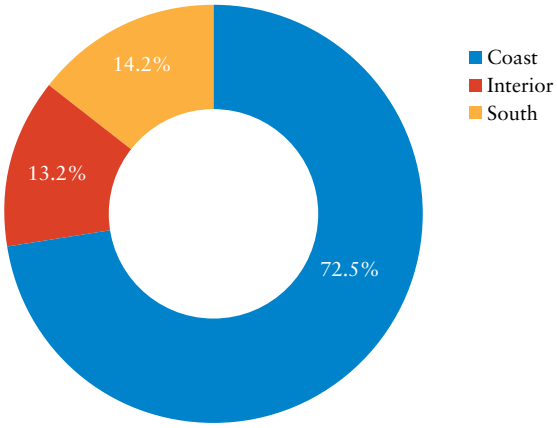
Since the revolution, religious and other civil society groups have been able to register with the state, and an increasing number of organizations focused on civic engagement have done so. Trade unions and student unions are playing particularly significant roles in civil society (British Council 2013). For example, the National Dialogue between the country's political factions has been mediated by four influential civil society organizations (CSOs), including the country's largest trade union. The Center for Information on the Formation, Study, and Documentation of Associations estimates that the number of registered nongovernmental organizations (NGOs) has increased by almost 50 percent since the revolution, from almost 10,000 to approximately 15,000 (British Council 2013; Khouja and Moussa 2012). In particular, religious welfare organizations have been growing in urban neighborhoods and in the interior regions most affected by poverty and exclusion.

Nonetheless, only a small fraction of young Tunisians are active in CSOs. According to a recent survey, as little as three percent of rural youth participate in CSOs (ONJ 2013). Among the few youth active in CSOs, the most frequently mentioned types of volunteering are for CSOs in the fields of regional development, charity and poverty, religious affairs, and science. Sports and leisure clubs were also frequently mentioned in qualitative interviews. Despite the low levels of participation in associations, 9 out of 10 young Tunisians consider volunteering in CSOs to be important for their communities. In rural Tunisia, about 92 percent of young women and 85.2 percent of young men identify community organizations as important for local development (see annex 2, figure A2.3). Trust levels toward community organizations are relatively lower in rural Tunisia, perhaps reflecting the heterogeneity in quality and the degree of political orientation displayed by existing organizations. Only 40.7 percent of young women and 39.9 percent of young men from rural areas trust community organizations (see annex 2, figure A2.4). Trust is much higher in urban Tunisia, where 63.6 percent of young women and 60.7 percent of young men say they trust community organizations.

Levels of youth volunteering in Tunisia are very low, however, with less than 1.5 percent of all urban youth giving time to CSOs, pointing to the need to develop more effective public policy to support youth participation in civil society, particularly in volunteering. Volunteering among young urban men (2.12 percent) is almost twice as common as among young urban women (0.89 percent) (see annex 2, figure A2.5). Almost three-quarters of all urban youth volunteers live in the coastal region (figure 2.4). By comparison, only a marginal 13.2 percent of youth volunteers live in Tunisia's interior, followed by 14.2 percent of youth volunteers who live in the southern regions. The low overall level of volunteering and its regional disparities highlight the scope and need to support youth volunteerism in Tunisia, particularly in the interior and southern regions.

Although youth participation in civil society is still limited—particularly if participation is

Figure 2.4. Distribution of Youth Volunteers by Region



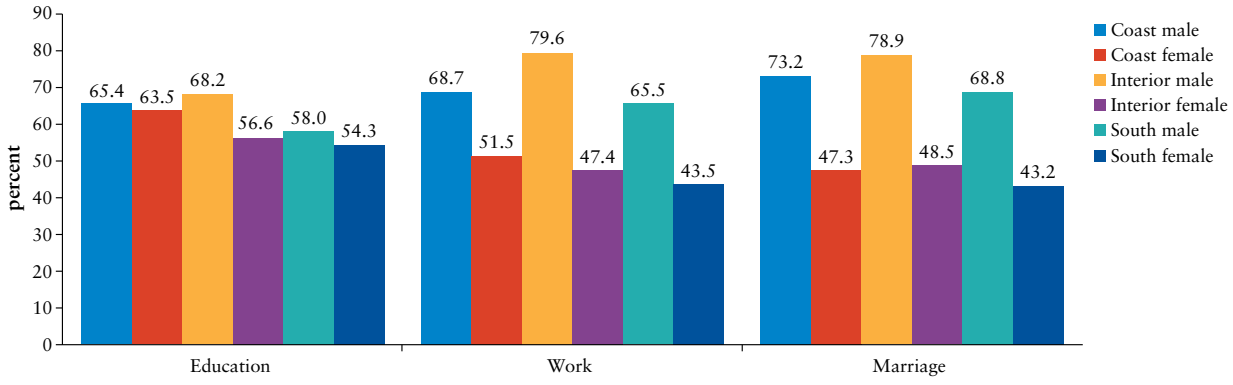
Source: World Bank 2012e.
Note: Figure refers to all urban youth. No data is available for rural youth.

youth led—it should be viewed as a promising area for youth to engage in active citizenship in view of the positive perception associated with volunteering. Youth participation in civil society, and particularly in volunteering, could be supported as an avenue to promote greater social inclusion, especially at the local level and among disadvantaged youth, who are currently the least engaged. Volunteering should include the less educated; NEETs, including young women; and youth in marginalized regions and in peri-urban areas. Box 2.3 describes a World Bank-supported project that provides incentives for disadvantaged youth to volunteer in their communities while offering opportunities to obtain job-related skills.

Generally, young people say they have limited control over the course of their own lives, including decisions regarding education and work. This may be a reflection of their lack of engagement in civic society or in political affairs. Fewer young women than men report that they have influence on important life decisions. This difference is much more pronounced with respect to work and marriage than with education (see figure 2.5).

Young Tunisians do not feel that their voice is heard at the local level. When asked about whether the mayor or governor listens to local concerns, a mere one in eight young rural Tunisia said that politicians listen. Only 11.5 percent of young men and 12.4 percent of young

Figure 2.5. Influences on Youth's Life, Education, and Work Decisions



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth. Survey questions: "Does your family have a strong role in decisions about: (1) your education; (2) where and what you work; (3) who you will marry?"

Box 2.3. The IDMEJ Project: Investing in Youth Inclusion in Lagging Regions

Project Design: Following the Tunisian Revolution, the Government of Tunisia launched the IDMEJ youth project to strengthen youth inclusion, with the support of a grant by the World Bank's Japanese Social Development Fund. IDMEJ means "inclusion and cooperation" in Arabic. The project provides a scalable alternative to existing public works programs. It promotes youth-led community development and participation while providing participants with small stipends.

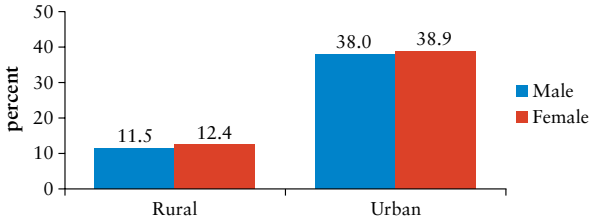
The project provides emergency income support and short-term employment to 3,000 youth with a secondary education or less—mostly youth who are not in education, employment, or training (NEETs)—in the disadvantaged governorates of Kasserine and Siliana in the central-western region of Tunisia. Implemented by the National Youth Observatory, the project combines skills training with community volunteering, apprenticeships, and self-employment opportunities. The project is relatively cost effective with a per capita beneficiary cost of less than US$1,000, which could be further reduced through scaling up.

Results: As part of the project, youth aged 15–29 receive training in life skills, including financial literacy. Beneficiaries volunteer for up to five months in community projects managed by local civil society organizations. Initial project results show that over 85 percent find the training useful. New technical and social competencies were acquired by 76 percent and 80 percent of respondents, respectively. These positive results are in line with an assessment of more than 200 international civil service programs, which exhibited an increase in work skills, career options and education, as well as higher self-esteem and sense of civic responsibility (McBride, Sherraden, and Benítez 2003). IDMEJ has indeed led to improved relations between local youth nongovernmental organizations and local governments. Additional funds have already been mobilized by local governments in the Siliana and Kasserine Governorates to replicate and scale up this component based on its success on the ground. Overall, the project benefits youth by helping to break the cycle of inactivity, supporting young women, and promoting social inclusion and trust.

Management and Monitoring and Evaluation: The project is supported by an innovative cost-effective approach to monitoring and evaluation, using an online platform that allows real-time data entry and analysis that is accessible by multiple stakeholders. The project collects direct beneficiary feedback about the quality of services and their impact on employability via mobile phones.

Source: Observatoire National de la Jeunesse-Social Science Forum 2013 and World Bank 2014.

Figure 2.6. Youth Influence on Local Development



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

women in rural Tunisia say they feel that local politicians are listening (see figure 2.6). Perceived youth influence on local development is more than three times higher in urban areas, where 38 percent of young men and 38.9 percent of young women said that local concerns matter to the mayor or governor. These regional disparities underscore the intensity of youth exclusion, especially in rural Tunisia.

Young Tunisians believe that they cannot easily influence the political process or the postrevolution transition. Lacking channels to engage constructively with the political process, young Tunisians take their understandable frustrations to the streets in the protests that characterize postrevolutionary Tunis. The café remains the main venue to discuss politics. According to a recent youth survey, 72 percent of those interviewed said they discussed politics mostly in cafés, but politics is also an important topic of family conversation (50 percent) (*Observatoire National de la Jeunesse-Social* Science Forum 2013).

2.4 Political Participation

Political participation is a key pillar of active citizenship. Participation entails taking part in mainstream politics, including voting, joining a party or pressure group, campaigning, or standing for election. Participation encompasses more than elections; it involves participating in the public discourse through organized channels, petitions, and other forms of expression. Nevertheless, participation in elections in postrevolutionary Tunisia is an important indicator of public trust in political institutions and an exercise of active citizenship by young people, especially given their central role in the revolution.

The low participation rate by youth in the Tunisian national elections of October 2011 was especially worrisome. Only one-half of under-30-year-olds voted. Participation in urban areas was slightly higher than in rural areas (see annex 2, figure A2.6). The voting rate of young women and men are very similar. Only 17 percent of youth aged 18 to 25 registered to vote, according to a survey by the British Council and the American University of Cairo's Gerhart Center (Parker 2013).

Low levels of political participation by youth reflect the limited space that young people perceive for themselves within established parties. During focus group discussions, young people repeatedly said that the revolution was initiated by the young but co-opted by the "old" and established politicians. Persistent unemployment, worsening social justice, and the continuing patronage and regionalism of the old order have dampened the optimism ignited by the revolution. With scant tangible gains since the revolution, the level of disillusionment for many has intensified to a sense of betrayal. Relatively low participation in the elections was a clear indication youth of disillusionment and lack of faith in formal political parties, as illustrated in the quote below:

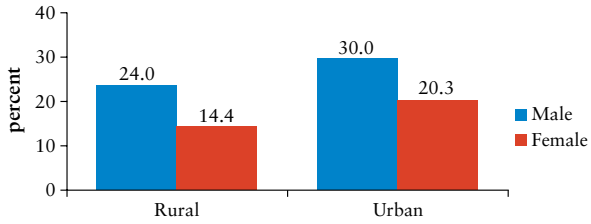
> *A youth revolution has produced an assembly with very old people.* Young Tunisian activist (Parker 2013)

Young Tunisians are extremely underrepresented in the Constitutional Assembly. Only 4 percent of the 216 members of the Constitutional Assembly are aged 30 or younger. While 17 percent of the members are between 30 and 40 years old, the remaining 79 percent of members are more than 40 years old. All parties registering in the 2011 elections had to include youth candidates on their slates. The fact that so few were actually elected proved to young people that the system privileged older people in spite of the law. The revolution represented an explosion of disaffection—especially among the youth—and a rupture with earlier forms of activism. Dissent was amplified through direct horizontal communications, a loose network without clear leadership and operations without hierarchy or organizational structure. However, many youth were quickly disillusioned with the functioning of electoral politics. The lack of openness among established parties and the striking of deals behind closed doors ran contrary to the principles of fairness and transparency, excluding the very generation that had brought about political change. A young female activist observed:

> *I have many friends who joined political parties after the revolution, but just after the elections, they withdrew because they were disappointed in the strategies of these parties, as there was no collaboration between the youth and the elders in the party.* Female political activist, Tunis (Parker 2013)

A youth provision in the new electoral law, which incentivizes political parties to nominate young candidates, provides an important entry point for political participation.[4] Specifically, Article 25 of the electoral law requires every candidate list to nominate among its top four candidates at least one candidate less than 35 years old. Importantly, the youth article affects national, regional, and local elections because it applies to all electoral lists for constituencies with four or more seats. However, the youth provision is not a requirement but instead formulated as a financial incentive. Any electoral list not meeting the youth requirement has half of its public funding withheld.

Figure 2.7. Politically Knowledgeable Youth—by Gender



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

Most young Tunisians say that they do not follow domestic politics. In rural Tunisia, less than one-quarter of all males (24.0 percent) and less than one out of seven young women state that they are knowledgeable about Tunisian politics (see figure 2.7). Knowledge about politics is somewhat greater in urban areas, where some 30 percent of young men and 20.3 percent of young women say they were current on politics. The relatively small portion of young people who consider themselves knowledgeable about politics—even in such politicized times—highlights the difficulty of following the tortuous daily developments in the political processes and accessing independent political information. Qualitative research also suggests that young people without much political understanding may be vulnerable to manipulation.

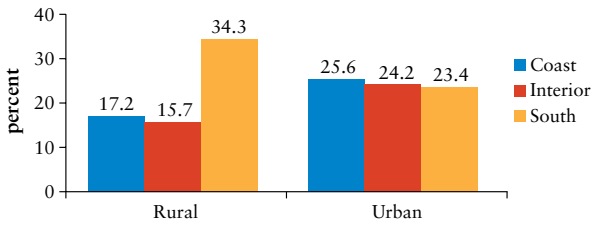
> *Yes, I voted, and noticed two things after the elections: people have their religious beliefs, and they don't really understand politics. Those who voted for Ennahda made a connection between the party and their religion.*

People who were sincere believers, but not politicized, believed it was the right thing to vote for the triumph of Islam. Male student, Mahdia, East Central Tunisia

Self-reported knowledge about politics is about one-third lower in rural areas compared with urban centers. Young Tunisians from rural areas in the coastal provinces (17.2 percent) and the interior (15.7 percent) have relatively limited knowledge about politics (see figure 2.8). Their counterparts in urban areas report being better informed (25.6 percent in the coastal region and 24.2 percent in the interior region). The exception seems to be young Tunisians in the rural south who report the highest knowledge of politics, where more than one out of three youths considers themselves well informed.

Very few young Tunisians are active in political parties, reflecting the large disconnect between the younger generation and the political establishment. As few as 1.6 percent of those interviewed in the rural survey were actively engaged in politics as members of political parties (see annex 2, figure A2.7). Only 11 percent expressed any intention of joining a political party, while the great majority (82 percent) did not even have a preferred political party (ONJ 2013). Only about half of young rural Tunisians (54 percent) intended to vote in the next election, reflecting participation rates in the previous election (ONJ 2013). These findings are consistent with an opinion poll conducted by the National Youth Observatory in April 2013, which showed that youth participation in political life was very low: youth engagement did not exceed 2.7 percent, while preference for a political party did not exceed 19 percent of interviewees (*Observatoire National de la Jeunesse-Social* Science Forum 2013).

Figure 2.8. Politically Knowledgeable Youth—by Region



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

Despite this disconnect between mainstream politics and the realities faced by young Tunisians, elements within the younger generation are pursuing innovations to voice distinctively democratic aspirations to rebuild Tunisian society. Shortly after Tunisia's National Constituent Assembly (NCA) was elected, I Watch, a youth-led NGO established after the revolution, held a "Model NCA" in which 217 youths from throughout the country proposed legislation for Tunisia's future. Suggestions were then brought as recommendations to the elected NCA members. Three of the six youth suggestions were reportedly chosen by the NCA members to be implemented (Parker 2013). In addition, a new youth movement is proposing a group of young Tunisians to participate as volunteer members to the new government (see box 2.4).

In January 2014, after the new constitution was approved, some degree of optimism was restored. After two years of work by the Constitutional Assembly, a draft constitution was completed and put to a vote on January 26, 2014. The assembly adopted the document with a majority of 200 to 12 and 4 abstentions. Drafted during a period of turmoil and sporadic violence, the new Tunisian constitution seems to have successfully brokered political differences—including the role of religion in government—to produce a progressive and widely accepted constitution. The new constitution

Box 2.4. Houkoumetna: The "Our Government" Movement

The movement known as Youth Decides is calling for youth to play a full role in national politics. The use of social media is central to its efforts. In December 2013, Tarec Cheniti, a human rights activist, nominated himself as prime minister by posting his resume on Facebook. Other young Tunisians soon followed suit, including Bassem Bouguerra, the president of Reform, an organization seeking to reform Tunisia's police force. Bouguerra nominated himself as deputy minister for security reform. Soon, multiple "Youth Decides" subpages emerged on Facebook, with young Tunisians posting their resumes online and volunteering to be part of the government.

The movement is a clear expression of the youth's frustration at their lack of voice in the new political configuration. All of the prime ministers since the revolution were older than aged 50—one was 92-years-old. Rached Ghannouchi, the leader of the ruling Ennahdha party, is 72 years old, and Beji Caid Essebsi, the head of the opposition Nidaa Tounes party, is 87 years old. Tunisian youth view the current political struggles as merely a resurgence of stale political ideologies and rivalries aligned with vested interests from the old regime.

As Cheniti explained, "There are thousands of young Tunisian men and women who have gained enough education and experience to be able to run our country. These people deserve to be given a chance to lead the democratic transition because, after all, the revolution is theirs." According to Bouguerra, "It's about time that the youth started deciding for themselves, instead of being used by older politicians for political interests."

Sources: Al Jazeera. 2013a; Poetic Politico 2013; Samti 2013.

gives Tunisia a decentralized and open government, recognizing Islam as the state religion while protecting freedom of belief. Equally important, Article 8 enshrines youth inclusion along multiple dimensions as a key principle of nation building:

> *Youth is a driving force in the building of the nation. The state shall ensure that youth has the necessary conditions for the development of their capacities, their taking of responsibilities, and the broadening and expansion of their participation in social, economic, cultural, and political development.*[5]

2.5 Promoting Inclusive Youth Participation in Public Life

The new constitution opens the possibility of a new phase in Tunisia's political history, including the potential to increase youth involvement in decision making—a civil society space that youth are keen to fill. The time is opportune to consider interventions to support youth aspirations, to foster their participation at the local and national levels, and to rebuild their trust in policy making institutions as they reach toward the roles they have long been seeking and the path that is at last now open to them. The following policy recommendations are therefore intended to offer concrete avenues for supporting youth engagement from the bottom up, starting at the local level.

Provide Incentives for Youth-Led NGOs and Volunteering

While several international organizations are providing youth NGOs friendly grants, the complexity of their requirements often tends to privilege more educated youth from the urban coastal areas. Such efforts can be complemented by providing competitive grant schemes to develop the capacity of youth NGOs at the local level to service and engage young people in peri-urban, rural, and lagging regions. Grant applications should be simplified to allow greater access from a broader spectrum of youth stakeholders. In addition, there should be clear incentives for establishing partnerships with local public institutions, charities, and foundations to ensure the scale and sustainability of youth-led NGOs activities and community-based volunteering. The grant scheme should also offer capacity building with respect to how to manage associations, ensuring their financial accountability and results measurement.

Scale up of Youth-Led Community Development Initiatives

Youth-led community development initiatives have been successfully piloted in Tunisia. Such activities include small physical improvements of local infrastructure, environmental management, eco-tourism initiatives, income-generation activities tailored to young women and men, and activities aimed at improving local governance. The IDMEJ project is one such example, implemented in the Kasserine and Siliana Governorates by the National Youth Observatory (see box 2.3). These activities, which are mainly aimed at inactive youth with a secondary education or less in exchange for a small monthly stipend, are identified and implemented by youth organizations or local youth groups with the support of local NGOs and governments. Among other positive outcomes, IDMEJ has increased trust between youth, local NGOs, and local administrations, despite the rising tensions in the aftermath of the 2011 revolution. International evidence on similar programs showed a greater incidence of post-program civic engagement and employability than the labor-intensive public works programs (Cunningham, Puerta, and Wuermli 2010). More specifically, it could be opportune to reallocate financial resources from labor-intensive public works programs toward scaling up youth-led community development initiatives as a more effective and empowering mechanism.

Build Youth-Led Institutions to Strengthen Voice in Decision Making and Human Rights

Tunisian youth representatives have attempted to establish these institutional channels in the past, but these have yet to be formalized and appropriately supported to ensure their long-term sustainability. For example, in September 2012, youth representatives met with the leadership of the National Constituent Assembly and the former Minister of Human Rights and Transitional Justice to convey a report that included recommendations regarding the creation of a Youth Advisory Council. Prepared by 217 youth from all governorates across the country, the report also included results from five working groups: (1) fight against corruption and administrative reform; (2) martyrs and victims of the revolution; (3) planning, development, and finance; (4) premise and general principles of the constitution; and (5) structure of the constitution. Although the report and the overall initiative were well received by Tunisian high-level representatives, youth leaders point out that there has been no subsequent follow-up (*Actualités Tunisie* News 2012).

Appropriate institutional channels will need to be created to strengthen youth participation in the development and implementation of national youth policy. In most European

countries, for example, young people and their representative bodies are recognized as stakeholders in the implementation of national youth policies, a system referred to as co-management. This means engaging a range of youth and student organizations, as well as national- and local-level youth councils that can serve as channels for the voice of youth on critical public policy issues. In Tunisia, the establishment of such youth representative bodies could facilitate the effectiveness and coordination of youth services and other youth-related programs and their articulation with national policy makers and/or commune or provincial-level authorities. Such a process could be also be supported by the European Youth Forum and/or well-established national youth councils through peer learning and exchanges.

Notes

1. "*La justice s'acharne sur les jeunes révolutionnaires tunisiens*," *Le Monde*, June 16, 2014, reports that young people who participated in the revolution have been continuously accused of and prosecuted for violence and arson against police stations. Following the hunger strikes and pressure exerted by the families of these protesters, an amnesty law was passed on June 2, 2014, covering the period from December 17, 2010 to February 28, 2011. However, confrontations with police continued to occur well after February 2011.

2. These overall findings are confirmed by British Council 2013.

3. Publinet is a subsidized Internet service in rural areas.

4. The Tunisian National Assembly passed the new Electoral Law on May 1, 2014 (Jasmine Foundation 2014).

5. Constitution of the Tunisian Republic, Final Edition, January 26, 2014 (unofficial translation).

CHAPTER 3
Youth Inactivity and Unemployment

> *For us, unemployment is a kind of blasphemy; an unemployed is not a person, society itself does not accept him, he is not part of the circle of society. That is the true meaning of "unemployed": a person who is not active in the heart of the society. Tell me, what use is that person?*
> **Unemployed graduate, Sidi Bouzid**

3.1 Youth Inactivity; Young People Who Are Not in Education, Employment, or Training; and Unemployment—An Overview

Youth inactivity is a massive problem in Tunisia. Young people who are not in education, employment, or training (NEETs) comprise a substantial proportion of the potential youth labor force in Tunisia (see figure 3.1 and box 3.1). Young people without work who are no longer attending any school or training program spend on average more than three years searching before finding a job. Tunisia's youth are not only struggling economically; they are marginalized and economically excluded. Many unemployed young women and men see little chance of ever finding work and starting their careers. Formal employment grows ever more distant for the long-term jobless without connections; few young Tunisians are able to find employment. This chapter presents the key challenges related to unemployment and inactivity. The chapter presents youth labor exclusion in decreasing order of exclusion and starts with youth inactivity (NEETs) and unemployment,

Figure 3.1. Youth Employment and NEET Framework

<table>
<tr><th>1. Labor Force Status</th><th>2. Time Use</th><th>3. Employment Status</th><th>4. Work Status</th><th>5. Formality</th></tr>
<tr><td rowspan="6">In Labor Force</td><td rowspan="3">Full-time worker</td><td>Wage employed</td><td rowspan="5">Employed</td><td rowspan="5">Formal
Informal</td></tr>
<tr><td>Self-employed</td></tr>
<tr><td>Unpaid or family worker</td></tr>
<tr><td rowspan="2">Part-time worker</td><td>Voluntary part-time employed</td></tr>
<tr><td>Involuntary underemployed</td></tr>
<tr><td>Job seeker</td><td>Unemployed</td><td rowspan="3">NEET</td><td rowspan="3"></td></tr>
<tr><td rowspan="3">Out of Labor Force</td><td rowspan="2">Inactivity or housework</td><td>Discouraged</td></tr>
<tr><td>Inactive</td></tr>
<tr><td>In education or training</td><td>Student</td><td>Student</td></tr>
</table>

Source: Adapted from AfDB 2012a.

Box 3.1. Young People Who Are Not in Education, Employment, or Training—A Joint Indicator for Youth Unemployment and Inactivity

The acronym NEET refers to young people who are not in education, employment, or training. NEET is comprised of all youth who are either unemployed or inactive. By going beyond the arguably narrow lens of unemployment, the NEET concept helps policy makers consider the needs of all young people who have finished education and training and should be working. The NEET indicator is a powerful tool to analyze youth exclusion by focusing on all young people experiencing difficulties in transitioning from education to work life.

NEET is important because it more comprehensively defines youth inactivity, which standard unemployment statistics generally overlook. Inactive youth are those young men and women already discouraged from looking for work despite their young ages. Instead of neglecting these young people, the NEET indicator encourages policy makers to consider that discouraged young people require at least as much government support as the unemployed. Discouraged youth—often referred to as inactive youth—are particularly vulnerable. Inactive youth are the litmus test for the effectiveness of youth policies aimed at fostering social inclusion.

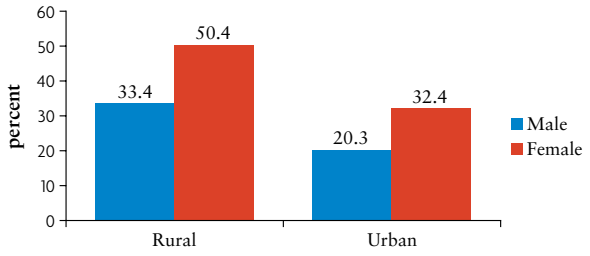
NEET is a well-established concept. Many member countries of the Organisation for Economic Cooperation and Development (OECD) and a growing number of developing countries are using the NEET indicator to complement youth unemployment statistics. It is systematically measured by the International Labor Organization and presented in its annual flagship report, "Global Employment Trends for Youth" (ILO 2013). The OECD is also reporting NEET shares, and the organization has prominently applied the indicator in its recent "African Economic Outlook 2012," which focused on promoting youth employment in Northern and Sub-Saharan Africa, including Tunisia (AfDB 2012a), and in the World Economic Forum's Global Youth Unemployment Study (WEF 2013). Recently, NEET was proposed by the United Nations High Level Panel to be used for the Post-2015 Development Goals (United Nations 2013). Originally coined by the government of the United Kingdom, the acronym "NEET" is used officially by statistical agencies in Canada, Ireland, Japan, Mexico, Spain, and South Korea. While more efforts are needed to measure NEET globally, most labor force surveys already include the required variables to establish reliable NEET rates.

Source: World Bank 2014.

while the subsequent chapter proceeds to highlight the underemployed and informally employed, and ends with youth who are formally employed.

One in three young men in rural Tunisia (33.4 percent) and one in five in urban Tunisia are NEET. Rates are even higher for young women. One out of every two young women in rural Tunisia (50.4 percent) is NEET; about one in three urban areas (32.4 percent) (see figure 3.2). The economic loss caused by this lack of productive activity is enormous. Equally important, however, is the social exclusion that

Figure 3.2. Youth NEET in Rural Versus Urban Areas



Source: World Bank 2012d; 2012e.
Note: Figure includes all youth aged 15–29.

millions of young Tunisians experience as they are forced to squander their skills, creativity, and potential.

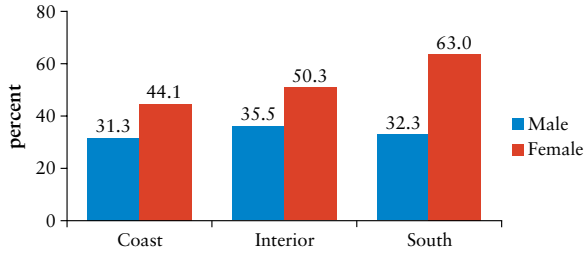
A large number of young Tunisians are leaving the countryside and often migrating to desolate urban areas. The proportion of NEET in urban Tunisia are less severe than in rural areas. However, in urban areas, the primary destination for many young job seekers—more than one-fifth of young men (20.3 percent) and about one-third of young women (32.4 percent) is NEET (see figure 3.2).

The severity and regional incidence of NEET reflect the extent of despair among youth, which is particularly acute in the interior and south, the cradle of the 2011 revolution. NEET affects more than one-quarter in the coastal region (23.6 percent urban, 37.3 percent rural), more than one-third in the south (35.9 percent urban, 47.9 percent rural), and about one-third of youth in the interior region (31.4 percent urban, 42.4 percent rural, see annex 3, figure A3.3). These young people, excluded from the labor market for years, are referred to as "Generation Jobless" (Economist 2013). Youth in the interior face an especially unproductive abyss of years transitioning between their school and work lives. As focus groups revealed, youth have little faith in their skills or qualifications as they attempt to navigate a system they perceive to be rife with corruption. The interior region is also the area where most regular street protests for jobs and better governance have been occurring during the political transition period.

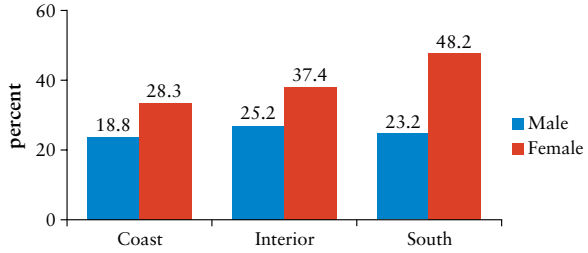
The NEET rate is highest for young women in the south, reflecting a virtual absence of adequate employment opportunities that correspond with the norms and expectations of a more traditional society. More than one out of two young women in the south is NEET (53.7 percent). Female NEET rates are similarly high in the interior region (45.4 percent) and still affect one out of three young women in the coastal region (31.3 percent) (see figure 3.3). Extended periods without work for hundreds of thousands of young and relatively well-educated young women risk further reinforcing traditional gender roles. It is also likely to delay much needed progress in gender equality and female labor market participation for decades

Figure 3.3. Youth NEET by Region

a. Rural



b. Urban



Source: World Bank 2012d; 2012e.
Note: Figure includes all youth aged 15–29.

to come. Helping young women without work obtain employment or self-employment will require renewed government efforts, investments, and innovative strategies.

3.2 Discouraged Youth without Work

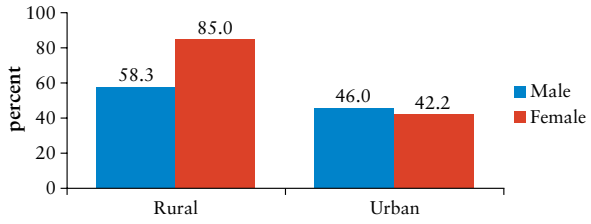
Systemwide nepotism, together with regional disparities in the labor market, have convinced many potential job seekers without the benefit of bribery, family connections, or certain regional affiliations that seeking employment is an exercise in futility. Furthermore, graduates may prefer to hold out for offers of employment that are either commensurate with their level of education or professional qualifications or that provide some potential for long-term job security and financial stability. In addition to being intellectually stimulating and personally fulfilling, a position that directly corresponds with a graduate's educational background and/or substantive professional experience ensures that whatever unique skill sets and subject matter expertise that he or she has acquired improves rather than atrophies, as would be the case for example with a "temporary" position in the service industry. Conversely, a position that does not correspond with one's educational background or substantive professional experience but that would provide a graduate with some form of long-term job security and financial stability, provides male graduates with the social respectability, financial resources, and professional prospects critical to a successful courtship and family formation with his partner.

Although low-skilled temporary jobs do not provide the same stability or potential for advancement, many unemployed Tunisian youth have begun to view these positions less as temporary arrangements and more as being among the few viable options for employment. A young unemployed Tunisian may justify his or her decision to pursue such an arrangement as purely instrumental, a meager means to an immediate end. Young Tunisian males in particular may make the calculation that, as far as marriage prospects are concerned, an employed graduate or nongraduate will consistently trump his unemployed counterparts. Therefore, such a position may still afford one some modicum of social recognition and personal validation that would have been impossible to achieve otherwise. Nevertheless, these modest benefits and shifts in perspective may still be insufficient for some, as one young man described it:

> *When I have my official work, I will not be zero. I do not really know when is it going to come, but I still have hope. I do not want my next new job to be a menial one because spending my time studying and then taking a position that has nothing to do with this training is quite bad.* Tunisian youth Unemployed male graduate, Médenine

About half of all NEETs seem to be discouraged from searching for work for several reasons. Young discouraged women and men require even greater assistance than unemployed youth to transition to the labor market and to break the cycle of youth exclusion. Discouragement is particularly high among young women in rural Tunisia—85 percent (see figure 3.4). Also, one of out two young rural men are discouraged—58.3 percent. Labor market

Figure 3.4. Labor Market Discouragement among NEETs



Source: World Bank 2012d; 2012e.
Note: Figure refers to NEETs aged 15–29 who identify themselves as discouraged.

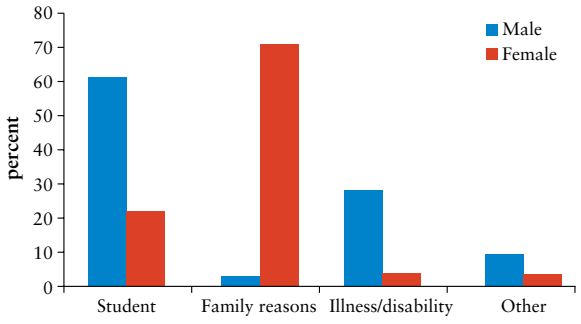
discouragement among NEETs is only slightly better in urban Tunisia, affecting 46 percent of young urban men and 42.2 percent of young urban women.

Many young job seekers who spend years transitioning between their school and work lives are eventually discouraged from continuing the job search due to feelings of exclusion, humiliation, and judgment. Many young people decry what they perceive to be a total lack of empathy on the part of potential employers who one youth said, "treat you like a beggar or tell you, 'God will provide for your needs.' They do not listen to me." Moreover, youth have little faith in the likelihood that they will be able to use the skills or qualifications they have obtained. They believe that they face a system that is rife with multiple and complex barriers to their social inclusion. Some report witnessing the failure of individuals whom they regard as more brilliant or talented than themselves to secure stable, long-term employment, and subsequently lapse into self-defeating apathy:

> *We see people who are brilliant. They are geniuses, but they still end up unemployed. So what about me? I am really average. In my case, I am. That is what worries me. I am afraid of the future.* Male high school dropout, Sidi Bouzid (interior Tunisia)

Many young women are dissuaded from seeking employment by societal norms and expectations, particularly in the interior and south, where patriarchal traditions are deeply rooted. Whereas Tunisian men remain generally unrestricted in their choice of employment sector and venue, Tunisian women often find themselves restricted to education and nursing. One young woman reported that her wish to work as a hotel receptionist was not "acceptable from the standpoint of morality" to her family. For young female graduates, the state of public space is such that many have few opportunities to socialize and network beyond the confines of the home and marketplace. A woman's decision to pursue employment outside the home may be considered subversive and as such, severely diminish her marriage prospects. Thus, a young Tunisian woman must carefully weigh the financial and professional benefits of seeking employment against the potential social consequences for herself and for her family. Before the revolution, family concerns were the most common reason for women to withdraw from the labor force (see figure 3.5).

Figure 3.5. Reasons for Being Out of the Labor Force by Gender (2010)



Source: World Bank staff based on Tunisia Labor Force Survey 2010.

> *If a girl wanted to work as a secretary in a hotel that would be beyond acceptability from the moral point of view.* Female graduate, Médenine (South Tunisia)

Extended periods of youth unemployment result in negative material, social, and psychological consequences. When hundreds of thousands of young Tunisian women and men are unable to find work, adverse effects on economic output and social cohesion are quickly evident. Enduring a prolonged state of material dependence on the family denies the discouraged youth opportunities to develop as fully autonomous social beings, to marry, have children, live in their own dwellings, and confidently assert an autonomous worldview, deepening their sense of

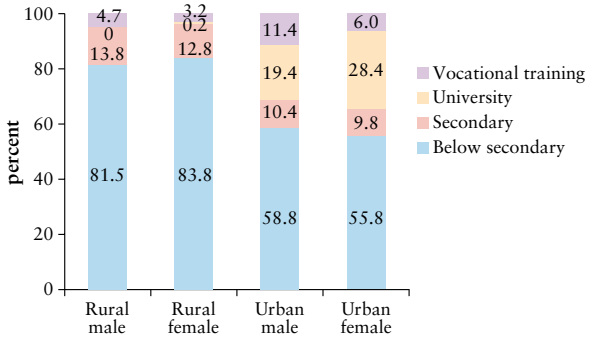
frustration and exclusion. Long periods without work or education also affect how young Tunisians value their lives and the decisions they make. Economic dependence on parents runs counter to the cultural expectation that mature children should repay their families for the care given to them. Asking parents for money for personal needs (e.g., a phone card, bus fare, or clothing) is humiliating for them.

> *You talk about unemployment, well that has broken us, trying to find work. Now it is the only goal, this aim to find work. At an age when we should be paying back what we owe our family, we have become a burden to them.* Unemployed graduate, Mahdia (coastal Tunisia)

3.3 Education and Inactivity

The largest proportion of inactive youth is found among less educated young people in both rural and urban areas, with the rural share of inactive youth being substantially higher. In rural areas, more than four out of five NEETs do not have a secondary degree (81.5 percent male, 83.8 percent female; see figure 3.6). However, also in urban areas, more than half of NEETs do not have a secondary degree (58.8 percent male, 55.8 percent female). Notably, about one-fifth of rural NEETs have not even completed primary education (15 percent male, 24.7 percent female; see annex 3, figure A3.4) compared with 6.2 percent of urban male NEETs and 8.4 percent of urban female NEETs.[1]

Figure 3.6. Highest Education among NEETs by Gender (Ages 15–29)



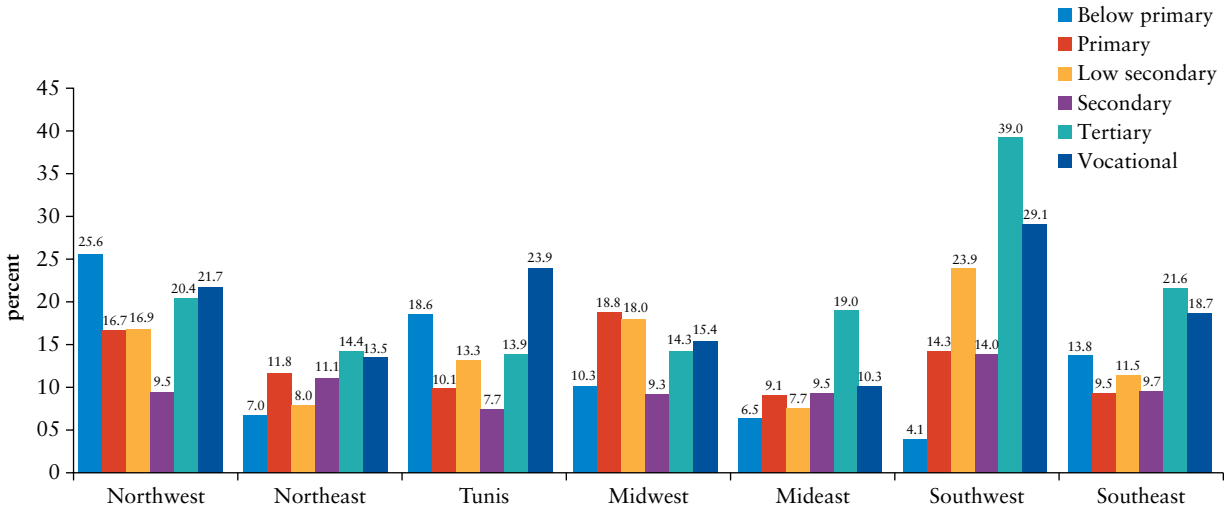
Source: World Bank 2012d; 2012e.
Note: Figure refers to all NEETs aged 15–29.

Very few young NEET Tunisians have completed secondary or tertiary education. In urban areas, only one-quarter of the urban NEETs aged 15–29 have university degrees (25.0 percent total—19.4 percent male, 28.4 percent female), as shown in figure 3.6. Secondary education (Bac) remains the highest level of education for another 10.0 percent of urban youth (10.4 percent male, 9.8 percent female), followed by vocational training in urban areas (8.0 percent total—11.4 percent male; 6.0 percent female). Combined, these young women and men who represent 43.0 percent of all urban NEETs are considered skilled but remain unable to find work. By comparison, in rural areas, only 17.1 percent of all NEETs are skilled: 13.2 percent with secondary education and 3.8 percent with vocational degrees, mostly because skilled youth migrate to urban areas.[2] In both rural and urban areas, the interior regions show the lowest education among NEETs (see annex 3, figure A3.5). The creation of employment opportunities for these hundreds of thousands of less-educated young women and men remains an immense challenge.

However, individuals with higher education face higher rates of unemployment. When only looking at unemployment in urban areas, it shows that unemployment rates are especially high among individuals with tertiary education (see figure 3.7). Particularly in urban areas in the interior and southern regions, unemployment rates among university graduates reach levels approaching 40 percent.

The low educational levels among many young Tunisians without work suggest that

Figure 3.7. Unemployment Rates by Educational Attainment, Urban Tunisia



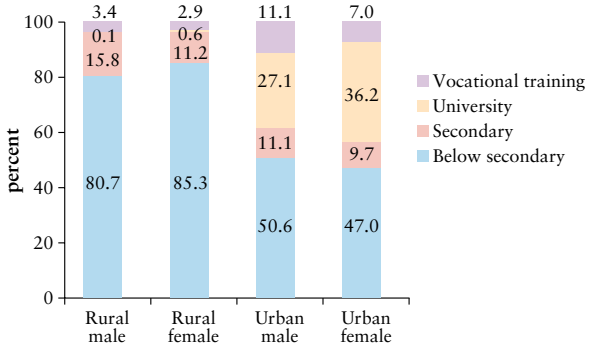
Source: World Bank. 2013b.
Note: The rural survey did not find enough university graduates to report meaningful figures.

additional professional training will be needed to enable NEETs to find jobs. Without training to help young women and men acquire the skills needed to participate in a modern economy, today's NEETs risk becoming a lost generation that will face difficulties finding employment throughout their productive lives.

Leaving School Early

The vast majority of NEETs never obtain a secondary degree, leaving most of the next generation under-equipped for tomorrow's job market. When looking at all young Tunisians who are not attending school (i.e., employed, self-employed, or NEET), four out of five youth have not completed secondary education in rural areas—80.7 percent of males and 85.3 percent females (see figure 3.8). This compares to one out of two youth in urban areas that have stopped going to school before completing secondary education (50.6 percent of males and 47.0 percent of females).[3] These young people can be considered early school leavers and are a cause of concern. Early exit from education leaves the coming generation underequipped to take up the technical and service sector jobs that a globalizing economy is likely to offer. The additional disadvantages faced by youth in rural areas are further confirmed by regression analysis of early school leaving (see annex 3, table A3.1).[4] The econometric results also highlight the key roles played by parental education and household wealth.

Figure 3.8. Highest Education among NEETs by Gender (Ages 25–29)



Source: World Bank 2012d; 2012e.
Note: Figure reports the highest level of educational attainment among all young people aged 25–29 who have left education, including the employed and NEET.

Dropping out of school is a phenomenon that affects both young men and women. More than half of Tunisia's children leave school without completing upper secondary education. About 140,000 students drop out of school annually, 80,000 of whom have not completed their basic education (Ben Romdhane 2010). Two-thirds of these dropouts obtain no further training and to varying degrees, generally find themselves in exploitative forms of casual labor. Often, they express a degree of bitterness or regret at having left school due to family circumstances over which they had no control—e.g., poverty, family instability, or the geographic area where they were raised. Youth dropouts may be vulnerable to being recruited by radical religious organizations or may have few viable options beyond clandestine emigration, as pointed out by one young school dropout.

> *One of us stopped school so that another in the family could study. Like that our family can avoid getting into debt. Better that one of us makes the sacrifice, and I repeat—it is a sacrifice.* Male school dropout, Mahdia (CE)

> *It is remarkable these days how the state just bypasses the young. That's why there is so much clandestine emigration.* Male school dropout, Mahdia (CE)

Girls stay longer at school than boys and account for 62 percent of university students. School and university attendance by girls has increased markedly since the 1960s and 1970s, and their academic performance has also overtaken that of boys. In urban Tunisia, more than one-third of all young women complete a university education (36.2 percent), a figure much higher than the proportion of young men (27.1 percent) (see figure 3.8).[5] However, women's higher tertiary enrollment reflects the absence of employment opportunities for young women, at least in part. Qualitative research revealed than many young women chose to prolong their studies to postpone facing the reality of unemployment.

> *I would like to complete my studies. What am I going to do if I stay at home? Watch the TV? It's just further training, but it passes the time.* Female university student, Tunis

Once economic reforms begin to create economic growth, firms will shift toward sectors of higher productivity with higher demands for skilled labor. The need for unskilled manual labor will be replaced by demand for creative skills, innovative capacity, and technical specializations. Such skills typically require a secondary degree or vocational training. It is therefore a serious cause for concern that large portions of young Tunisians are unlikely to benefit from future productivity-driven economic growth. As a result, workers will continue to receive low wages and will face increased job insecurity and increased income inequality.

Educational Quality

Despite high enrolment rates, educational outcomes are poor across Tunisia. The findings of the 2011 TIMSS survey indicate that 75 percent of eighth graders in Tunisia perform "low" and "below low" in mathematics, despite marginal improvements since 2003. Like most other Middle East and North Africa countries, Tunisia performs much lower than similar middle-income countries in other regions (Mullis et al. 2012). Overall, secondary schools do not seem to provide students with the basic competences necessary to competitively perform in a globalized economy (World Bank 2012f, 2013c).

Schools fail to impart life skills that would equip young people to transition to adulthood and active citizenship. Practical skills training is largely lacking in schools, as is instruction and extracurricular activities that help to develop social, personal, and communication skills that

would enable young people to reach their full potential and impart the values of work and citizenship. According to a study published by CNIPE in 2008, among the many factors related to the perceived declining standards was the abandonment of the examination at the end of the sixth year of primary school, known as the *concours*.[6] Successive curriculum reforms failed to improve basic learning skills by Tunisian students. As one student commented:

> *Before, they weren't like us; they knew the value of things. They knew what the human sciences were. Now, there are lots of books, but nothing in the head. We study lots of complicated subjects, but they serve for nothing.* Student, Zaghouan (Northeast Tunisia)

A perception exists that the quality of teachers also plays a role in the quality of education. Qualitative research suggests that problems of poorly trained teachers start from the lowest level of the education system, where too many primary school teachers are recruited straight from college, without specialized teacher training. As one young respondent said:

> *It's not a question of training or recruitment; there are teachers who simply cannot control their classes, who are simply not suited to the profession.* Female unemployed graduate, Madhia (interior Tunisia)

> *Most teachers don't explain to their students what approach to take. They just give the equation and the result.* Male nurse, 28, Tunis (coastal Tunisia)

Career counseling in secondary schools and at the university level is very limited, and students lack guidance on critical career decisions. Many young people emphasize the absence of support and advice regarding the choice of courses and their career implications. In addition, the centralized and rigid university admission system that is in place limits the choice offered to prospective students and access to many popular courses.

> *I requested Sociology and English and got Arabic. I hadn't filled in the ninth and tenth choices on the form, and the boy sitting next to me suggested putting Arabic. […] I dropped the phone when I got the news.* Male entrepreneur, Tunis

Much criticism is lodged against the successive reforms of the past few decades, which youth believe affected the education sector and that students view as ill-considered and arbitrary. The reforms resulted in policies that teachers were ill prepared to incorporate in the classroom. One such contested policy was "Arabization," which is using Arabic as the language of instruction at the primary and, in part, at the secondary and tertiary levels, including for science courses.[7] Initiated in the 1980s, the Arabization policy is considered by the youth to have been implemented in an unsuccessful and hurried manner. As one young woman described her experience:

> *For three years I studied in secondary school, years 6 to 9, I studied mathematics, physics, and sciences in Arabic. But we had teachers trained in French. Personally, being among the best students, I think that the teacher was confused. He couldn't communicate, and I couldn't understand, because it was in Arabic, and I had the impression that it had been learned unwillingly. If the course was not in Arabic from the beginning, and the teacher has not taught in Arabic before, he is not going to be able to teach the knowledge. […] It helps neither the student nor the teacher. It is exhausting.* Female graduate student, Sidi Bouzid (interior Tunisia)

The final secondary assessment (baccalaureate) is another area of contention. Some 25

percent of the final evaluation is based on evaluations derived from continuous assessment, meaning that teachers can assign grades arbitrarily. This grading system is open to manipulation, favoritism, and score inflation. In addition, the timing and manner of how foreign languages are introduced into the curriculum are criticized by many students.

While most industrialized countries are pursuing a strategy of life-long learning, in Tunisia, opportunities for additional training are very limited after leaving school. On-the-job training for employed youth is very infrequent—only 1 in 10 young employed Tunisians have received professional training in the past year. According to the National Employment Observatory-International Labour Organisation 2013 School-to-Work Transition Survey (SWTS), only 10.4 percent of young employed Tunisians had taken part in professional training, mostly for further specialization (ILO 2014). Nearly half of these training activities were funded through public programs (40.8 percent). Access to these training activities is similar for young men and women.[8]

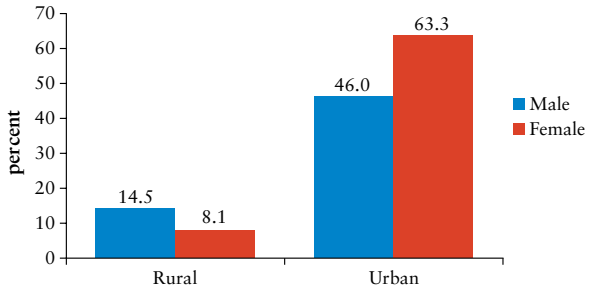
Counseling for Better School-to-Work Transition

Given the high levels of school dropouts from secondary education, counseling services need to be established, particularly for students in the grades most affected by early school leaving. To be effective, these services should be professionally managed by private-sector providers in partnership with youth-led nongovernmental organizations to ensure proper outreach to teachers and parents and, most importantly, peer mentoring. Counseling could be incrementally introduced in secondary public schools across Tunisia to provide professional orientation, relevant information, life skills, and psycho-pedagogical support to facilitate the school-to-work transition, including the identification of apprenticeship opportunities. By developing inclusive information and orientation spaces and coaching Tunisian youth toward long-term work goals—especially disadvantaged youth at risk of dropping out of school—counseling services would also serve as a preventative measure to reduce early school leaving. This proposed reform is intended to complement necessary structural, long-term reforms across the education sector in Tunisia.

A final key recommendation is to ensure that youth organizations have the opportunity to voice concerns and offer solutions regarding educational issues. The experience of other middle-income countries shows that, apart from its immediate value in curbing corruption and malpractice in the school system, greater student and parental participation in schools increases the accountability of teachers and school administrators while providing students with greater opportunities to influence how curricula are designed. In Tunisia, this would likely lead to a focus on introducing skills that are valuable for the job market (La Cava and Michael 2006).

University youth organizations can play a constructive role in improving the educational system. For example, a regional network of student organizations from several countries in Southeastern Europe, established in the aftermath of the post-Yugoslavia conflicts, helped to implement several crucial reforms. These organizations succeeded in introducing student ombudswomen and ombudsmen in several universities, quality of education assessments, and governance changes affecting education ministries as well as university administrators and faculty (La Cava and Michael 2006). In the United Kingdom, all university departments have staff-student consultative committees that review everything from research strategies to program quality assurance to student demands. Students sit on all internal university review

Figure 3.9. NEETs Registered as Unemployed—Rural Versus Urban



Source: World Bank 2012d; 2012e.
Note: Figure refers to all NEETs.

boards, and student representatives sit on university governing bodies. There is an enormous range of opportunities for including student unions more fully in university reform and oversight. Similar initiatives at secondary school levels could be supported in Tunisia through a competitive grant scheme to which students and youth organizations could apply.

3.4 Pathways and Obstacles to Employment

Unemployment Registration

Despite the high NEET rates, few young Tunisians are registered with the unemployment office. In rural Tunisia, only 14.5 percent of young men and 8.1 percent of young women without work are formerly registered as unemployed (see figure 3.9). The registration rates are somewhat higher in urban Tunisia—46.0 percent of men and 63.3 percent of women—but are far from universal. Tunisia's unemployment offices must greatly improve and expand services to reach young NEETs, provide helpful services, and effectively support youth without work to find employment, especially in rural areas. The current system barely reaches one in ten rural youth without work and only one out of two urban NEETs.

Barriers to Finding Work

Unemployment offices provide only limited support, and most NEETs are not even registered as unemployed, especially in rural Tunisia. Information about new job openings is difficult to obtain and is rarely available without connections. In a labor market with widespread unemployment affecting most families, the few new jobs that become available are first reserved for relatives and friends before regular applicants are considered.

Tunisia's unemployment registration system requires substantial investments and technical assistance. The lack of unemployment services in urban and especially in rural areas further strengthens rural-urban disparities. More detailed analysis reveals that little regional variation exists, even though registration in the interior region is the lowest overall (see annex 3, figure A3.6).

> *In order to find work, it is necessary to consult the Internet, go to an employment office, but this is one of the few regions where there is no employment office. …It costs 2 dinars for one-hour Internet access … and 10 dinars just to register to the employment office.* Unemployed graduate, Sidi Maklouf, Médenine

Recruitment processes are widely considered unfair, especially for public sector jobs. Job competitions, which are the formal avenue for recruitment, were dismissed as a sham during qualitative focus group discussions. The following factors, among others, were considered as common practice in influencing recruitment: (1) connections, (2) bribery, (3) nepotism, and (4) regionalism. While these types overlap, each has its own characteristics.

However, corruption and nepotism are essential to actually getting a job. When asked about the two most important aspects in their job searches, young Tunisians underscored the

importance of relations—53.6 percent of rural and 62.6 percent of urban youth (see figure 3.10). Qualifications are thought to be of equal importance, expressed by levels of education (50.2 percent of rural youth and 56.9 percent of urban youth) and work experience (20.9 percent of rural youth and 14.7 percent of urban youth).

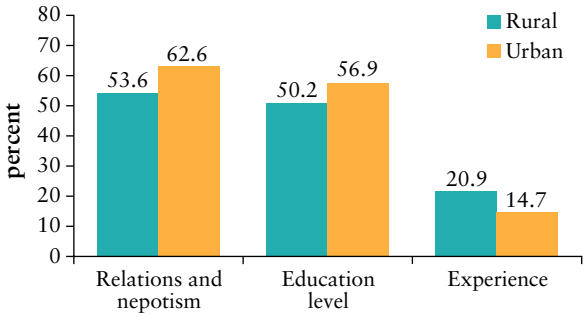
Regionalism describes the phenomenon of favoring youth from the coastal region for many private sector jobs. Regionalism is prevalent and contributes to inequities. The favoritism may be because of the perceived ability of coastal youth to draw on cross-regional networks of patronage. At many private sector institutions, including banks and factories, hiring decisions are heavily influenced by regional elites. This is not only a characteristic of the interior. A female student at Zaghouan, only 15 km from Tunis, said of a factory established there:

> *They never employ people from around here. They recruit people from Tunis or Sousse, because the bosses and the university professors are not from here. Everybody takes on the people that they know.* Female student, Zaghouan (coastal Tunisia)

Lack of personal contacts is a key obstacle in the search for employment among young Tunisians, in addition to the overall lack of opportunities. When asked about the two most important difficulties in finding work, the lack of opportunities and lack of contacts ranked the highest in both urban and rural Tunisia (see figure 3.11). Other important aspects frequently cited are the lack of financial means and qualifications. These are interrelated, creating multiple layers of barriers. In focus group interviews, participants identified a vicious cycle: lack of work experience makes it difficult to break into the job market, especially into the private sector.

Three years after the beginning of the revolution, the Tunisian government continues to face the enormous challenges of expanding youth access to labor opportunities in a gender- and spatial-inclusive manner. Young Tunisians view informal networks and other unfair practices as barriers to the few existing available jobs. In particular, young Tunisians from poor households and disadvantaged youth without secondary education degrees spend years searching for work. Moving forward, the integration of disaffected (NEET) youth into a labor market that is largely driven by regional disparities, personal connections, traditional norms, and family preferences should be a central policy concern for boosting the country's path to socially sustainable economic growth and stability. The following chapters will highlight measures to be considered for reducing the exclusion among the most affected youth categories.

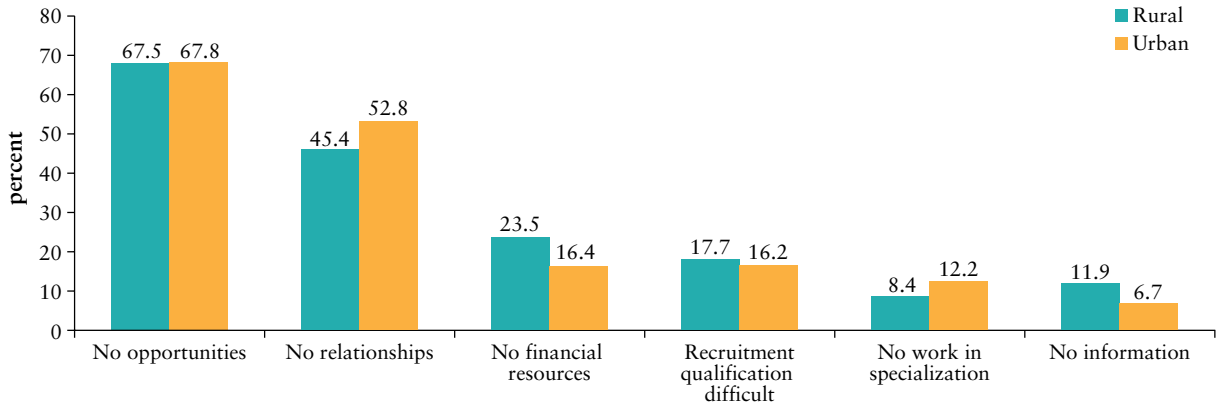
Figure 3.10. Main Reasons for Finding Work Opportunities—Rural Versus Urban



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth. Because multiple answers were allowed, percentages do not equal 100 percent.

Instead of relying on the labor office for information about job openings, most young people use informal social networks to find employment. Only 31.0 percent of rural youth and 44.8 percent of urban youth rely on the labor office for information on new jobs. Instead, more than two-thirds of rural youth (67.2 percent) and nearly half of urban youth (42.3 percent) learn about job openings through networks and

Figure 3.11. Main Difficulties in Finding Work Opportunities—Rural Versus Urban

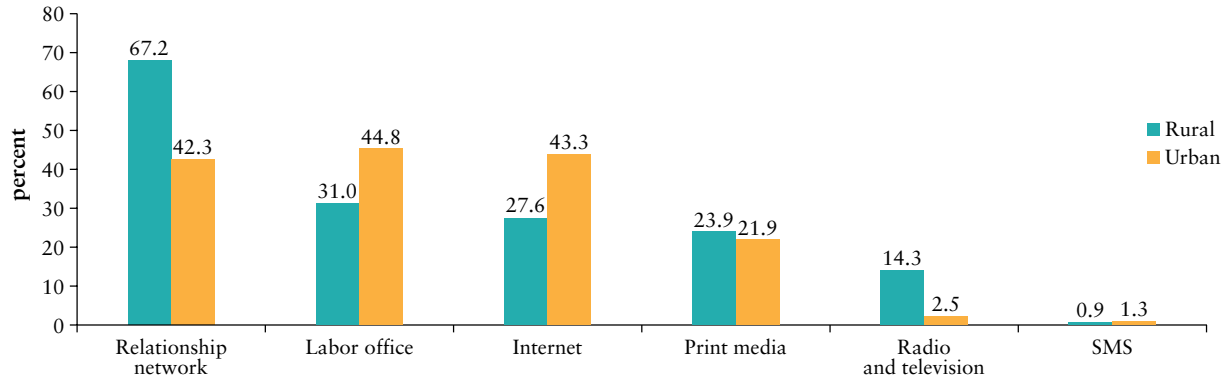


Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth. Because multiple answers were allowed, shares do not add up to 100 percent.

personal contacts (see figure 3.12). This creates large information asymmetries, whereby many qualified youth do not learn about job openings, further contributing to longer periods of unemployment and fewer job placements.

Among young Tunisians, the Internet has become the second most important source of information about job openings. In urban areas, 43.3 percent of youth use the Internet to find jobs, compared with a still much lower 27.6 percent in rural areas (see figure 3.12). The Internet has surpassed traditional media such as television and radio for 14.3 percent of rural and 2.5 percent of urban youth, and it has surpassed newspapers for 23.9 percent of rural and 21.9 percent of urban youth. However, many young Tunisians do not have Internet access, especially disadvantaged youth and young women and men in rural areas. Alternative technologies, such as Short Message Service (SMS), provided by public-private initiatives, hold the

Figure 3.12. Sources of Information about Work Opportunities—Rural Versus Urban



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth. Because multiple answers were allowed, percentages do not add up to 100 percent.

potential to reach many more young Tunisians. The current rate of SMS subscription for new jobs opening remains very low among young people—0.9 percent in rural areas and 1.3 percent in urban areas.

Notes

1. These rates of educational achievement are better than those of older generations. The share of Tunisians aged 30-59 who are NEET and have not completed secondary education is 91.7 percent (male) and 98.3 percent (female) in rural areas, compared with 71.3 percent (male) and 80.9 percent (female) in urban areas (see annex 3, figures A3.1 and A3.2).

2. The survey did not capture sufficient rural youth with university degrees to make qualified statements about their share.

3. These results refer to young people living in rural and urban areas, respectively; they do not account for migration.

4. The table reports the results of a Probit model of early school leaving and largely confirms the results also found for educational attainment as a whole. As before, the very large and strongly statistically significant coefficients make it plausible that household wealth is playing a strong causal role in determining educational outcomes. Some of the reasons for this were suggested above.

5. The rural sample did not include enough university graduates to make a meaningful comparison.

6. A 2008 study by CNIPE (2008) revealed that a good proportion of year seven and eight students, in the aftermath of the discontinuation of the practice of repeating years in 1996, could neither read nor write Arabic or French.

7. Officially, Arabic is the language of instruction at the basic education level, and French is taught as a foreign language. French becomes the language of instruction for technical, scientific, and mathematic subjects, while all other classes are taught in Arabic. However, focus groups indicate that mathematics and some science classes are being taught in Arabic in locations throughout the country.

8. See annex 1 for more details on the results of the 2013 School-to-Work Transition Survey.

CHAPTER 4
Economic Opportunities

Whether you're a girl or a boy, you tell yourself: "All the same, after all of these years of studying and sacrifice, you end up staying home. Even if you try to work past it, it affects you psychologically … this life does not satisfy you anymore. You would rather live in better conditions, in a better environment."
Female unemployed graduate, Tataouine (South Tunisia)

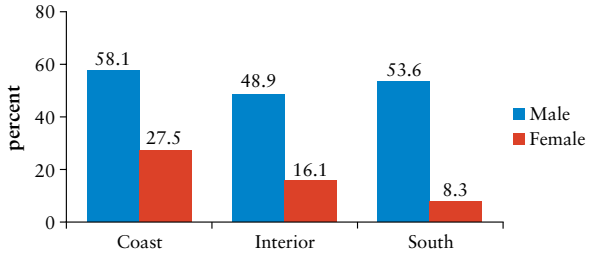
This chapter highlights the economic opportunities available to young Tunisian women and men, and presents the state of employment and entrepreneurship in both formal and informal sectors. The results underscore that significant regional and gender disparities exist in youth employment prospects, also documented in a recent World Bank study on labor market outcomes in Tunisia (World Bank 2013b). Most employment is offered without written contracts, providing limited job security and little access to social security.[1] Lastly, a separate section on self-employment highlights the substantial entrepreneurial potential of young Tunisians while also discussing limited access to finance and the implications of excessive regulations on self-employed youth.

4.1 Employment Opportunities

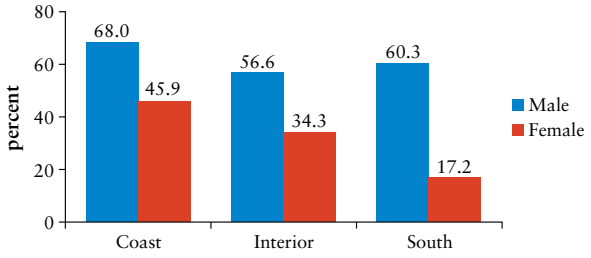
Despite Tunisia's policies on gender equality, few young Tunisian women are employed. Less than one in five young women in rural Tunisia (18.5 percent) and less than two in five in urban Tunisia (39.8 percent) have jobs.[2] Among Tunisian young people who are not in education, employment, or training (NEET), rates of employment are substantially lower among women than among men (see figure 4.1). Female employment is particularly low in the south (8.3 percent in rural areas and 17.2 percent in urban areas) and in the interior region (16.1 percent in rural areas and 34.3 percent in urban areas), compared with young women working in the coastal region (27.5 percent in rural areas and 45.9 percent in urban areas). Male

Figure 4.1. Employment of Young Tunisians

a. Rural



b. Urban



Source: World Bank 2012d; 2012e.
Note: Figure excludes all youth enrolled in education or training programs.

youth employment is very low overall, even in the coastal region (58.1 percent in rural areas and 68.0 percent in urban areas), followed by the south (53.6 percent in rural areas and 60.3 percent in urban areas), and the interior (48.9 percent in rural areas and 56.6 percent in urban areas). Overall, between one-third and one-half of all young men who, in principle, could work are without employment, implying a substantial amount of forgone economic output.

The chances of young people to find employment depend first and foremost on family background. Regression analysis suggests that paternal education counts more than a young person's own education in determining whether the young person finds work, while household wealth also appears to play a strong role (see annex 4, table A4.1).[3] This suggests that factors that cannot be directly controlled for in the regression—such as family connections and educational quality, both of which are likely to be correlated with paternal education—play significant roles in youth finding employment.

Regional Exclusion

> *[President] Bourguiba developed the Monastir region, [President] Ben Ali developed Sousse, but the regions of the interior are forgotten. The State should deal with the regions fairly. Given the rate of unemployment in Sidi Bouzid, which is twice that in Sousse, they should stop investing in Sousse until the other regions catch up, then everyone would be happy. With such measures, equality could be established between the regions.* Male unemployed graduate, Sidi Bouzid

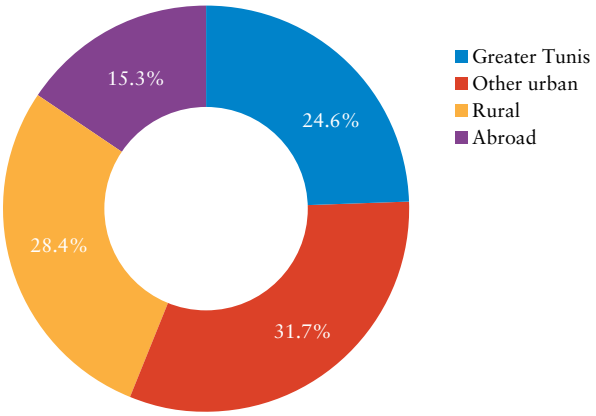
Young Tunisians face poor odds in finding employment, especially in the interior and the south, according to a recent report on the spatial divide of labor market outcomes (World Bank 2013b). In fact, among the underlying causes of the 2011 revolution was the spatial, economic, and political marginalization of society in parts of the country that favors the coastal region (Ayeb 2011).[4] A more recent analysis argues that the uprisings spread between marginalized communities throughout the country in what was coined "socioeconomic proximity," rather than geographic proximity (Egel and Garbouj 2013).

Youth migration further reinforces existing regional disparities and urban-rural divisions. Youth migration deprives rural areas of its limited skilled young labor force while feeding the ever-growing poor suburbs of urban Tunisia. In effect, migration cements the inability of the rural hinterland to shift toward a high-productivity economic model. In this vicious circle, the youth of the interior see themselves as victims of neglect and regional bias. Youth migration further adds to the social pressure in urban areas that are unable to absorb the rapidly growing numbers of young unskilled workers. Young Tunisians migrate not only for work but also to exit from the social pressure in rural communities, delaying many life decisions, and thereby creating additional frustrations among young men and women. Migration is seen as traumatic by many—an exile from family and community. Many young people depict leaving home and the emotional and material support of family, friends, neighborhood, and the café for urban areas as a sacrifice "where no one sees me" rather than as an adventure.

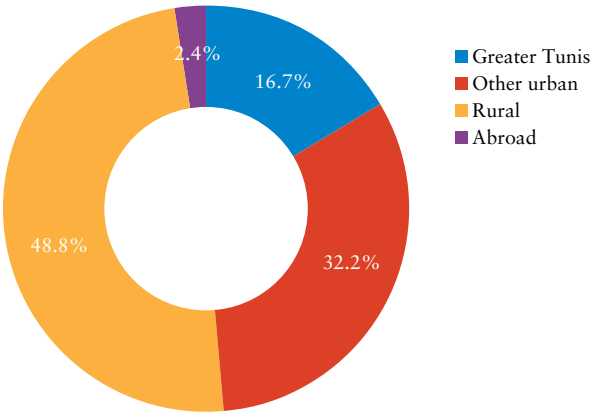
Rural youth continue to move to cities as they attempt to escape rural areas, despite the lack of good jobs in urban areas. Nearly 90.2 percent of rural households report that members of their direct family[5] have migrated to urban areas, mostly the siblings of rural youth. Rural-urban migration continues to be an important pathway for rural youth, especially for young men. Nearly one-quarter of male migrants

Figure 4.2. Destinations of Rural Migrants by Gender

a. Male



b. Female



Source: World Bank 2012d.
Note: Figure refers to all current migrants who are siblings of rural youth.

have moved to Greater Tunis (24.6 percent), to other cities (31.7 percent), or abroad (15.3 percent), while just over one-quarter (28.4 percent) of male migrants from rural households has moved to another rural location (see figure 4.2). In contrast, relatively few young women migrate to Greater Tunis (16.7 percent), other towns (32.2 percent), or abroad (2.4 percent). Nearly half of all migrated female siblings have moved to other rural areas (48.8 percent).

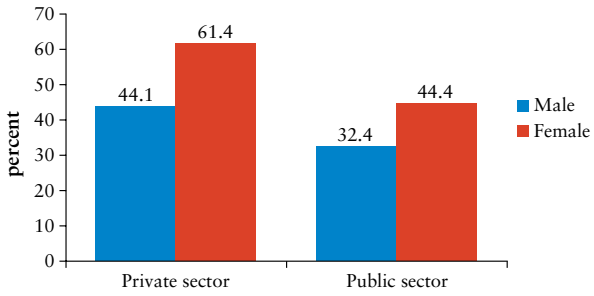
Unemployed youth compete for the few jobs that are available. Rural migrants are sometimes seen as undercutting the already low wages for unskilled workers in urban Tunisia.

> *Those who come from rural areas are willing to work at lower wages. Tunis is invaded by migrants, while other areas of the country are empty, and Tunis residents cannot find a job. I think there should be a visa to live in the city, so that young people don't just overcrowd the place. In Tunis, there is no more space anywhere.* Male informal worker, Tunis (coastal Tunisia)

Gender Exclusion

Exclusion based on gender remains a daunting challenge for young Tunisian women trying to enter the workforce. Tunisia has made admirable progress in closing gender gaps in education and health outcomes, but investments in human development have yet to translate into higher rates of female participation in economic life.[6] Several established methods are available to better understand the prevailing gender discrimination, including self-reported experience and perceptions and wage regression analysis (see annex 4, table A4.2). Figure 4.3 presents the perceptions of young men and women in rural Tunisia regarding gender discrimination in the labor market.[7] Nearly two-thirds (61.4 percent) of female respondents report that women are discriminated against when seeking work in the private sector. A smaller but still considerable number (44.4 percent) perceive gender discrimination in the public sector. A large proportion of young men agree that discrimination against the recruitment of women exists: 44.1 percent in the private sector and 32.4 percent in the public sector.

Figure 4.3. Perceived Gender Discrimination in Private Versus Public Sectors, Rural Tunisia



Source: World Bank 2012d.
Note: Figure only refers to youth in rural Tunisia.

Discrimination against women in the labor market is detrimental to female labor market participation and to Tunisia's development potential. As the *World Development Report 2012* states, "gender equality is smart economics" and matters for development (World Bank 2011). Providing women and men with equal access to education, economic opportunities, and assets has the potential to boost productivity. Qualitative research shows that many young men believe the importance of a woman having a job is less than that of a man, given that the man is traditionally seen as the breadwinner. However, increasingly, two incomes are becoming necessary to sustain a household, and employability can be an asset for young women. As one graduate commented:

> *Men today are not looking for a housewife, they prefer a woman who works and brings in money. And they are right.* Female unemployed graduate, Tunis

Familial concerns for women's safety and social propriety continue to limit young women's participation in the labor market. Fewer options exist for women to work outside the home, especially in the southern region, due to a lack of economic diversification and the limited availability of work considered appropriate for young women by their families. The qualitative data show that social norms continue to limit the mobility of young women for employment (see box 4.1 on family formation). A young woman living away from her family would be tolerated by some families only if the job were considered socially acceptable and increased her marriage prospects—i.e., work that is appropriate to her training, preferably in the public sector. Some of the young female survey respondents indicated that staying in their home regions may be seen as an imposition rather than an aspiration. Unlike young men, they cannot take on casual, short-term "filler" jobs that may result in gaining relevant skills. Given the scarcity of jobs considered appropriate, female graduates can face years of unemployment pending their assumed transition to wives and mothers.

> *Our parents encouraged us to study and work. But it is always within limits defined for us, which we can't go beyond. It is a question of mentality. People here think a girl can work as a teacher or nurse; these are respectable, decent occupations. I am only allowed to be a teacher and nothing else. I couldn't work as a tourist guide, or in a factory, or anything else. And worse, the job would have to be in the south of Tunisia. I couldn't even dream of working far from home.* Female graduate, Médenine (South Tunisia)

However, driven by the economic needs of their families, a significant proportion of young women from the interior and southern regions are working. These young women are typically working in factories in coastal towns such as Sfax, where they share accommodations with others. In this case, there is a trade-off: on one hand, between the norms governing the type of work considered appropriate for a university graduate and, on the other, the family's need for income and the young woman's desire to escape the tedium of the domestic sphere. As one female graduate put it:

Box 4.1. Family Formation

Some segments of Tunisian society perceive the possession of a degree from an institution of higher learning as a burden in several respects, especially among young women. These young women effectively become constrained by their own initiative and academic success because men may perceive women graduates as possessing more autonomy than is their lot in a predominantly patriarchal culture and subsequently consider them inappropriate as potential wives. Furthermore, if the degree does not lead to employment, a young woman must return home to what, in some cases, is a mostly isolated life, particularly in the interior regions and in the south. Moreover, a woman's sector of employment largely determines whether or not she remains suitable for marriage. Prevailing social norms permit a young woman to work as a nurse or teacher, but they preclude most other lines of work.

Nevertheless, young Tunisian women believe that education and professional qualifications are significant assets for potential marriages as economic conditions make it progressively more difficult to manage households on single wages. The notion that both spouses can work is just as common among female nongraduates, who expressed the importance of contributing to household finances. In the words of one young woman "*Life is even harder nowadays. It is necessary that both members of the couple work.*"

Employment status and educational credentials affect marriage prospects for young Tunisian men as well, albeit in a different way. On a societal level, many families would prefer that their daughters marry an employed man, regardless of his degree. Thus, unemployed male graduates possess little-to-no comparative advantage relative to unemployed nongraduates. The resultant lack of social status assigned to unemployed male graduates may dissuade potential couples from seeking an engagement for fear of being refused by the bride-to-be's family, or worse, having the engagement broken off prematurely due to prolonged unemployment and intense pressure on the man to provide for his fiancée.

Source: World Bank and ONJ 2012.

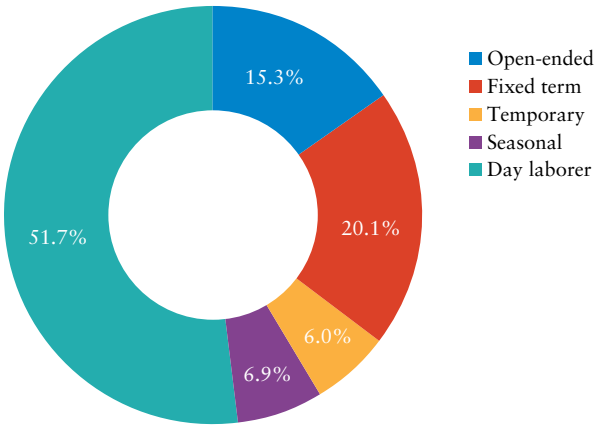
> *I worked in a factory for a year after graduating. I notice that most graduates do the same since they can't find suitable work in their field of study.* Female graduate, Sfax

Job Informality

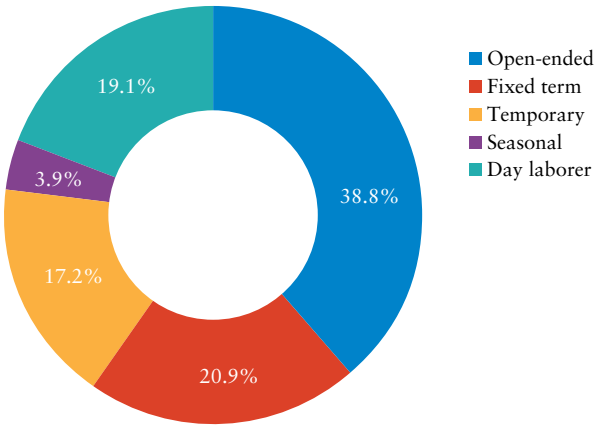
Job informality is common among Tunisian youth: less than one in three young workers has a formal work contract and access to social protection. Under Tunisian labor market regulations, only open-ended work contracts provide full access to social protection and extended job security. But only 15.3 percent of rural youth and 38.8 percent of urban youth have open-ended work contracts. Figure 4.4 shows the contract types held by employed youth in rural and urban areas. The labor market for young Tunisians is dominated by temporary and seasonal contracts and day-labor arrangements. Over one-fifth of both rural (20.1 percent) and urban (20.9 percent) youth work with fixed-term contracts, which provide limited job security.[8] Predictably, informality is the highest among rural youth, with over half (51.7 percent) working as day laborers. Overall, while

Figure 4.4. Contract Type of Employed Youth (Ages 15–29)

a. Rural



b. Urban



Source: World Bank 2012d; 2012e.
Note: Figure only refers to working youth and excludes self-employed youth.

these shares highlight job insecurity among young Tunisians, contractual stability is much higher than among older generations with much lower shares of open-ended contracts.[9]

Job informality affects young Tunisians from all walks of life. Regression analysis shows that informality is independent of household wealth, meaning that poor and better-off youth are equally affected by informality. Youth in the interior region face a higher probability of being informally employed, while young Tunisians with higher education face a lower probability of being informally employed. The same is true for young women, for whom informal jobs are less acceptable for social and cultural reasons (see annex 4, table A4.3).

Young Tunisians are largely discontented with informal employment and the risk of exploitation that comes with it. This is corroborated by the young men and women interviewed who frequently cite the short-term nature of contracts as a major aspect of job insecurity. Young women and men associate short-term contracts with exploitative treatment by employers. In turn, stable employment, including medium- or long-term contracts with social security benefits, is cited among the main career aspirations. Registration in the social security system, the *Caisse Nationale de Sécurité Sociale* (CNSS), is frequently cited as the most important benefit of any job, even among workers without formal contracts. To many young workers, being registered in the social security system is perceived as a means of maintaining dignity in the face of job loss. Work that does not meet these criteria is considered "false work" (*faux travail*), undertaken only for the sake of survival.

> *I have no goals as regards choice of work. I have no ambition. I accept any work I find. The most important thing for me is that I be registered legally under the CNSS.* Male informal worker, 21, Gafsa (South Tunisia)

The predominance of informal youth employment may be partly due to labor market distortions, which could be addressed by reform. According to a recent study on Tunisia's

labor market regulations, several factors appear to drive job informality (World Bank 2013c). First, inflexible labor regulations, associated with open-ended contracts, make it very difficult to terminate employment, leading firms to use informal short-term contracts instead (World Bank 2013c).[10] Second, high income taxes on wages—approaching 29 percent—create financial incentives for workers and employers to avoid formal contracts. Third, the social security contribution is perceived as an additional tax because individual payments are not linked to respective benefits (World Bank 2013c). Balanced reforms in labor market regulation are needed to provide greater flexibility to firms while increasing protection for young workers. In particular, the entitlements and rules for dismissal associated with fixed-term and open-ended contracts should be aligned with international standards.[11]

In addition, limited education is one of the key drivers for labor market informality. Regression analysis shows that informal employment is strongly associated with a lack of educational qualifications in rural areas (see annex 4, table A4.3). Controlling for individual factors, informality appears to be particularly pronounced in the southern governorates.[12] The estimations also illustrate that young women are less likely to have informal contracts. Given social norms regarding the appropriate forms of employment for young women, the absence of formal employment seems to exclude young women from the labor market.

Education and Low-Skill Jobs

> *What I studied in university has no relation to what I now do at work, even though it is virtually in the same field. We had lots of theoretical courses, but the practical side was almost nonexistent.* Female bank employee, 28, Tunis

Tunisia's recent history of providing basic education throughout the country is impressive, achieving nearly universal literacy rates. In 2008, official literacy rates were 96.1 percent among young women and 98.2 percent among young men, although rates in rural areas tend to be lower (UNICEF 2012).[13] Similarly, the rate of enrollment in tertiary education has risen from only 6 percent in 1987 to 35 percent in 2007, with nearly half a million young Tunisians currently participating in higher education (Haouas et al. 2012).[14] Much of the increase has happened in recent years when, for example, the number of annual university graduates more than doubled in five years from 24,500 in 2001 to 52,300 in 2006 (Haouas et al. 2012).

Despite achieving high rates of literacy and university enrolment, Tunisia's education sector is failing to meet the needs and aspirations of the young generation. Young people are increasingly disenchanted with the overly theoretical knowledge they are taught, leaving them unprepared for the labor market, as are youth in other Middle East and North African countries (World Bank 2008). This section presents young people's views on the educational system, which they see as synonymous with ill-equipped classrooms, poorly trained teachers, outdated curricula without relevance to the contemporary labor market, lack of advice on the practical steps needed to obtain employment, and a failure to promote the entrepreneurial spirit and potential of the private sector (see box 4.2 for an overview of the education system).

Educational attainment is strongly related to family background. Paternal education plays an important role, as one would expect, but so does household wealth. An estimation of educational attainment suggests that household wealth plays an important role in determining educational attainment (see annex 4, table A4.4).[15] This may be due to the relationship between

Box 4.2. Education in Tunisia

Basic Education.[a] Basic education from grades 1–9 is compulsory and is comprised of six years of primary education and three years of preparatory education, which is also referred to as lower secondary or middle school. At the end of grade six, students must score above 50 percent on their exams to continue to middle school. Traditionally, many students have to repeat the sixth year of primary education, which has led to increased dropout rates after only six years of education. In the early 1990s, about one-fifth of young Tunisians had to repeat the sixth year, and while the rate of this repeating has gradually reduced over the past twenty years, it is still relatively high (8 percent in 2012) (*Ministère de l'Education* 2012). The official primary level dropout rate was 12 percent in 2000 and 6 percent in 2009 (World Bank 2009a). Those primary education students who cannot make it to the general preparatory education are offered the opportunity to access technical preparatory schools, which can lead either to secondary education or vocational training programs. At the end of the ninth year, additional dropouts occur because students must obtain the Basic Education Completion Diploma.

Secondary Education.[b] Passing the ninth grade exam is required to enroll in the four years of secondary education from years 10–13 (previously 10–12). At the end of grade 11, secondary education students have to choose between nine streams that focus on academic and specialized studies. While these are meant to help students prepare to enter a university or to join the workforce, course content is mostly designed to prepare students to take the final exam of secondary education. Passing the final exam of secondary education is required to continue to public universities, as the exam is both a school-leaving and a university-entrance examination.[c] Until 2000, some 60–70 percent of secondary students failed the final exam each year, an outcome related to a number of factors, including—but not limited to—those associated with the educational system and youth engagement. The improvements in the baccalaureat pass rates observed since 2000 (from 32 percent in 2000 to 64 percent in 2011) is mostly due to a change in the exam rules. The failure rate further highlights the fact that youth have not acquired sufficient knowledge to prepare them for employment.

continued

family wealth and educational quality as well as the high opportunity cost for low-income families in allowing their children to pursue further education. However, it also may be due to the importance of connections, as noted above. Coming from a wealthy background may be a key factor in being able to realize the potential returns to higher education.

Notwithstanding advances in literacy and enrollment, the quality and performance of the education system is among the most challenging areas of public policy in Tunisia. The limited quality of education, as measured by objective criteria, and the limited capacity of the state to deliver education and training for employment continue to be the most urgent policy areas to

Box 4.2. Continued

Vocational Training. Three different types of technical training are open to students. Basic technical training is an alternative to secondary education and lasts two years.[d] The professional technical degree requires at least two years of secondary education, followed by two years of practical training.[e] The advanced professional technical degree is available to vocational students by adding another two years of study to the advanced technical degree—i.e., two years of secondary school plus four years of technical training.[f] By 2007, about 10 percent of Tunisian students were enrolled in a vocational training program (World Bank 2007b).

Tertiary Education. Tunisia has rapidly expanded access to tertiary education during the past decade, currently enrolling over 35 percent of young Tunisians and spending more than two percent of its gross domestic product on public universities. Tertiary education used to be structured in three phases of two years each, but has recently been transformed toward the European and British system of Bachelor's (3 years), Master's (2 years), and Doctorate (3–5 years).[g]

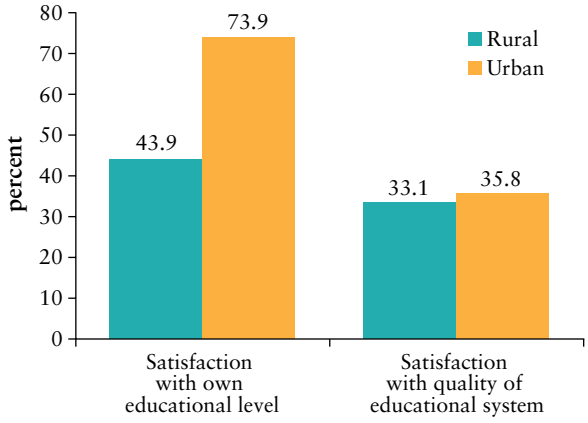
a. Referred to in French as *Enseignement de base*.
b. Referred to in French as *Enseignement secondaire*.
c. The exam is referred to in French as *Examen National du Baccalauréat*.
d. *Certificat d'Aptitude Professionnelle* in French.
e. *Brevet de Technicien Professionnel* in French.
f. *Brevet de Technicien Supérieur* in French.
g. *Licence-Mastère-Doctorat (LMD)* in French.
Source: World Bank. 2008.

address. The quality of education and training and their value on the labor market is perceived by young Tunisians to have declined over time.

> *My mother, when she passed the sixth grade exams (concours), could speak French well. Now students at that level cannot even read. I have given private lessons to primary school students who couldn't even write their names.*
> Female unemployed graduate, Madhia (CE)

As many as two-thirds of young Tunisians are unsatisfied with their national education system. Rates of satisfaction are very low among both rural (33.1 percent) and urban (35.8 percent) youth (see figure 4.5). Rural respondents were particularly unsatisfied with their educational attainment, with only 43.9 percent expressing

Figure 4.5. Satisfaction with Education System and Attainment



Source: World Bank 2012d; 2012e.
Note: Figure excludes all youth enrolled in education or training programs.

satisfaction with their educational level, which is a reflection of the mediocre quality of schools in rural areas. In urban areas, while satisfaction rates are higher, more than one in four young people are unsatisfied with their educational attainment.

Students and former students, including graduates, were particularly critical of the overly theoretical orientation of most school and university courses, which they believe fail to provide them with the skill mix necessary for the labor market. School imparts little knowledge of the labor market and few of the skills relevant to entering it. The education system does not provide the critical thinking and reasoning skills that are essential for engineers and scientists (TIMSS 2007). As one graduate put it:

> *I studied at the technical secondary school at Mahdia. I think that these twelve years of study we did up to the baccalaureate were too theoretical. The practical side was almost nonexistent. Even the study trip was just for show. The teachers knew nothing. I found that later, in the world of work. There were so many gaps. We had never tried to apply what we had learned.* Male student, Mahdia (CE)

While the poor quality of education has been lamented about for years, this issue has now reached a critical point in Tunisia. In the eyes of Tunisia's youth, schools have become "manufacturers of the unemployed." Although they produce increasing numbers of graduates each year, a culture has arisen in which credentials are valued over skills (Haouas, Sayre, and Yagoubi 2012). Student degrees are devalued by their very numbers as well as by their declining quality and credibility. Regional disparities in the quality of education are pervasive. Urban and coastal areas have benefitted from a history of colonial Franco-Arab education, which the rural zones and the interior and mountain areas lack. As a result, a "two- or even three-speed system" has developed. Increasingly differentiated by the rise of private education, with sizable tuition fees and regional variation, the education system reflects and amplifies Tunisia's generational, spatial, and social divisions. One student commented on the quality of education with specific regard to the "Arabization" of education:

> *The most important thing that I wish to bring to light is the story of the three years that I studied in high school, from the seventh year through the ninth. I studied math, physics, and the sciences in Arabic and we, we had professors who taught these subjects in French. I think personally, owing to my having been among the best students, that the teacher was confused, [that] he could not communicate the information, as he had done before. And I could no longer understand him. Because it was in Arabic and I had impression that it had been implemented by force. If the course has not been [taught] in Arabic since the beginning, and the person has not taught in Arabic previously, he or she will not manage to pass on the information. So over the course of these three years, I was under the impression that I was translating …. In basic education, the Arabization of the sciences benefits neither the student nor the professor because it is tiring.* Female university student, aged 26, Sidi Bouzid

Youth are demanding better quality education, as are potential employers. Many manufacturers require technical and analytical skills, while the service sector needs young people with soft skills (IFC 2011). Young Tunisians express strong doubts about both the quality and the relevance of curricula. Many young people are willing to pay for more useful education to enhance their job opportunities and indeed, some do so. Not even half of new graduates are ready for the workplace when hired, according to

private employers (IFC 2011). Consequently, many employers must provide substantial training for their new hires to ensure work readiness.

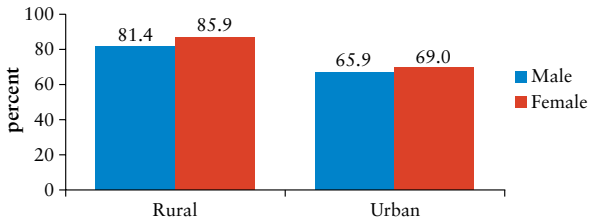
The challenge of providing better education cannot be met by the Tunisian government alone. To achieve higher quality in education at all levels, greater effort is needed to bring together all relevant stakeholders. These include public and private education providers, civil society, public sector policy makers and administrators, private employers, and—above all—Tunisia's young people.

Few partnerships exist between employers and educa-tional institutions. While the comprehensive dual appren-ticeship systems of Germany, Austria, and Switzerland have proved difficult to effectively implement in other countries, in many industrialized countries, modern educational systems routinely involve work experience and internships for students (OECD 2012). Key enablers for such partnerships that could promote high quality and appropriate education are missing. In this regard, three weak areas stand out: (1) standards and independent quality assurance, (2) funding mechanisms such as training vouchers tailored to the needs of young Tunisians in rural and urban areas with different education backgrounds, and (3) tools for information transparency and matching between employers and students in training (OECD 2012). In view of the overall regulatory environment and coordination needs across multiple government entities, organizations from civil society and the private sector can have important roles in organizing, monitoring, or providing crucial educational and matchmaking services.

To provide adequate employment for graduates and other skilled youth, the Tunisian economy requires many more jobs in both low- and high-skill sectors. Most highly skilled Tunisians with secondary, vocational, or university-level education are currently working in low-skilled jobs. These are typically defined as jobs in sectors with limited productivity and relatively low wages. Generally speaking, most low-productivity firms that offer the majority of low-skill jobs can be found in agriculture, basic industries, and low value-added manufacturing, construction, mines, energy, and much of the textile industry (World Bank 2014). Most jobs in these sectors require little specialized training and tend to yield lower wages. Annex 4, table A4.5 presents additional evidence on the determinants of wage levels and highlights youth employment in sectors that can be characterized by low-productivity firms.

The great majority of employed young Tunisians (82.5 percent in rural areas and 67.0 percent in urban areas) work in sectors with limited productivity.[16] Figure 4.6 shows the share of jobs held by young Tunisians between 15–29 years in sectors of largely low productivity. Young women are especially likely to work in these low productivity sectors—69.0 percent in urban areas and 85.9 percent in rural areas. However, the situation for young men is only slightly better, with 65.9 percent of young men working in the low productivity sector in urban areas and 81.4 percent in rural areas. Young women in urban areas (69 percent) have an especially

Figure 4.6. Youth Employment in Low-Productivity Sectors



Source: World Bank 2012d; 2012e.
Note: Figure only refers to working youth and excludes self-employed youth.

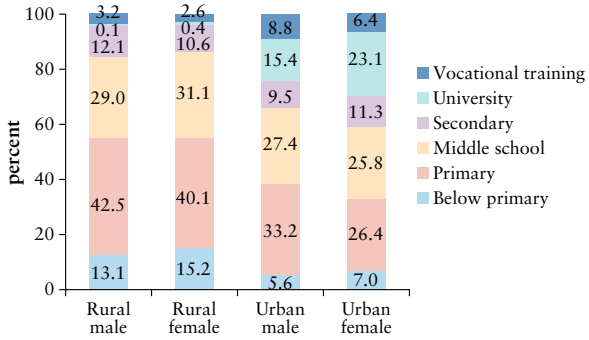
higher probability to work in low-productivity sectors than do older women in urban areas (58 percent), while the rates are similar across age groups for urban men.[17]

Tunisia's economy, based on its low-skill economic model, provides insufficient skilled jobs for young graduates (World Bank 2014). Although many young graduates are seeking work, firms continue to employ unskilled youth. In urban areas, 59.6 percent of all working youth are unskilled.[18] The proportion is even higher in rural areas at 83.7 percent. The virtual absence of secondary and university education among working youth reflects the dominance of low-skill jobs generated by the Tunisian economy. The dearth of skilled jobs also explains why university graduates face such serious difficulties in finding qualified work.

Most employed young Tunisians have not completed secondary education, and promoting their participation in a modern globalized economy will remain a challenge. In rural areas, almost three out of four (71.5 percent) working youth have dropped out of school before completing secondary education (*lycée*). An additional 13.5 percent of rural working youth did not complete their primary education; many of them never attended any school (see figure 4.7). Similarly, in urban areas, more than half of all working youth lack a secondary degree (57.6 percent), and an additional 6.1 percent has no education. However, a modern knowledge-based economy generates skilled jobs requiring personnel with the ability to develop complex technical products reliant on knowledge and creative innovation.

The Tunisian economy is underequipped for future growth.[19] Because of Tunisia's lack of high productivity job opportunities, the demand for skilled workers is weak. Consequently, many young Tunisians drop out of school because the investment in their education pays poor returns.

Figure 4.7. Education Levels of Young Working Tunisians—Rural Versus Urban

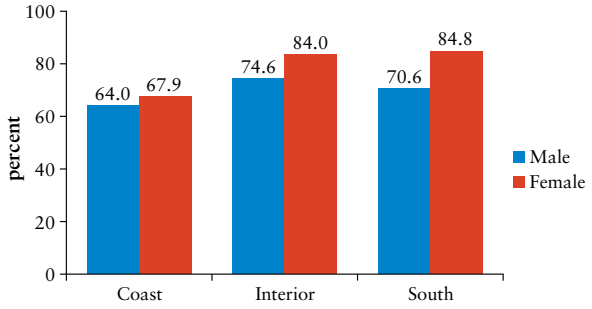


Source: World Bank 2012d; 2012e.
Note: Figure only refers to working youth, including self-employed youth, and excludes youth in education and training.

In the short-term, young Tunisians may rationalize dropping out of school even before completing secondary education. However, in the medium-term, the large number of unskilled youth reflects a serious national underinvestment in human capital, affecting individuals and the country's long-term potential. Unskilled young women and men will find it difficult to benefit from future economic growth driven by increased productivity. The challenge presented by the lack of a skilled workforce is discussed further below.

One important message emerging from the analysis is that any future attempt to reform the education system should be founded on a strong partnership with the private sector and young people themselves. The challenge is for all of these stakeholders to work together to counter the practice of imposing top-down reforms and artificial barriers to education while introducing innovative thinking and solutions and, most importantly, upholding the promises to a generation of young people. Although a full prescription for education reform is beyond the scope of this report, young Tunisians should play an

Figure 4.8. Urban Youth Underemployment



Source: World Bank 2012e.
Note: Figure only refers to working youth in urban areas and excludes self-employed youth. Underemployment is defined as workdays of six hours or less.

active role in the process of identifying challenges, developing solutions, and monitoring the implementation of reforms, while private sector entities could become part of the suite of solutions.

Youth Underemployment

Underemployment is a significant problem in urban Tunisia, affecting two out of three employed urban youth. Underemployment is defined as part-time work with workdays of six hours or less. This is the norm for most youth working in urban areas. By this definition, 65.7 percent of all young men and 70.6 percent of all young women in urban areas are underemployed (see figure 4.8).[20] Underemployment levels are only slightly higher among women, suggesting that part-time work among young women is a result of labor market conditions rather than choice. The highest rates of underemployment for young women are found in the urban south (84.8 percent). The interior region has the highest proportion of underemployed young men in urban areas (74.6 percent). In contrast, underemployment is virtually absent in rural areas, where only 7.6 percent of young men and 7.4 percent of young women work for six hours or less per day.

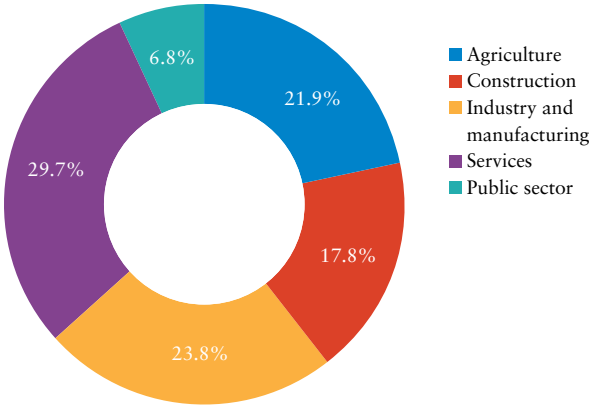
Youth Employment by Sector

The public sector provides relatively little employment for young Tunisians—only 6.8 percent of working youth in rural areas and 12.4 percent in urban areas. These low percentages challenge the notion that young Tunisians choose to remain unemployed while awaiting public sector jobs. In fact, the proportion of young people wanting to work in the public sector has fallen markedly over the past few years, from about 46 percent[21] in 2009 to less than 5 percent[22] in 2012. This seems to reflect a shift in understanding among young Tunisians that, despite job security, the public sector is no longer nearly as attractive as it once was. Now employing only one in ten young working Tunisians—including teachers, doctors, and nurses—the public sector no longer dominates in the aspirations of unemployed youth.

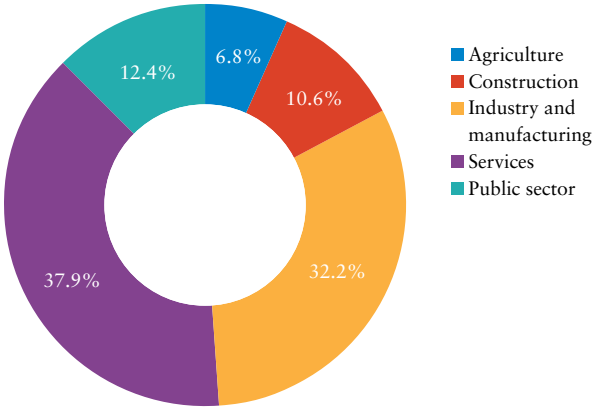
The agriculture sector remains a major employer for young Tunisians in rural areas, providing more than one-fifth of all rural jobs for the youth (21.9 percent). This share remains consistent with data from 2009, when agriculture generated 12 percent of the gross domestic product, provided work for 22 percent of the total workforce, and contributed approximately 5.4 percent to overall economic growth (Oxford Business Group 2009).[23] However, many young rural Tunisians are uninterested in rural life and employment even though agriculture is a major employment sector (see figure 4.9).[24] Research shows that four out of five young Tunisians working in urban areas are employed in the service sector (37.9 percent). In rural Tunisia, most jobs, including most informal employment, are in the service sector, which accounts for 29.7 percent of all employed youth.

Figure 4.9. Youth Employment by Sector

a. Rural



b. Urban



Source: World Bank 2012d; 2012e.
Note: Figure only refers to working youth and excludes self-employed youth. The agricultural sector includes jobs in the food processing industry.

Tunisia's service sector has a strong comparative advantage and significant potential for exports, especially in information and communication technology, professional services, transport and logistics, tourism, and health (ITCEQ 2010). Trade of services, particularly with the European Union, is one of the most promising sectors as a source of economic growth and job creation, especially for skilled youth (World Bank 2013a). Currently, more than half of all youth from rural Tunisia (52.8 percent), and nearly two-thirds (64.9 percent) of urban youth plan to work in services (see annex 4, figure A4.4). The tourism sector has been hit hard by the ongoing political transition, and hotels and restaurants currently provide few jobs for young people (6.9 percent in urban areas and 5.4 percent rural areas).[25] However, tourism is bound to recover. New services, such as ecotourism, could provide important opportunities for youth in nontraditional vacation locations.

However, Tunisia's young generation works in more productive sectors than their parents in both rural and urban areas. Annex 4, figure A4.3 presents the sector of employment among working age Tunisians aged 30–59 by sector: 32.2 percent of Tunisians in rural areas work in agriculture, followed by 22.4 percent in services, 22.0 percent in construction, 12.9 percent in manufacturing, and 10.5 percent in the public sector. In urban Tunisia, the generation aged 29 or older works mostly in services (35.1 percent), followed by the public sector (29.0 percent), industry and manufacturing (17.3 percent), construction (12 percent), and agriculture (6.6 percent). Apart from the large public sector in urban areas, these shares show that, on average, Tunisia's young generation has better jobs than their parents. Regression analysis shows that the sectors which yield the highest wages are industry and services, apart from the public sector (Annex 4, table A4.5). Traditional labor intensive sectors, such as agriculture and construction, yield relatively low wages. Young people with better skills tend to earn more, while youth on informal contracts earns less, as do women and young people in the interior of the country.

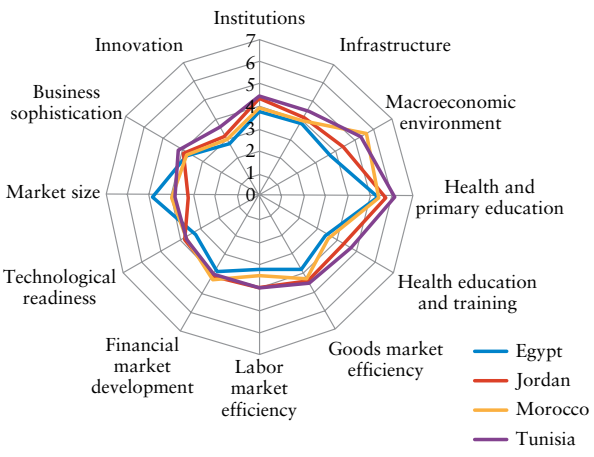
4.2 Self-Employment

> *The poor also have a right to buy and sell.* Salem Bouazizi, brother of Mohamed Bouazizi, Sidi Bouzid, interior region, as quoted in De Soto 2011

Innovation and Entrepreneurship

Tunisia is relatively well positioned to become a champion in innovation and entrepreneurship, provided that it recognizes the potential of its aspiring generation of self-employed youth (De Soto 2011; World Bank 2010). Compared with other Middle East and North African countries, Tunisia's performance is above average in terms of innovation (see figure 4.10). The Global Competitive Index, which ranks the competitiveness of 142 countries by several dimensions on a seven-level scale, ranked Tunisia 40th, well before Morocco, 73rd; Algeria, 87th; Egypt, 94th; Jordan, 71st; and Lebanon, 89th (WEF 2011). Tunisia also ranked better than Turkey (59th), which is often considered a champion in competitiveness. Tunisia's recently approved microfinance legislation enables international microfinance institutions to provide access to finance to previously underserviced areas and communities and will likely introduce new and innovative microfinance products.

Figure 4.10. Global Competitiveness Index (2011–12)



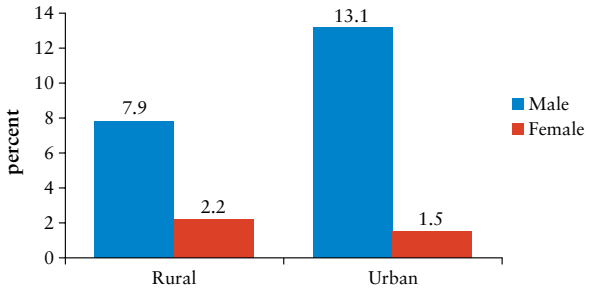
Source: WEF 2011.

Stimulating economic innovation through the right mix of targeted regulations and economic incentives present policy challenges to most governments around the world. Innovations can be loosely defined as any new method, idea, or product, and permanent innovation is largely considered an essential ingredient to economic growth in modern economies. To better foster innovation and entrepreneurship in high-performance sectors, different approaches have been developed, which include manufacturing complex products in innovation hubs; supporting the vertical and horizontal integration of the information and communication technology sector into existing and new economic sectors; and supporting service industries such as the banking sector, which is crucial for economic success. Tunisia is already boasting some social entrepreneurs, such as the Cogit Dialogue Center, and others, such as the Digital Mania Studio, are also among the many start-ups in the Middle East and North Africa Region that have achieved market success since the Arab Spring (Korenblum 2013).

Tunisia's Self-Employed Youth

Self-employment is relatively common among young men—1 in 10 are self-employed. Specifically, in urban Tunisia, about 13.1 percent of all young men are self-employed, a rate that is nearly twice as high as rural Tunisia's 7.9 percent (figure 4.11). The relatively high share of youth entrepreneurship among men reflects the presence of an enormous entrepreneurial spirit combined with a lack of employment opportunities. In comparison, self-employment among older generations is much higher, especially among men, ranging from 18 percent in rural areas to 22.7 percent in urban areas among 30–59 years olds (see annex 4, figure A4.5).

Figure 4.11. Youth Self-Employment—Rural Versus Urban



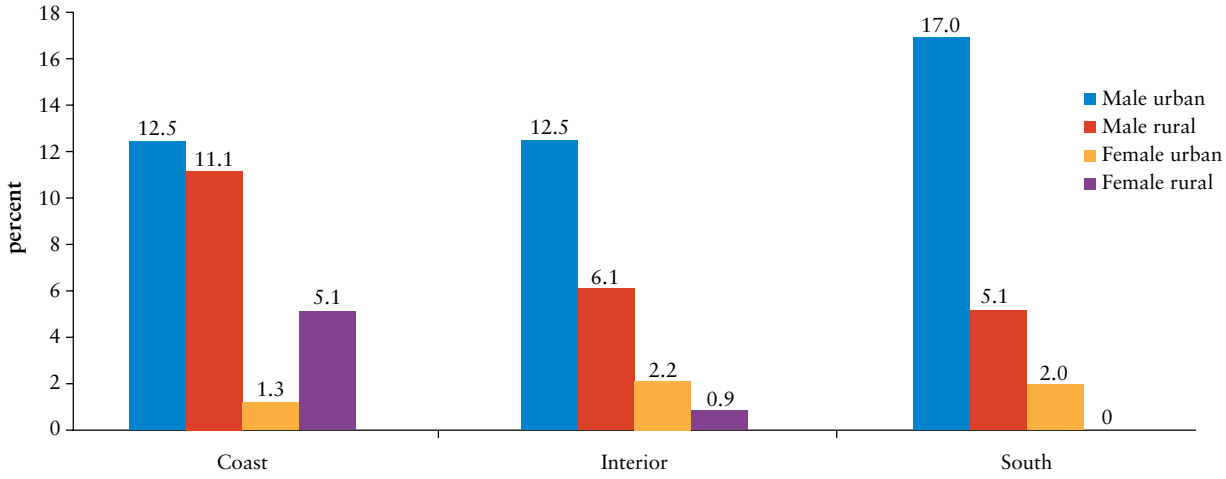
Source: World Bank 2012d; 2012e.
Note: Figure excludes all youth enrolled in education or training programs.

In contrast, self-employment among young women is virtually nonexistent—2.2 percent in rural areas and 1.5 percent in urban areas. These results are confirmed by a regression analysis that controls for other factors (see annex 4, table A4.6).[26] The qualitative research shows that public and private investments in female entrepreneurship could lead to high returns and viable enterprises, especially in view of the limited opportunities for formal employment. The combination of a wide array of market niches, relatively high education levels, and strong online skills, would likely enable young women working from home or in offices or shops to create value-added businesses. Women in rural and urban areas alike expressed a strong interest in starting their own income-generating activities. As a young woman who received a microloan through the microfinance institution Enda indicated:

> *It is comforting, especially for a young woman, to work for herself. Personally, I detest having a boss. I have worked in a dry cleaner, in a taxi call center, and as a salesperson in a boutique. In each case, there was an awful amount of pressure … no mercy. It was a shock for me to work in such circumstances. Now I work well for myself after being unemployed for two years.* Young self-employed woman in the informal sector, Tunis

Overall, self-employment is most common in the coastal region and in the south. The interior region has the lowest rate of youth self-employment, and only 8.1 percent of young men are self-employed (see figure 4.12). In comparison, 12.1 percent of young men are self-employed

Figure 4.12. Youth Entrepreneurship by Region



Source: World Bank 2012d; 2012e.
Note: Figure excludes all youth enrolled in education or training programs.

in the coastal region and in the southern governorates. As pointed out above, among young women, self-employment is a rare phenomenon, and even in the coastal region, which has the highest share of female self-employment, it only reaches 2.1 percent.

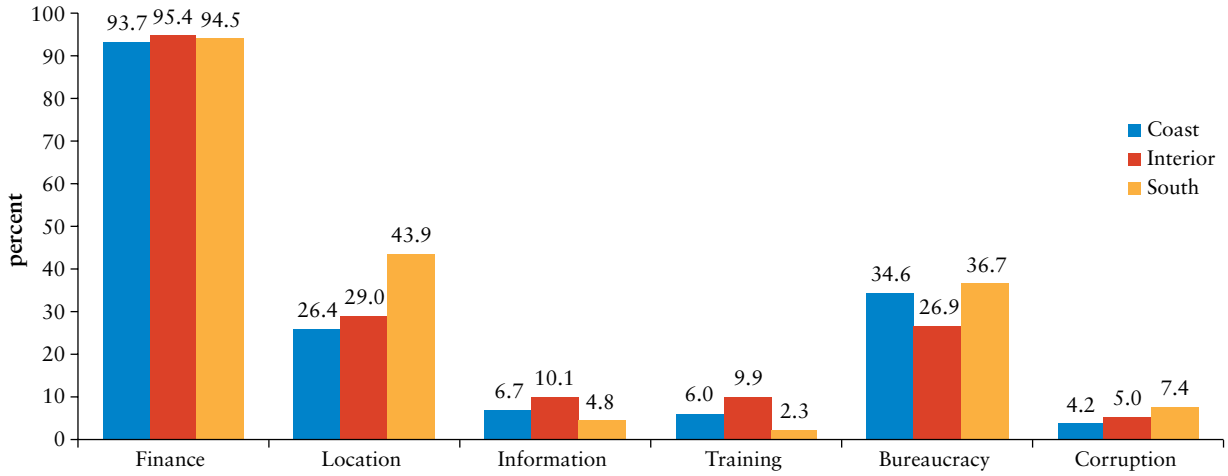
Almost all self-employed youth work without any formal registration, leaving them without access to finance and often vulnerable to exploitation and extortion by police and other public officials. The fact that virtually all self-employed youth work informally reflects the complexity of the administrative procedures and regulations that are required to register a small firm. The qualitative research also shows widespread skepticism of young people about the role of the public sector and banks when it comes to supporting small businesses.

> *The state should find a solution, but instead of encouraging us [to start a business], they put barriers in our way.* Student of agriculture, 22 years. Zaghouan (coastal Tunisia)

> *Graduates from 1992 or 1996 still haven't been able to find jobs. What remains? The private sector. I could tell you about the exploitation that happens there, the favoritism, the bribes. … People are at the end of their tether. There is nothing else left [but to work for oneself].* Male self-employed, Tunis

Self-employed youth struggle to gain access to finance, which remains the main challenge in successfully establishing a business. The rural survey asked young entrepreneurs about the most significant difficulties in establishing a business. As figure 4.13 shows, "Access to Finance" was considered the single most important barrier for young entrepreneurs in all regions—93.7 percent in the coastal region, 95.4 percent in the interior region, and 94.5 percent in the south. These results demonstrate the higher barriers met by young entrepreneurs compared with those encountered by firms in general. As indicated by the recent report, "Investment Climate Assessment," access to finance is also regarded as a major constraint by

Figure 4.13. Barriers Faced by Youth in Establishing Small Businesses (Rural Tunisia)



Source: World Bank 2012d.
Note: Figure refers to all self-employed youth.

39 percent of small- and medium-size Tunisian firms (World Bank 2013j).

Existing microfinance programs have limited reach and are widely perceived as inefficient. Specialized banking products tailored to young people are largely absent, although the 2014 microfinance law is designed to facilitate the increase of institutions offering new services, such as savings, transfer, and insurance.[27] The current lack of available finance for young entrepreneurs was mentioned in several focus group discussions.

> *When all of the other doors are closed, it is best to have one's own project, be one's own boss, and realize one's dreams. But, there is a problem of finance, of markets.* Female entrepreneur and graduate in biomedical engineering. Tunis (coastal Tunisia)

> *When credit agencies have a good idea presented to them, they will have their own grounds for not giving finance. Then they will sell the idea to someone else. Hence, you will find the idea for a project in Zaghouan resurfaces in Sousse.* Unemployed graduate, Zaghouan (coastal Tunisia)

The amended microfinance law is bound to open financial market to new financial intermediaries and could provide more innovative products tailored to small firms led by youth. In July 2014, the National Assembly amended the 2011 microfinance law with the aim of strengthening the supervision and regulation of banking institutions providing microfinance while opening the sector to international competition. This could mean that up to half-a-dozen new institutions could begin offering products within the coming months, with more to follow. Increased competition will require providers of microcredit to become more innovative and flexible in the design of their financial products, including collateral, interest rates, delayed repayment plans, and other aspects crucial to youth-led firms. To better manage risk and portfolios, providers of financial products are also likely to target niche groups such as rural women or certain sectors such as small information and communication technology firms. Nontraditional financing, such as crowd-funding, could complement the credit market for Tunisia's self-employed youth. However, while this new law will have a rapid short-term impact on access to finance, in the rural areas, where most smaller microfinance associations are located, it could also generate adverse effects on the market and on stability, which could mean young graduates may not have access to microcredit in the medium-term if their risk-pricing profile is above the regulatory ceiling.

However, one-third of all self-employed youth struggle with the burden of bureaucracy, including the costs, difficulties, and delays entailed in obtaining the required licenses. The rural youth survey finds that bureaucracy represents a major challenge for more than one-third of self-employed youth in the coastal region (34.6 percent), more than one-third in the south (36.7 percent), and more than one-quarter in the interior (26.9 percent), as shown in figure 4.13. Especially for small businesses, bureaucracy represents a high burden because these firms tend to lack the means to employ qualified staff to process the administrative requirements. As a consequence, high levels of bureaucracy induce small firms to remain informal. Put another way, the bureaucratic burden imposes a de facto tax on the competitiveness of firms and forces businesses to use informal credit and to work without licenses (De Soto 2012). These findings are confirmed by the recent Tunisia Investment Climate Assessment, which indicates that firms spend about 13 percent of annual sales to address regulations (World Bank 2013j). This expense reflects the cumulative cost of interacting with the administration and includes compliance time.

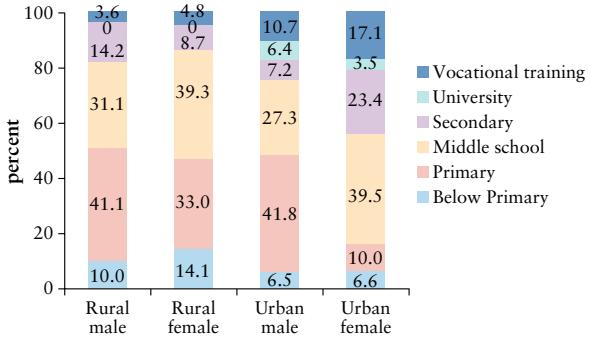
Driven by informality, many self-employed youth operate their businesses in unfavorable locations to avoid fines and extortion, very much like the self-employed young man from Tunisia's interior who triggered the Arab Spring. Business location is the main concern among half of self-employed youth in the southern governorates (43.9 percent), followed by the interior region (29.0 percent), and the coastal region (26.4 percent), as shown in figure 4.13. The qualitative research highlights that youth attempt to avoid problems with law enforcement, which can reportedly lead to fines or requests for bribery. Many self-employed youth, especially mobile street vendors and other more flexible microbusinesses, therefore chose to operate in locations away from their primary customer base. This issue is crucial and at its heart is caused by regulations and rules designed under the old regime that were aimed at large firms. The resulting vulnerability of self-employed youth should be urgently addressed, not only because it can be argued that it triggered the Arab Spring throughout the region (De Soto 2012).

Additional business training and enhanced access to business information would be helpful to many self-employed youth. The survey results show that "limited access to information," as well as "needs for additional skills training" are currently holding self-employed youth back (see figure 4.13). Business training is an important field for youth investment, can be vitalized through public-private partnerships, and has the potential to strengthen local economies and to generate youth employment.

Skill Levels of Self-Employed Youth

The education levels of self-employed youth are very low, and most have not completed secondary education. Education levels are the lowest in rural areas where most self-employed youth left school before reaching secondary education (83.0 percent). About one out of 10 self-employed youth in rural Tunisia do not have any formal education (see figure 4.14). In urban areas, average education levels are only slightly higher, although some university graduates operate small firms in urban areas, especially young men (6.4 percent). Overall, it appears that self-employment is mostly driven by economic exclusion from employment opportunities, especially among youth with low levels of education. These findings are also supported by a regression analysis of self-employment, which shows that the lack of secondary and tertiary education are key factors in increasing the probability of being self-employed (see annex 4, table A4.6).

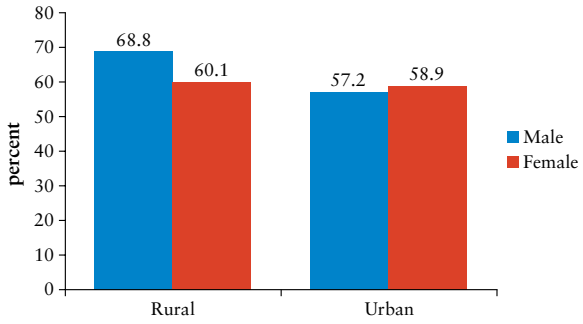
Figure 4.14. Youth Entrepreneurship by Education



Source: World Bank 2012d; 2012e.
Note: Figure refers to all self-employed youth and excludes youth in education and training.

Most young entrepreneurs work in low-productivity sectors with limited economic returns. However, 30–40 percent of young entrepreneurs work in high-productivity sectors, demonstrating the potential of entrepreneurship.[28] Low-productivity sectors are characterized by low return on investments, which limit the ability of young entrepreneurs to obtain the necessary resources to expand and grow. Many firms in low-productivity sectors face difficulties in growing

Figure 4.15. Youth Entrepreneurship in Low-Productivity Sectors



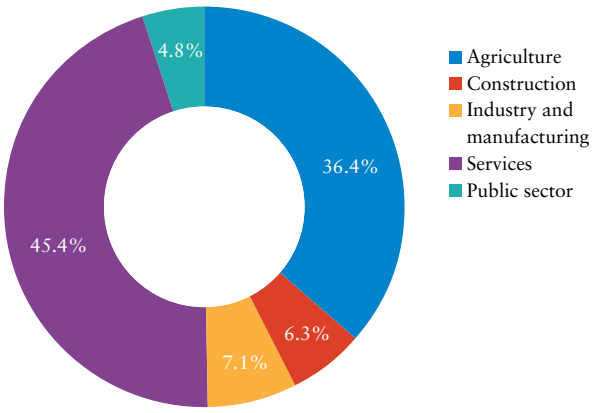
Source: World Bank 2012d; 2012e.
Note: Figure refers to all self-employed youth.

beyond small- or medium-size enterprises. Even though some low-productivity firms manage to survive for the relatively long-term, they tend to face many challenges and struggle with low returns. In rural Tunisia, 67.5 percent of all youth entrepreneurs work in low-productivity sectors; the rate is 57.3 percent in urban areas (see figure 4.15). Nonetheless, the survey data show that even though almost 90 percent of young entrepreneurs are unskilled, some 30–40 percent of their firms operate in productive sectors. While specific business activities were not addressed in the survey, this suggests that about one-third of firms that are run by young Tunisians are in fields with growth potential.

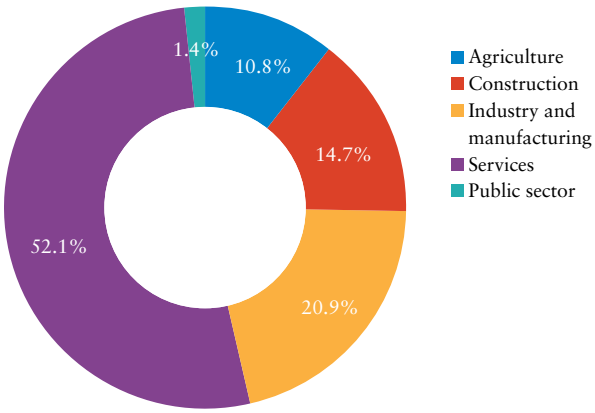
Half of young entrepreneurs operate small businesses in the service sector, including modern information and communication technologies—45.4 percent in rural areas and 52.1 percent in urban areas (see figure 4.16). The prioritization of services is important for future growth since services provide the backbone of modern economies and are essential for endogenous growth. A growing number of young and mostly urban Tunisian entrepreneurs are targeting Internet and smartphone users. This young wave of entrepreneurs holds enormous potential because of the high productivity environment in which these firms operate, allowing for rapid firm growth and job creation. The versatility of many information technology products favors export. The most common examples are smartphone apps, which can be sold worldwide. Technology firms have started to spring up all

Figure 4.16. Entrepreneurship by Sector

a. Rural



b. Urban



Source: World Bank 2012d; 2012e.
Note: Figure refers to all self-employed youth.

over the Middle East and North Africa Region (Schroeder 2013).

Modern technology makes it easier for young women to start businesses and generate incomes. Working mostly in Arabic, women-owned technology firms help families achieve a work-life balance, offer collaborating crowd-sharing platforms, and sell products to women. Nevertheless, challenges remain because it is more difficult for young women to obtain credit than men and because women are constrained by social norms. The Internet opens young people's minds to possibilities, and youth-led firms from Tunisia will be important in that regard.

In rural areas, 36.4 percent of young entrepreneurs work in agriculture and food processing; the rate is 10.8 percent in urban areas. The agricultural sector has significant potential for young entrepreneurs. Nevertheless, qualitative research emphasizes that the aspirations of young entrepreneurs to develop family farms are often thwarted by a lack of finance.

> *It would be good to give work to people here and participate in the development of the village, but the conditions are difficult. To get credit, one needs property as collateral, or one's own funds. But we are poor.* Male school dropout, Mahdia (coastal Tunisia)

One in five young urban entrepreneurs works in manufacturing and industry (20.9 percent) compared with only 7.9 percent of rural entrepreneurs. This difference is a reflection of the disparity in investments between rural and urban Tunisia, itself a driver of the higher levels of unemployment and inactivity in rural Tunisia (World Bank 2013b).

Youth Entrepreneurship: Challenges and Investment Opportunities

> *It feels good to work, especially for oneself. Personally, I hate to work for a boss. I worked in a laundry, in a taxi phone line, and as a salesgirl in a shop. There is always a lot of pressure, and never any consideration for the employee. No mercy. It really shocked me. Now, after two years unemployed, with my family pressuring me to work, I have a profession and the work is good.* Female informal sector worker, Tunis (coastal Tunisia)

Tunisia's young entrepreneurs could benefit from local innovation hubs to create an environment conducive to business and to help informal entrepreneurs become formally established. New innovation hubs and cyber parks, including business incubators and workspaces that regularly conduct competitive startups with investors, have begun to generate success stories that inspire young entrepreneurs (Yaros 2012). Online networks help to bring people together and provide additional training and mentorship to young entrepreneurs, especially in rural areas where face-to-face meetings and trainings are costly to organize (World Bank 2013e).

Online training can help self-employed youth gain skills not taught in schools and universities (La Cava et al. 2011). By teaching business skills, financial literacy, marketing, and languages such as English and French, online platforms provide bottom-up solutions. Platforms including MobiWorks, MobiSouk, and Ta3mal help to overcome the structural shortcomings of Tunisia's education system, which yields too few science, math, and informatics graduates for a modern economy.[29] Online learning can bring quality education to more people, including adults, and especially to young women. However, the digital divide—diminished Internet access in rural areas—may be a barrier to online training.

Notes

1. Employment is defined as paid work. The quantitative results are based on survey questions inquiring about recent employment history.

2. These employment statistics exclude youth enrolled in education or training programs.

3. The regression analysis simultaneously controls for differences in age, educational level, parental background, and regional disparities. The potential endogeneity of the variable suggests that not too much weight be placed on the coefficient values related to household wealth.

4. The term "Jasmine Revolution," is arguably a misnomer, as it refers to the plant from the relatively lush and prosperous northern coast. Instead, Ayeb argues that "Alfa Grass Revolution" might be a better term, based on the plant growing in Tunisia's interior region.

5. The concept of the direct family includes children, spouse, and parents of the household head.

6. This finding resonates with the conclusion of the recent MENA Development Report on gender equality (World Bank 2013h). These findings are further supported by the regression results on different forms of employment reported in annex 4.

7. One survey question asked: "Do you think women searching for work in the private/public sector are discriminated against?"

8. There is an argument in favor of fixed-term contracts since the increased flexibility could enable employers to increase hiring of youth. However, without access to social protection, fixed-term contracts are widely perceived by youth as exploitative.

9. See annex 4, figure A4.1 on contract type of employed adults (aged 30–59).

10. While originally intended to protect workers, it can be argued that labor regulations have encouraged informality. To allow greater flexibility in adapting staffing to economic conditions, fixed-term contracts were introduced in the early 2000s. Fixed-term contracts can be used to hire workers under flexible short-term contracts, which are renewable for up to four years. For workers, such contracts provide only a limited improvement compared with informal employment since both are characterized by high job insecurity. In addition, because of the flexibility allowed by fixed-term contracts, firms tend to avoid open-ended contracts for new hires altogether.

11. For a detailed discussion of recommended labor market reforms, please see World Bank 2013c.

12. The Probit estimation includes controls for differences in age, educational level, parental background, and regional disparities.

13. Ages 15–24.

14. The total number of students is expected to peak in 2014 at 449,000.

15. As before, the model controls for gender, age, parental background, and region. Once again, the potential endogeneity of wealth may play a role. However, the size and strength of the relationship, as well as the weaker role played by wealth in employment determination suggests that family wealth is playing a key role.

16. For this report, productivity is classified by sector. Sectors with predominantly high productivity firms include trade, communications, tourism (hotels and restaurants), banks and insurance companies, social and cultural services, and real estate services. Sectors with mostly low-productivity firms include primary economic activities—e.g., agriculture and fishing, food industry, building materials, ceramics and glass, mechanical, chemical and electrical industries, textile and shoes industries, other industries, construction and public works, mines and energy, transportation, repair, and manufacturing.

17. See annex 4, figure A4.2 on adult employment in low-productivity sectors.

18. Skilled jobs are defined as requiring at least a secondary school degree or vocational training.

19. For a more detailed analysis, refer to World Bank 2014.

20. For many youth, particularly those still in school or interested in searching the job market, part-time work can be an optimal choice and should be encouraged. However, qualitative research shows that youth usually do not choose part-time work.

21. Based on Gallup Data reported in AfDB 2012a.

22. Only 4.3 percent of rural and 2.2 percent of urban young Tunisians plan to work in the public sector.

23. Agriculture could become an important source of growth and youth employment, especially in the fertile northern parts of Tunisia. Supporting labor-intensive crop production for the many small farmers in the interior regions could also help to reduce regional disparities. In addition, Tunisia could take advantage of existing opportunities for agricultural exports to the European Union, which does not subsidize its fruit and vegetable production.

24. See annex 4, figure A4.3 on sector of employment of employed adults (aged 30–59).

25. Tourism is included in the service sector.

26. In addition to gender, the Probit model of self-employment controls for age, family background, and region.

27. Chapter 5 presents a more extensive review of existing microfinance programs.

28. Low productivity sectors include agriculture and fishing, food industry, building materials, ceramics and glass, mechanical, chemical and electrical industries, textile and shoes industries, other industries, construction and public work, mines and energy, transportation, repair, and manufacturing. High productivity sectors include trade, communications, hotels and restaurants, banks and insurance companies, social and cultural services, and real estate services.

29. For more details, see, for example, www.ta3mal.org.

CHAPTER 5
Skills for Employment and Other Youth Services

These [employment] programs are the tools of a policy aimed at calming a people in rebellion who are demanding work. They are not a durable solution.
Unemployed male, Jendouba, North West Tunisia

This chapter provides an overview of access to economic opportunities through Active Labor Market Programs (ALMPs) offered by the Ministry of Professional Training and Employment (MVTE) and other available youth services. It also presents young people's perceptions regarding the benefits and quality of the programming. The effectiveness of the programs is assessed both in terms of their impact on employability and social inclusion. A set of recommendations is presented to make existing youth programming and services more effective and inclusive.

Tunisia has invested a substantial share of its gross domestic product (GDP) for ALMPs, but beneficiaries consider the benefits from these programs limited. ALMPs accounted for almost one percent of GDP in 2011, the highest in the Middle East and North Africa at the time of the revolution, lately stabilizing at around 0.5 percent (World Bank 2013c). These programs are not well known to most young Tunisians. Youth participation in the programs is fairly low and, most importantly, the programs tend to be primarily focused on urban areas along the coast. Few programs are available to youth in the interior and southern regions, reinforcing spatial disparities.

The majority of ALMPs are tailored for young graduates. The current bias toward graduates should be revised to ensure that young Tunisians without university degrees—particularly young people who are not in education, employment, or training (NEETs)—can have equitable access to programs tailored to their needs and labor market opportunities. In 2011, university graduates accounted for 66 percent of the total number of beneficiaries, while youth with limited education, that constitute the largest group of youth without work, accounted for about 34 percent. In absolute terms, young Tunisians without work and lacking a secondary or university degree is about 3.5 times larger than the number of university graduates.

5.1 Programs of the Ministry of Professional Training and Employment

In response to youth unemployment and inactivity, the MVTE has put in place a number of ALMPs aimed at easing young people's labor market transition. The National Agency for Employment and Independent Work (ANETI) is responsible for implementing the largest employment programs and services in the country. Specifically, ANETI is responsible for:

- providing general guidance for jobseekers,
- providing jobseekers with information about employment opportunities,
- matching jobseekers with open positions,
- implementing Active Labor Market Programs, and
- promoting small businesses and supporting self-employment.

ANETI falls under the MVTE and has 91 offices distributed over Tunisia's 24 governorates. Its budget was TND 420 million (US$ (PPP) 579 million) in 2012. In total, these programs

currently support around 270,000 job seekers each year (World Bank 2013c). The number of beneficiaries has more than doubled in five years, and ANETI is currently planning to further expand its activities (World Bank 2013c). ANETI employs nearly 900 employment councilors—more than 70 percent of them are helping university graduates (Abaab 2012). On average, Tunisia's employment councilors are responsible for 1,200 unemployed youth, which is far above the ratio of about 100 job seekers per councilor recommended by the International Labour Organisation (ILO) (Abaab 2012).

ANETI's programs aim to prepare job seekers for the job market and place them in employment through a combination of on-the-job training, employer incentives, subsidized social security coverage, and small monthly stipends. Most of these programs are focused on unemployed graduates.[1] Many of ANETI's programs overlap or have similar approaches. In addition, there is a generalized lack of program coherence or monitoring and evaluation of programs.[2] ANETI's monitoring system is not results-based and only provides data on take-up rates—i.e., outputs. There have been some attempts to evaluate ANETI's employment programs, but the results are outdated, sporadic, donor driven, and lack scientific credibility (World Bank 2013c).

Ninety percent of ANETI beneficiaries have enrolled in one of its three main programs (World Bank 2013b).

- **AMAL** (meaning "hope" in Arabic) was originally designed to provide unemployed university degree-holders with employment services for up to 12 months. Launched by the interim government in response to the 2011 revolution, AMAL quickly became the largest of ANETI's schemes; it has since been discontinued because it was unsustainable. The program was expected to offer beneficiaries career coaching, training in hard and soft skills, on-the-job training, job search assistance, and a monthly stipend of TND 200 (US$ (PPP) 275.70). While originally designed as an activation program, in practice, AMAL primarily provided cash assistance to unemployed graduates. Design flaws and conditions that were difficult to enforce meant that incentives to search for jobs and accept job offers were actually reduced (Robalino et al. 2013). The program was designed to offer participants a stipend of TND 200 (US$ (PPP) 275.70)—equivalent to 80 percent of the minimum wage—and a series of services, ranging from training in life and technical skills, counseling, job search assistance, and wage subsidies. In practice, only 20,000 participants received the stipend along with various services, while an additional 120,000 only received the stipend. The program design did not recognize the capacity constraints of ANETI that prevented the implementation of the coaching and internships in the private sector. The lack of technical leadership at the central and local levels and the absence of meaningful coordination between the implementing agency ANETI and the MVTE made matters worse (Abaab 2012). Discontinued in 2013, AMAL provides useful lessons for rethinking ALMPs in Tunisia, particularly to avoid costly subsidies with limited impact on employability. It is nevertheless worth noting that AMAL was a transition program, which was later adjusted to serve disadvantaged youth. No evidence is available to measure the results of that program (Abaab 2012, 23).
- **Professional Internship Program (SIVP)**[3] subsidizes the costs of hiring university graduates in firms and targets university graduates who remain job seekers six months after graduation. The program seeks to introduce educated first-time job

seekers to the labor market by placing them in internships with a stipend, which usually run for a year. SIVP is among the largest of the Tunisian ALMPs, with almost 47,000 beneficiaries in 2011, of which about 60 percent were young women. The program gives beneficiaries a stipend of TND 300/month (US$ (PPP) 414/month) and covers social security contributions as well as up to 200 hours of training costs (World Bank 2012b). SIVP beneficiaries are heavily concentrated in coastal/industrial regions. Most SIVP contracts are signed in Tunis (25 percent), followed by Ariana and Sfax (10 percent each). An evaluation of SIVP's performance revealed that program beneficiaries have very low rates of job insertion after program completion (at 23.7 percent in 2010) (World Bank 2012b).

- **Labor Market Access and Employability Program (CAIP)**[4] began in January 2009 for graduates and nongraduates. CAIP is Tunisia's third largest ALMP program with approximately 40,000 beneficiaries annually, of which about 90 percent are nongraduates. CAIP pays small monthly stipends of TND 100 (US$ (PPP) 138) plus social security coverage. Essentially, CAIP provides subsidies to hire unskilled and blue-collar workers. The program was designed to provide capacity training to assist young Tunisians in gaining professional qualifications to further their employment prospects by tailoring training to specific jobs. In reality, such trainings rarely take place (World Bank 2013c). Although the rate of insertion of CAIP is by far the highest among the ALMPs, the rate of termination of contracts also remains very high. The main reason given by companies and union leaders is the lack of appropriate skills and limited matching between candidates and firms, which is done by ANETI. Additional training for young workers could be helpful to fill skill gaps between unemployed youth and available vacancies (Angel-Urdinola et al. 2012).

ANETI also manages a number of smaller programs with overlapping objectives and youth beneficiary categories.

- **Voluntary Civil Service (SCV)**[5] subsidizes the costs of hiring university graduates in civil society organizations. The program arranges up to 12 months of work placements, providing a monthly stipend of TND 200 (US$ (PPP) 276). In 2011, the program had about 8,000 participants (Angel-Urdinola et al. 2012). Associations do not have to meet any quality criteria to participate in the program. Indeed, most associations that participate are very small, often with low capacity, which reduces the attractiveness of the program (Angel-Urdinola et al. 2012).

- **Employment Program for Graduates of Higher Education (CIDES)**[6] targets university graduates who have been unemployed for more than two years. The program subsidizes wages and provides monthly stipends of TDN 150 (US$ (PPP) 207) for internships and jobs (World Bank 2012b). In addition to the stipends, the program pays part of the employer's contribution to social security for up to seven years, contributing a declining share over time. The program reached about 3,000 beneficiaries in 2011. In theory, employers are required to hire beneficiaries after program completion, but in practice, placement rates are very low—21 percent in 2010.

- **Youth Back-to-Work Program**[7] provides beneficiaries with a monthly stipend of TND 200 (US$ (PPP) 276) and additional social security coverage. The program further covers the costs of up to 200 hours

of training and associated travel costs. The program is relatively small, with only about 1,000 interns in 2011, and operates mainly in the cities of Monastir and Tunis. Most (approximately 90 percent) participants are nongraduates.

- **Fifty Percent Wage Subsidy Program**[8] aims to encourage private companies to hire first-time job seekers with a university degree by paying half of their wage up to a maximum of TND250 (US$ (PPP) 344.63) per month for up to 12 months. The program is limited to regional development zones (as defined in the Investment Code) and only applies to new firms active in certain high value-added activities with a strong knowledge component. The Fifty Percent Wage Subsidy Program is a relatively small program with only about 500 graduates in 2011.

In 2012, a decree was passed to fundamentally amend all ALMPs under ANETI and to introduce a "wage voucher" and a "training voucher," effectively merging all existing programs into two interventions.[9] In principle, the decree allows ANETI to subcontract with nongovernmental (NGOs) and private providers for the provision of employment services, including intermediation and soft-skills training, and it introduces a mandate to promote better monitoring and evaluation for ALMPs. This new regulatory framework for ANETI signals some positive evolution and simplification of ALMPs in Tunisia. However, the slow implementation of the reform raises questions as to the level of commitment to pursue this reform by decision makers and other immediate stakeholders.

Apart from ANETI, several parallel programs exist, such as the Employment Solidarity Program (CES),[10] **which includes Labor Intensive Public Works.** Together with a number of regional programs, CES is funded through the Fund 21–21 of the MVTE. CES provides short-term jobs for young Tunisians who have left school. It does not target one specific group of unemployed individuals. Instead, CES aims to integrate the unemployed within the framework of regional and local employment promotion initiatives. The largest CES activity provides short-term labor-intensive employment in public works projects, which supported about 14,000 youth in 2010 (World Bank 2012b). The program also includes a number of smaller initiatives targeted at unskilled youth. However, many CES programs lack coherence with other programs. Some CES instruments overlap extensively with existing ANETI programs—e.g., internship programs for young graduates—while others duplicate similar programs implemented by the Ministry of Regional Development and other donors—e.g., Labor Intensive Public Works. There have been cases of public works projects that were never completed or that have paid wages to workers who did not show up for work. In addition, there is evidence that CES programs do not have clear governance frameworks or procedures or transparent allocation of funds (World Bank 2013c). CES programs largely lack monitoring and do not generally cross-reference beneficiaries with ANETI records, allowing some individuals to simultaneously benefit from various programs. The long-term labor market impact of public works programs can be insignificant, and research has found a stigma attached to public works jobs, which may decrease the employability of participants over the long run (Robalino et al. 2013). Alternative approaches for a scalable project design to activate unemployed youth without a secondary education—mostly NEETs—is presented in the following chapter.

Apart from ANETI, the Tunisian government also implements a number of training programs through the Tunisian Agency for Professional Training (ATFP).[11] ATFP was established in 1993 under the MVTE with the responsibility of vocational training. Its budget is TND 200

million (US$ (PPP) 276 million), all from public funds. ATFP manages 137 training centers across all of Tunisia's governorates, including specialized centers for training in particular sectors—e.g., construction, electronics, mechanics, tourism, and textiles (48 centers)—as well as centers for apprenticeship (61), young rural women (15), for crafts (13). These centers train around 60,000 students per year and employ about 7,300 staff. ATFP offers a range of training, including (1) residential courses at training centers; (2) apprenticeship agreements involving a company, with the apprentice spending up to a half of his or her time in training; and (3) courses tailored to the industry of a particular region.

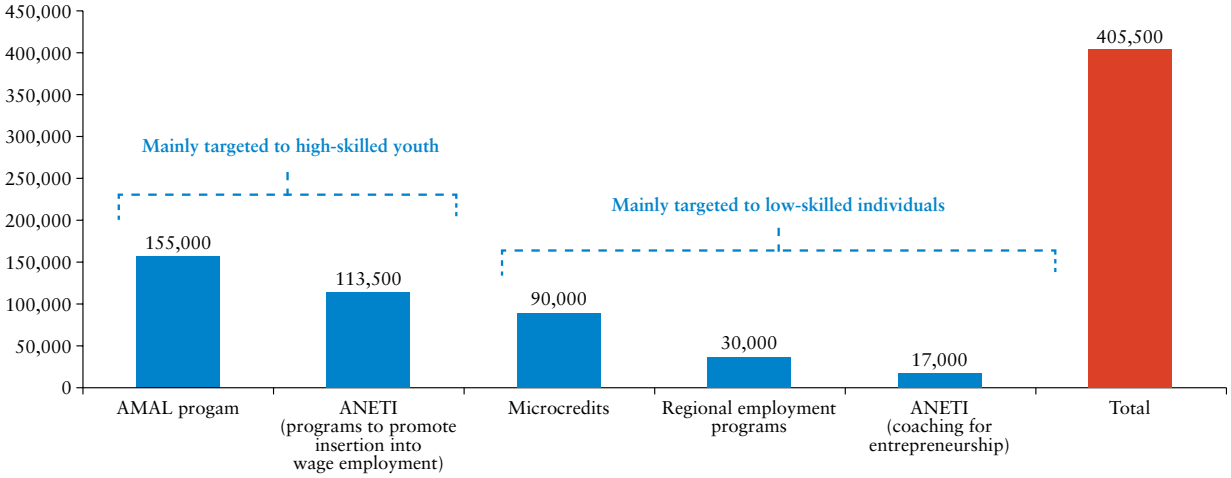
Figure 5.1 illustrates the 2011 distribution of young beneficiaries of ALMPs. The majority were university graduates—66 percent versus 33 percent of less-educated youth. The number of beneficiaries was higher than average in 2011 because of the large coverage of the now discontinued AMAL program. Nevertheless, the figure provides a good basis for comparing youth beneficiaries by category.

Perceptions of Active Labor Market Programs

Overall, it appears that limited knowledge about most ANETI programs leads to very low rates of participation by eligible youth. One-third of youth think that they are not eligible for these programs, and more than one-quarter do not know how to register, according to recent survey results presented below.[12] Lack of information on how to register seems even more problematic in the case of programs that are not managed nationally.

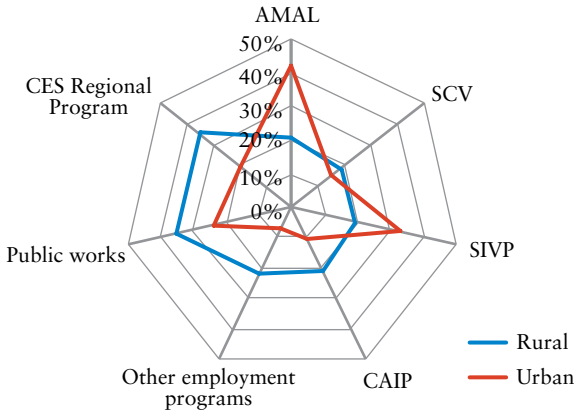
Awareness of existing programs is very low, especially in rural areas. Few of the programs designed to support unemployed youth in their search for employment are known to more than one-quarter of young respondents (see figure 5.2). Even the largest program, AMAL, which provided wage subsidies for unemployed university graduates, was only known by 42.5 percent of urban respondents and a meager 20.5 percent of rural youth. Similarly, SIVP, another program that subsidizes wages for unemployed graduates, was only known by 33.2 percent of

Figure 5.1. Beneficiaries of Programs Financed by the FNE (2011)



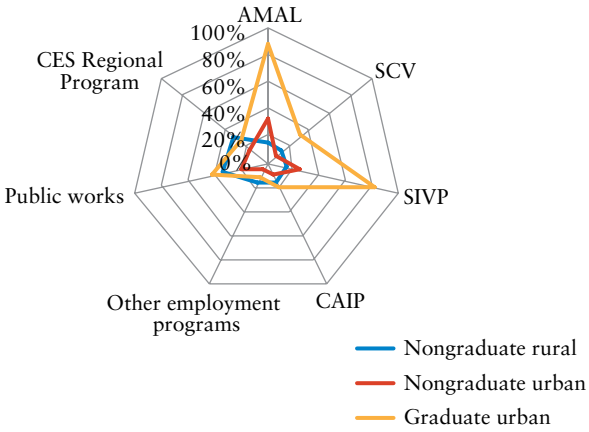
Source: National Employment Fund 2011.

Figure 5.2. Awareness of Active Labor Market Programs—Urban Versus Rural



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

Figure 5.3. Awareness of Active Labor Market Programs, by Education



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth who are not in education or training. The rural sample does not include sufficient graduates to allow a comparison.

young urban respondents and by 19.5 percent of young rural Tunisians. CAIP, which targets nongraduates, remains largely unknown: only 10.7 percent of urban youth and 21.1 percent of rural youth have heard of the program. The two best-known programs in rural areas are the Labor Intensive Public Works Program (35.2 percent) and other ALMP activities provided under CES, the regional development program (35.2 percent).[13] Awareness of programs by young Tunisians does not vary much by region or gender, although youth in the rural south have an increased awareness of the Labor Intensive Public Works Program (see annex 5, figure A5.1).

The awareness of young urban nongraduates of employment programs is very low, even for the few programs that are open to nongraduates. Only one out of five young urban Tunisians without a university degree is familiar with the Labor Intensive Public Works Program (20.4 percent), and only one out of 10 knows about CAIP (10.1 percent), as shown in figure 5.3. Other programs, including AMAL, SIVP, and SCV are much better known by young graduates. Importantly, programs that are open for young Tunisians without a university degree, such as Labor Intensive Public Works or CAIP, are largely unfamiliar to their target group in both rural and urban Tunisia.

Overall, young people who know about ALMPs have a very low assessment of these programs, as reflected in the qualitative analysis. Programs, including AMAL, are seen as a kind of sinecure implemented for political reasons. Youth have little faith in the programs. They are considered ineffective and even as "a sham" and a panacea designed to artificially reduce the number of unemployed (Abaab 2012).

> *I haven't tried them [programs]. I no longer have any confidence in the state. Even when there is a good job going, those who work in the employment bureau sell it dear.* Male unemployed graduate, Mahdi, Tunisa coast

I know many people who have jobs thanks to influence with contacts or parents working at the employment bureau. Female department head in bank, 28, Tunis

Public Works and SIVP courses are not far-reaching solutions. There is a big difference between public works, training, or the AMAL program, and for example, the establishment of a factory, which might employ 700 people. Male student, Gafsa, South Tunisia

Young people consider employers, especially the private sector, to be the main beneficiaries of active employment programs. Wage subsidies are largely considered to be providing disincentives for firms to permanently hire unemployed youth. In particular, subsidies can lead to a further expansion of exploitative practices, as indicated by a young respondent.

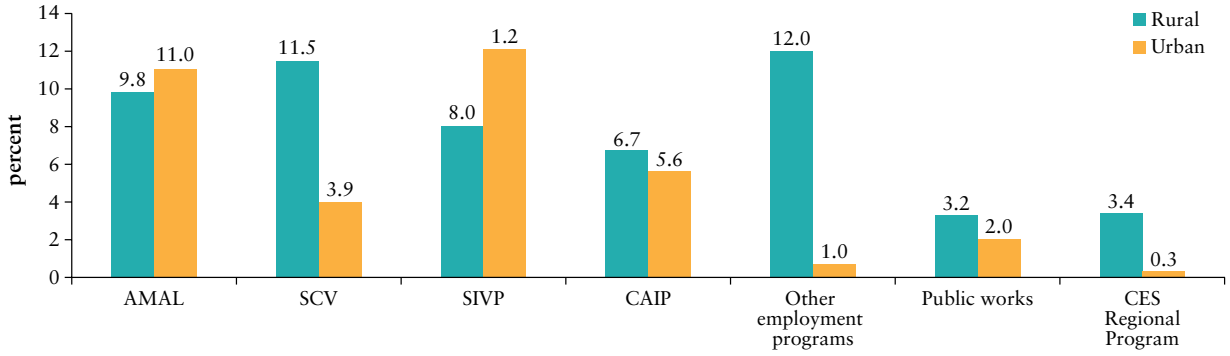
What does the company do? It profits from the system to recruit personnel under SIVP, pays them miserably, dismisses them at the end of the contract, and sends the money gained out of the country. Unemployed male graduate, Zaghouan, North-East Tunisia

Participation in Active Labor Market Programs

The participation level in the programs is very low. Barely one in 10 youth interviewed ever participated in a major program such as AMAL or SIVP. Overall program take-up is low in urban areas, and even lower in rural areas (see figure 5.4). The programs with the highest take-up were AMAL (11.0 percent in urban areas and 9.8 percent in rural areas), SIVP (12.1 percent in urban areas and 8.0 percent in rural areas), and SCV (3.9 percent in urban areas and 11.5 percent in rural areas). All of these programs targeted university graduates, which explains why the overall youth participation, comprised of less educated youth, is so low. A further breakdown by region shows that among other programs, including the regional program, CES had their highest take-up in the rural coastal region and virtually no take-up in the rural interior and the rural south, further reinforcing regional disparities (see annex 5, figure A5.2).

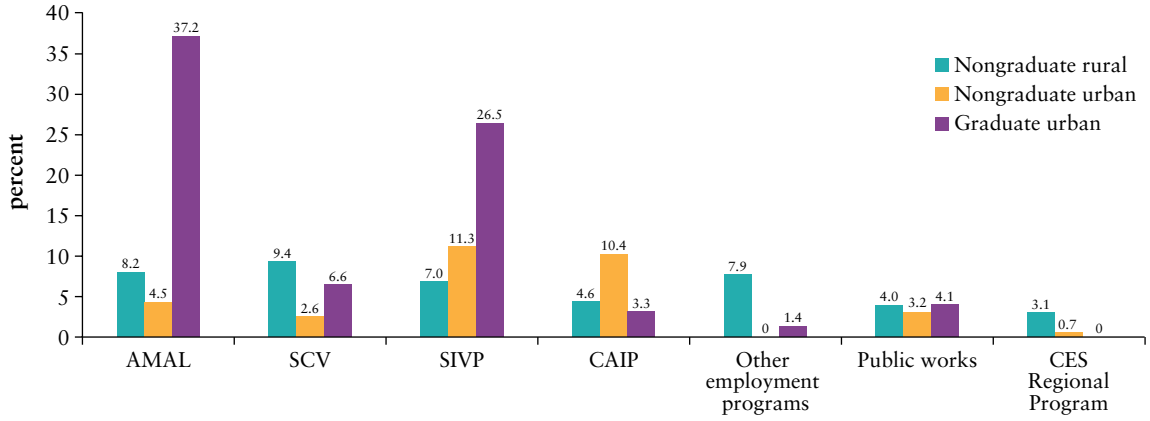
Young people who participated in youth training programs complained in interviews of overcrowded classes, old and obsolete

Figure 5.4. Take-Up of Active Labor Market Programs—Urban Versus Rural



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

Figure 5.5. Take-Up of Active Labor Market Programs by Education



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth who are not in education or training. The rural sample does not include sufficient graduates to allow a comparison.

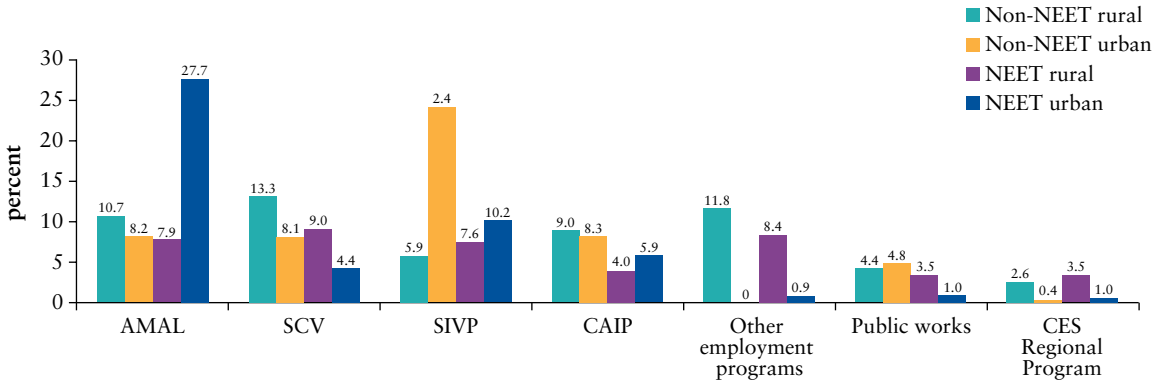
equipment, poor administration, and lack of opportunities after the completion of training. A school dropout, currently working on his family's farm, described his attempts to obtain further training:

> *In the welding workshop, there were eight welding stations for 35 people. The trainer did not convey any information. There were no work materials available. It's nothing unusual—lots of things like that affect trainees. … Half of us abandoned the course before the end.* Male school dropout, 23, Sidi Bouzid, interior Tunisia

After the revolution, urban university graduates enrolled in considerable numbers in the largest programs—AMAL and SIVP. More than one in three young urban graduates (37.2 percent) said they had participated in AMAL and over one-quarter (26.5 percent) in SIVP (see figure 5.5). About 6.2 percent had, in fact, participated in both programs. Other programs for graduates are less subscribed, such as SCV (6.6 percent). Surprisingly, a large number of nongraduate youth reported that they had participated in major programs designed for graduates, such as AMAL (4.5 percent in urban areas and 8.2 percent in rural areas) and SIVP (11.3 percent urban areas and 7.0 percent in rural areas), raising questions about the targeting mechanism and financial management of the graduate-only programs. The limited design of these programs was also revealed in qualitative research, which found that most programs are perceived merely as political tools mainly benefitting the private sector.

Take-up of Tunisia's ALMPs is relatively high, but little is known about their impact on employability and job placement. For example, only 8.2 percent of previous participants of AMAL in urban areas were employed by the time of the 2012 survey, which is much lower than the average rate of employment (see figure 5.6). In comparison, 24.2 percent of previous urban SIVP participants were working at the time of the survey. While the data do not allow a causal analysis, the correlations suggest that the SIVP apprenticeship program was

Figure 5.6. Take-Up of Active Labor Market Programs by NEET



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

substantially more effective in improving employability when compared with the largely untargeted cash transfers of AMAL.[14] If anything, AMAL appears to have reduced the chances for employment among registered youth.

Benefits from Active Labor Market Programs

It is difficult to assess the impact of these labor market programs, both because of a lack of systematic monitoring data and the issue of attribution. The attribution problem occurs because a graduate may have obtained a given job without a program. Reported labor market insertion rates vary between sources and are not based on a causal analysis but rather on self-reported survey results. Insertion rates vary between 10–20 percent for the three main programs—CAIP, CIDES, and SIVP (Abaab 2012).

The cost per successfully placed beneficiary is high for most programs, and in some cases extremely high. For example, SIVP cost TND 9,000 (US$ (PPP) 12,407) per successful placement (Abaab 2012). ALMPs need to be implemented more effectively to address the mismatch between inactivity and skills. Indeed, with more and more potential workers becoming discouraged and remaining out of the labor force, the risk of skills degradation and obsolescence is increasing. However, the fiscal impacts of such extensive programs have serious macroeconomic implications for a small economy such as Tunisia's. Even in Organisation for Economic Cooperation and Development (OECD) countries, which tend to have relatively advanced institutions and practices in this respect, an average of less than 0.6 percent of GDP was spent on ALMP measures in 2011 (ILO 2013).

Available evidence shows that most ALMPs, such as AMAL and SIVP, are largely regressive and primarily support better-off youth mostly with higher education. The vast majority of programs systematically exclude NEETs and young Tunisians with less education, many of whom come from poorer backgrounds, even though they constitute over three-quarters of the unemployed youth population. In the absence of any rigorous attempt to evaluate the impact of Tunisia's large ALMPs, basic correlation analysis suggests that AMAL—the country's largest program—has made the employability of it participants worse.[15] Employment rates of previous AMAL beneficiaries are substantially lower than the average employment rate among Tunisian

youth. Placement rates of SIVP appear somewhat higher, although it remains unclear if the program creates any net benefits to participants.

5.2 Entrepreneurship Programs

Youth entrepreneurship can play an important role in addressing youth exclusion while strengthening income generation and reducing youth unemployment. Pilot projects have recently been launched throughout the Middle East and North Africa Region, including Tunisia (see for example, Premand et al. 2012). While many of these projects show important impacts, they focus mainly on university graduates and other skilled youth. However, disadvantaged youth without a secondary education, who, overall, constitute the largest share of NEETs in rural and urban areas, do not have access to many of the programs. Many of these young women and men already have entrepreneurial experience in the informal sector, and additional training can empower disadvantaged youth to develop thriving firms.

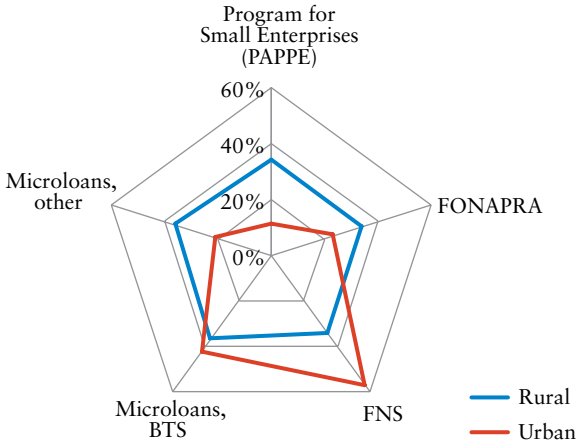
A number of programs are designed to support entrepreneurs or potential entrepreneurs. ANETI administers the Program for Small Enterprises (*Program d'accompagnement des promoteurs des petites entreprises* or PAPPE), which is focused on the self-employed and is open to both graduates and nongraduates. The program provides loans of up to TND 100,000 (US$ (PPP) 137,850) per project; although the average loan size in 2011 was TND 247 (US$ (PPP) 340.50). In addition, the PAPPE program provides coaching and support in project design and the development of business plans as well as the possibility of a practical internship with a firm for up to a year. A monthly stipend of TND 100 (US$ (PPP) 137.85) is provided for nongraduates for up to 12 months. The stipend for university graduates is twice that amount. The program reportedly had 17,000 beneficiaries in 2011 (World Bank 2013c).

The Tunisian Solidarity Bank (BTS)[16] also manages microcredit and entrepreneurship programs. These programs provide concessional loans to prospective entrepreneurs, including youth, either directly or through associations. The program of direct loans provides credit of up to TND 100,000 (US$ (PPP) 137,850) repayable between six months and seven years, with a grace period of between six months and three years, and an interest rate of five percent (Abaab 2012). The operational objectives of the BTS include: (1) facilitation of access to finance for small developers with limited resources and without bank guarantees; and (2) financing of income-generating projects and job creation in different sectors—e.g., small trades, crafts, agriculture, and services across the country (rural and urban) (Abaab 2012).

Perceptions of Entrepreneurship Programs

Awareness of existing entrepreneurship programs exceeds that of ALMP programs but remains low. As shown by figure 5.7, approximately one-third of rural youth is aware of entrepreneurship programs such as PAPPE—34.0 percent, the National Fund For the Promotion of Craft and Small Entrepreneurs (*Fonds National de Promotion de l'Artisanat et des Petits Métiers* or FONAPRA)—33.9 percent, the National Solidarity Fund (Fonds National de Solidarité or FNS)—34.1 percent, microloans offered by BTS—36.5 percent, and other microloans—36.2 percent. In urban areas, on the other hand, only FNS (56.9 percent) and BTS's microloans (42.4 percent) are well known. As for the remaining programs, less than one-quarter of urban youth is aware of FONAPRA (23.5 percent), only one-fifth knows about microloans other than BTS's loans (20.5 percent), and only one out of nine are familiar with PAPPE (11.3 percent). Young Tunisians' levels of awareness about the programs do not differ much by region, with the exception of youth in the rural

Figure 5.7. Awareness of Entrepreneurship Programs—Urban Versus Rural



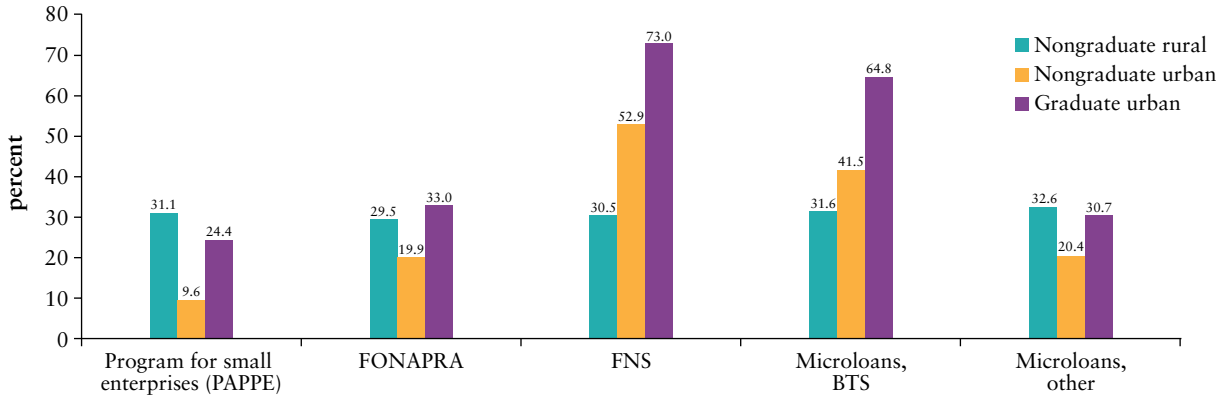
Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

south who seem to have a higher awareness of PAPPE compared with their peers. But at the same time, they have a lower awareness of microloans, other than BTS's loans (see annex 5, figure A5.3).

Awareness of programs is very low among young urban Tunisians without university degrees. Most entrepreneurship programs are much better known by young graduates than by youth without university degrees, as shown by figure 5.8. The difference in awareness of these programs is lowest for other microloan programs (10.3 percentage points) and highest for BTS microloans (23.4 percentage points). Awareness among nongraduates in rural areas is consistently high at around one-third, while among urban nongraduates, the FNS especially is known by more than half of all respondents (53.0 percent).

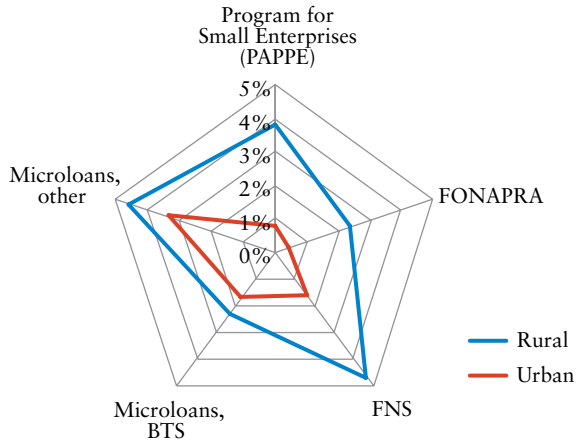
Even though the programs target unemployed youth, young Tunisians without work have lower awareness of existing programs than youth with work. Young Tunisians who are NEET have substantially less knowledge of existing programs than their non-NEET peers. This information gap is substantial, especially for microloans and small self-employment programs, and leads to further economic exclusion of young Tunisians from disadvantaged backgrounds. With regard to gender, very few differences exist. Nevertheless, it appears that in urban areas, young women have a higher awareness of FONAPRA and microloans than of the loans offered by BTS. In rural areas, no clear difference exists (see annex 5, figure A5.4).

Figure 5.8. Awareness of Entrepreneurship Programs by Education



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth who are not in education or training. The rural sample does not include sufficient graduates to allow a comparison.

Figure 5.9. Take-Up of Entrepreneurship Programs—Urban Versus Rural



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

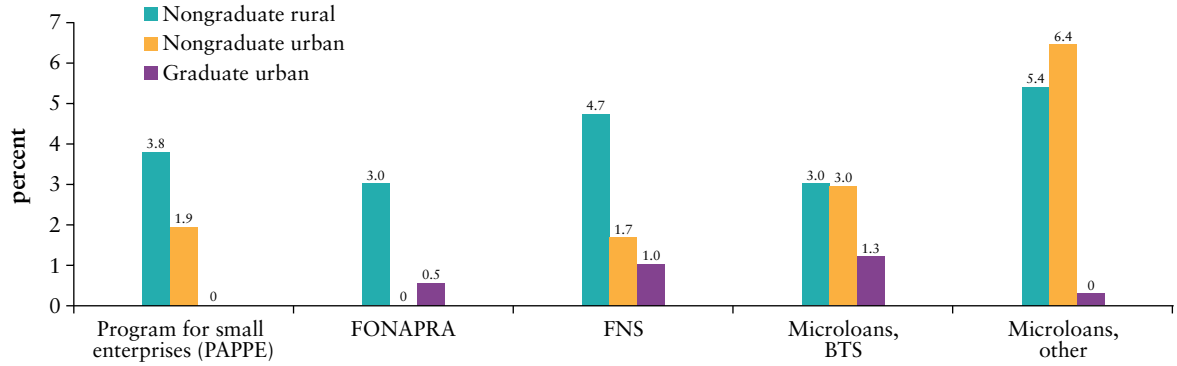
Participation in Entrepreneurship Programs

Program take-up is very low, especially in urban areas where only about one in 100 youths has participated in entrepreneurship programs. Overall program take-up is low in rural areas, and even lower in urban areas (see figure 5.9). The programs with the highest take-up were FNS (4.7 percent rural and 1.6 percent urban), the Program for Small Enterprises (3.8 percent rural and 0.8 percent urban), and other microloans (4.6 percent rural and 3.4 percent urban). A breakdown by region shows that PAPPE, FONAPRA, and FNS programs have the highest take-up in the rural coast and the interior. Young Tunisians in the rural south, on the other hand, are more interested in microloans programs than their coastal peers (see annex 5, figure A5.5). Overall, youth entrepreneurship should be used more extensively in lagging regions.

Urban university graduates, a priority group for policy makers, have barely enrolled in any entrepreneurship programs. Microloan programs have the highest take-up among urban youth without university degrees. Only one in 100 university graduates enroll in any of the publically provided entrepreneurship programs. The take-up is substantially higher among youth without university degrees, particularly for the microloan programs PAPPE (1.9 percent urban and 3.8 percent rural), FNS (1.7 percent urban and 4.7 percent rural), and BTS (3.0 percent urban and 3.0 percent rural), as shown in figure 5.10. This finding suggests that while university graduates are more inclined to seek wage employment, less educated youth are more likely to pursue self-employment, notwithstanding the fact that these available entrepreneurship programs currently exclude youth who are self-employed in the informal sector.

Program take-up among young Tunisians without work is substantially higher in rural areas. While the take-up among NEETs and working youth reaches similar levels in rural areas, urban NEETs participate in entrepreneurship programs with a substantially lower probability than working urban youth. For instance, 6.7 percent of young working Tunisians in urban areas participated in microloan programs other than BTS's microloans (3.8 percent in BTS microloans), as compared with only 2.2 percent of urban NEETs (0.6 percent in BTS microloans) (see annex 5, figure A5.6). Furthermore, different patterns in take-up by poverty status and area of residence can be observed (see annex 5, figure A5.7). While in urban areas the take-up is clearly higher among youth from poor households, there is substantial heterogeneity in rural areas. In particular, young Tunisians from poor rural households participate mainly in FNS (6.1 percent), the Program for Small Enterprises (4.1 percent), and other microloans (3.0 percent). Youth from richer rural households, on the other hand, tend to participate in all entrepreneurship programs: other microloans (5.4 percent), FNS (3.9 percent), the Program for Small Enterprises (3.7 percent), BTS microloans (3.5 percent), and FONAPRA.

Figure 5.10. Take-Up of Entrepreneurship Programs by Education



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth who are not in education or training. The rural sample does not include sufficient graduates to allow a comparison.

5.3 Other Youth Services

Programs of the Ministry of Youth and Sports

The Ministry of Youth and Sports has a range of programs for youth; the longest established and best known are the Youth Centers. These centers are aimed at promoting healthy lifestyles and preventing risky behaviors. The first center was established in 1963. They offer a range of leisure and occupational training activities in technology, language, and the arts, and aim to promote citizenship and the integration of the young into society. There are 316 permanent centers with sports fields and other facilities in towns across the country, 224 rural centers (*Maisons des Jeunes Rurales*), 14 more extensive complexes, and 44 mobile clubs (*Clubs de Jeunes Mobiles*) bringing activities to otherwise underserved rural areas.

The image of the Youth Centers was tarnished by their use for propaganda events under the old regime. Soon after the revolution, Decree 119 of 2011 loosened central control of the Youth Centers, providing more democratic management systems and greater financial autonomy, allowing them to more effectively cater to local needs and preferences. Additional staff, notably young graduates, has also been recruited. Official statistics indicate that the permanent Youth Centers attracted almost 90,000 users in 2011, and the rural and mobile centers attracted 390,000. But given the lack of a rigorous monitoring system, it is unlikely that such figures reflect the actual number of users. According to the Ministry of Youth and Sports, the most popular activities were sports and accessing the Internet. Attendance was reported to have fallen by 36 percent since 2010, reflecting a declining trend of attendance over a number of years. Funding remains one of the main problems facing the Youth Centers, along with lack of adequate infrastructure and equipment, including computers. Most importantly, Youth Centers would require a more comprehensive set of youth-friendly services with relevant content and direct youth engagement in service delivery to attract the optimal number of users.

Youth Services Provided by Religious Welfare Organizations

Since 2011, religious welfare organizations have developed an alternative approach to service delivery for excluded youth from marginalized communities, filling some of the gaps in public services and programs. In sheer numbers, religious welfare organizations have registered and expanded after the revolution (Khouja and Moussa 2013). Within a few months of the revolution, religious welfare organizations stepped in to fill the vacuum created by deteriorating public services in marginalized areas, becoming key economic actors in some places (International Crisis Group 2013). It has been reported that some of these groups started helping with schooling, serving as mediators in local conflicts, assisting with administrative issues, and advising in marital problems (International Crisis Group 2013). In several poor villages and urban areas, religious welfare organizations are also engaged in the informal economy, and in some cases have started to provide interest-free loans to self-employed youth (International Crisis Group 2013).

Most of the new associations operate in poorer peri-urban areas near the big cities along Tunisia's coastal region, where economic and social exclusion are rampant. Extensive qualitative research has been conducted to inform this study. Results from Ettadham-Douar, a major suburb of Tunis with a population of approximately 600,000, highlight the situation (Khouja and Moussa 2013). Several religious welfare organizations have sprung up in peri-urban areas since the revolution, and banners and signboards are ubiquitous. Many of these organizations are filling a void left by the collapse of the old regime, which used to dominate civil society through the activities of its political party. In comparison with other much longer-established civil society organizations, the new religious welfare organizations tend to be better funded (Khouja and Moussa 2013). Reportedly, some welfare organizations started providing scholarships to pay for private courses for high-school students and medical services and, in some cases, they provide small funds to young people wanting to marry (Khouja and Moussa 2013). Moving forward, new incentives should be put in place to promote partnerships between local governments, NGOs supporting youth inclusion, and welfare associations to build on their effective outreach to disadvantaged youth at the community level, to mainstream their approaches, and to bring them closer to other institutions operating at the local level (Khouja and Moussa 2013).

5.4 Conclusions and Recommendations

Key Challenges

Programs to promote youth opportunities in Tunisia currently face a number of challenges, which cannot be addressed by central ministries and agencies alone. As highlighted by good practices in Tunisia and abroad, these challenges can be addressed more effectively by directly engaging the private sector, the emerging NGO sector concerned with youth employment issues, local governments, and young people as partners. With nearly 100,000 young Tunisians entering the labor market each year,[17] the reform of ALMPs is urgently needed (ILO 2013).

Key challenges preventing the good performance of ALMPs include the following:

- **A large set of costly ALMPs have been "piling up" over time,** resulting in duplications, insufficient capacity to manage them, and a lack of measurable results on the ground (Melliti 2011). The government has already passed a decree that

integrates all existing programs into four sets of interventions: (1) training and job-search assistance; (2) wage subsidies; (3) support to entrepreneurship; and (4) regional employment support programs, notably public works/workfare programs. If implemented, this integration could result in substantial savings. However, ALMPs continue to offer the same number of activities, often ineffectively.

- **ALMPs are regressive and predominantly cater to university graduates.** About 80 percent of expenditures in employment support programs go to tertiary education degree-holders (Abaab 2012), although they constitute only about one-quarter of NEETs.[18] Existing ALMPs tend to exclude young people from less-educated, lower-income backgrounds residing in peri-urban, rural, and lagging regions.
- **The state's statutory monopoly over employment intermediation inhibits choice** and the entry of a wider range of providers and services into the market, particularly private-sector providers (Abaab 2012).
- **ALMPs tend to be overcentralized.** There is lack of scope for local ownership and participation by local administrations, relevant NGOs, and charitable organizations with strong local outreach in disadvantaged areas, and among youth stakeholders. Centralization of program delivery inhibits innovation and adaptation to Tunisia's diverse circumstances.
- **Current monitoring and evaluation arrangements continue to be sporadic,** lack rigor, and are insufficiently developed to assess the respective impacts of the various programs. Follow-up support to former beneficiaries after completion of their activities is often lacking.

The next generation of ALMPs youth employment needs to build on an increased knowledge base. Informed program design needs to focus on three fundamental tasks, namely: (1) better understanding of the causes and consequences of poor labor market outcomes for youth; (2) developing tools to guide the design and implementation of youth employment programs; and (3) supporting a new generation of impact evaluation that focus on assessing how different design features of a given program, including interactions with other programs, affect labor market outcomes for youth (Robalino et al. 2013).

Strategic Areas for Further Action

Tunisia's greater political stability offers a unique opportunity to reform its broad set of youth programming and services while making them more inclusive, cost effective, and accountable. As shown by the analysis throughout this report, Tunisian youth are not a homogeneous group. There are several subgroups, each with its own set of constraints to accessing economic and social opportunities, and ALMPs and youth services need to consider the needs of the various subgroups in their programming. The following policy recommendations are intended to improve the effectiveness and coverage of ALMPs' programs and youth services, building on the continuous policy dialogue since 2011 between the Government of Tunisia and various agencies, including the World Bank.

Upgrading of ANETI's Employment Services

Ensuring coverage for all relevant youth subgroups necessitates the following actions, which build on the recommendations of several technical reports. Other reports emphasized measures to improve ANETI's capacity to provide its beneficiaries with state-of-the-art employment services, including counseling, training in hard

and soft skills, and labor intermediation. They also recommended simplifying the administration and delivery of ALMPs (Robalino et al. 2013). Moving forward, the following actions are critical:

- **Remove regulatory constraints to allow the private sector to participate in providing intermediation services.** The importance of including the private sector in the delivery of employment services, notably intermediation, is confirmed by the Private Employment Agencies Convention adopted by the International Labor Organization in 1997, which Tunisia should ratify (Convention 181 supported by Recommendation 188). Also, the labor code should be adjusted to allow the operation of private intermediation agencies.

- **Develop public-private-NGO partnerships through performance-based contracts to provide employment services to youth aligned with labor market demands,** while reaching out to disadvantaged young people in peri-urban, rural, and interior regions. Partnerships would enable ANETI to deliver more tailored skills, entrepreneurship training, internships, and on-the-job training to unemployed graduates and other youth, such as less educated and inactive young men and women who may not be registered as unemployed. In any case, ANETI should no longer function as a monopoly for the provision of employment and intermediation services in Tunisia, as this limits its ability to effectively serve young people's needs.

- **Improve and expand placement services by the systematic use of new technologies.** ANETI's programs could be connected to newly-established online and mobile-based employment intermediation and skills training platforms, such as Ta3mel and Najja7ni (see box 5.1). ANETI's staff currently has limited capacity and numbers to meet the various needs of job-seeking youth or to connect them to private employers. Information and communication technology solutions can be cost-effective, accountable, and youth-friendly complements to scale-up outreach and increase the number of beneficiaries served. In addition, Tunisia has a very vibrant set of young information and communication technology entrepreneurs that ANETI could engage to develop solutions in this area.

- **Develop state-of-the-art monitoring systems through online and mobile solutions.** Online platforms like the one utilized to monitor results in real time by the Idmej project[19] could be easily adapted by ANETI and other youth service providers to enter and analyze data pertaining to multiple ALMPs throughout the country. The online platform would provide valuable information as to whether funds are spent correctly—i.e., whether training activities and internships with firms are indeed conducted and what type and how many young people are benefitting from them. In addition, an easily accessible beneficiary feedback via mobile phones could provide information on the quality and relevance of the training and internships, on the timeliness of cash transfers to young beneficiaries, and the employability impact of such interventions on beneficiaries over time. These are low-cost solutions, allowing for access to information about the progress of programs, which can guide evidence-based budget reallocations and/or cuts to ALMPs.

Box 5.1. Online Platforms Najja7ni and Tounes Ta3mal

The online platform "*Tounes Ta3mal*" offers a virtual career and entrepreneurship center for Tunisian youth. Co-funded by Silatech and Microsoft, this initiative is designed to provide Arab youth with resources ranging from online career guidance, employability and entrepreneurship education, work experience, and employment opportunities. Launched in October 2013, the "*Tounes Ta3mal*" site (Tunis Works) offers free, ad-free access to more than 600 e-learning courses available in Arabic, English, and French. Integration with the mobile "*Najja7ni*" service is underway to expand reach and access.

Young users can register and engage with the platform by themselves. Silatech works to deploy the platform in the context of local partnerships with academic institutions, nongovernmental organizations, and other youth-serving organizations, including *Tounes Ta3mal,* as an integrated element of their youth programming. The resources on the platform complement and expand the services offered by these organizations to better address the needs of their youth. For example, career centers can use the online job-matching service to help students find relevant internships or jobs in their area. Other organizations have used e-learning content on *Tounes Ta3mal* to design blended learning courses that rely on the platform for content but actually take place in the classroom.

***"Najja7ni mEmploi"* is the region's first mobile-based career center, offering employability support service that connects young people without Internet access to employability resources, financial inclusion, and job opportunities via basic mobile phones.** Free services include career guidance, labor market and training opportunities, English-language learning, financial literacy, CV (resume) writing, self-awareness, and setting up businesses, among others. Quizzes, Short Message Service (SMS) alerts, and personality tests keep the user updated with information regarding vocational areas of work. They can also reach out to potential employers by posting a mini-CV with Najja7ni Employment.

***Najja7ni mEmploi'* is complemented by mEducation and mEnglish programs.** Between these three initiatives, Najja7ni reaches almost one million registered users, although there may be some replication due to people subscribing to more than one service. The mEmploi service was relaunched with job-matching functionality in January 2014 and is in its first quarter of operation. It has already gained a registered user base of nearly 300,000, of which over 200,000 used employability mLearning and 96,000 created mini-CVs to receive job alerts for about 2,500 jobs.

The initiative is a partnership among Silatech, Tunisiana,[a] ProInvest, and EduPartage and works closely with youth-focused initiatives of the World Bank, the National Agency for Employment and Independent Work (*Agence Nationale de l'Emploi* or ANETI), and Microsoft Citizenship. The initiative has won many global awards, including the Stevie Silver Award and the Global Telecom Business Innovation Award.

a. Tunisiana is a Tunisian mobile phone provider and part of the Ooredoo group.
Source: Silatech, May 2014.

Establish Integrated Local Youth-Friendly Services with Youth Participation

Integrated Local Youth-Friendly Services offering a one-stop shop to young Tunisians can be established at the local level, serving the less educated and NEETs in particular. Integrated Local Youth-Friendly Services can be provided by building on and expanding services of ANETI and by using the existing venues of the Ministry of Youth and Sports. These services can provide youth with life skills; relevant information and coaching on local economic opportunities; job intermediation; information and communication technology training; access to social, cultural, and sports activities; access to legal protection services; information about healthy lifestyles; volunteering opportunities; and opportunities for other constructive uses of free time. Such services should establish linkages with other interested institutions, such as local youth-led NGOs, charities, local governments, and employment services to maximize youth outreach, particularly to disadvantaged youth in peri-urban, rural, and lagging regions. The most successful international experiences include the strong youth participation element in the management of integrated local youth services and structured partnerships with local governments to ensure their long-term sustainability. In addition to positive outcomes for youth employability, evidence shows that integrated, local, youth-friendly services have contributed to greater social cohesion and trust with local authorities by promoting active youth participation and cross-cutting engagement with a variety of local institutions (World Bank 2007c).

Box 5.2. *Jovenes "Training Plus"* Programs for Disadvantaged Youth in Latin America

The *Jovenes* programs offer comprehensive training to unemployed and economically disadvantaged youth, aged 16–29, to improve their human and social capital and employability. The demand-driven model has been implemented in eight Latin American countries, customized to local contexts and labor markets.[a] Technical training and internship experiences with employers are combined with training in basic life skills and other support services to ensure the social integration and job readiness of beneficiaries. Private and public institutions contracted through public bidding mechanisms provide training and organize internships. The program targets the poor, with more than 60 percent of participants coming from low-income families, including early school-dropouts.

Impact evaluations show that the programs increased the probability of beneficiaries finding employment after graduation, especially among young women. In Argentina, the program increased the probability of employment for young adult women (aged 21 and older) by about 10 percentage points over a control group. In Chile, the program increased the probability of employment by 21 percentage points with strongly significant results for youth aged 21 and younger. In Argentina, the program increased monthly wages by about 10 percent over a control group, with results more favorable for young males and adult females.

a. Argentina, Chile, Colombia, the Dominican Republic, Panama, Paraguay, Peru, and Venezuela.
Source: Aedo and Núñez 2001.

Prioritizing Inclusive and Comprehensive "Training Plus" Programs

"Training Plus" programs successfully combine technical training with behavioral skills training, internships, employment services, and project accreditation. It emphasizes demand-driven skills training based on agreements with private sector partners to provide internships to its clients. Training Plus programs have proven more effective than traditional vocational classroom trainings (Cunningham et al. 2010). The total hours spent in classroom training result in a lower impact on the program's rate of return than the time spent with on-the-job training (Lee et al. 2012). Such programs have succeeded in increasing the employability and earnings of low-income youth in several Latin American countries (see box 5.2). Priority should be given to Training Plus programs while the less

Box 5.3. Youth Entrepreneurship Program in Peru

The *Programa de Calificación de Jóvenes Creadores de Microempresas* provides assistance and training to youth in developing business plans and creating profitable businesses. The program is implemented by the Peruvian nongovernmental organization *Colectivo Integral de Desarrollo* and was started in 1999 as an initiative to counteract the significant lack of entrepreneurial skills among low-skilled young people. Its objective is to improve the earnings and quality of life of beneficiaries. The target population is economically disadvantaged young people aged 15–25 who own a small and/or informal business in operation for less than a year or who demonstrate entrepreneurial skills and reside in the targeted localities.

The program offers different types of services. During the preparation phase, interested youth benefit from mentorship and training to prepare business plans that will be presented for selection. After selection, eligible youth or beneficiaries of the program are offered mentorship, training, and internship services. Program beneficiaries can also access microcredit. The program has been cost effective, with a beneficiary cost under US$1,000.

Impact estimates suggest an increase of 7.8 percentage points in the probability of beneficiaries having operating businesses and an 8 percent increase in average incomes. These estimates also show an increase of almost 40 percentage points in the probability of businesses operating for more than a year and an increase in earnings of 40 percentage points. An important secondary effect is job creation. Beneficiaries employ 17.3 percent more workers than the control group, which consisted of interested but non-enrolled peers. Further evaluation and follow-up is needed to monitor the success of the program over a longer span—e.g., a follow-up on businesses in operation for at least two years. Regarding its replication in other localities, increasing the program's scale may actually hamper its effectiveness because the executing agency may not have sufficient capacity to offer the types and frequency of personalized services previously rendered to youth. The institutional capacity of the executing agency and/or of the institutions involved—as measured by personnel, knowledge, and types and frequency of services—is critical. Low frequency and low quality of services would dramatically reduce the program's probability of success.

Source: Puerto 2007.

effective but costly ALMPs, such as vocational training in classrooms and AMAL-type cash transfers, should be phased out. By integrating and reducing the number of ALMPs, savings can be reallocated to Training Plus programs aimed at less educated youth from peri-urban, rural, and lagging regions.

Establish "Comprehensive Entrepreneurship" Programs

Comprehensive entrepreneurship programs combine entrepreneurial skills training, access to capital, and mentoring for young start-ups with established entrepreneurs. Youth entrepreneurship is another important area of potential

Figure 5.11. Matrix of Labor Market Interventions

Barriers		Policy Intervention
Job-relevant skills constraints	Insufficient basic skills	Job counseling at secondary and tertiary levels; second chance programs
	Technical skills mismatch	Comprehensive Training Plus Programs
	Behavioral skills mismatch	Behavioral skills training
	Insufficient entrepreneurial skills	Entrepreneurial training
Lack of labor demand	Slow job growth economy	Public service programs/youth-led community initiatives
	Employer discrimination	Affirmative action
		Subsidies to employers who hire target groups
		Employee monitoring
Job search constraints	Job matching	Employment services
		Web-based and mobile phone information-sharing
	Signaling competencies	Skills certification
		Training center accreditation
Firm start-up constraints	Lack of access to financial or social capital	Comprehensive entrepreneurship programs
		Microfinance
Social constraints on the supply side	Exclusion constraints, including gender and birth place	Gender-sensitive outreach of excluded groups
		Nontraditional skills training
		Safe training, employment, and income-generation opportunities for women
		Program design adjustment to group needs

Source: Adapted from Cunningham et al. 2010.

investment in Tunisia, especially for secondary school graduates; graduates of technical training courses; informal urban workers; and rural youth with promising business ideas, including young women. Such interventions would complement the current focus of the PAPPE microfinance program, which mostly benefits university graduates.

A number of different approaches have been found to be successful in increasing the effectiveness of youth entrepreneurship programs. These include: (1) providing extensive mentoring and business development services to young beneficiaries throughout the entire project business cycle through the direct participation of existing entrepreneurs, where possible—recruited through chambers of commerce, for instance—to mentor aspiring entrepreneurs; (2) guiding and helping young entrepreneurs to gradually build the practical and empirical knowledge necessary to start and consolidate new businesses and to find concrete opportunities to enter already-existing value chains; (3) strengthening beneficiaries' self-esteem and confidence as entrepreneurs; and (4) accompanying young entrepreneurs in their search for and securing of financial services to support their businesses (Cunningham et al. 2010). Box 5.3 presents the key features and positive outcomes of the Young Micro Entrepreneurs' Qualification Program in Peru, considered one of the best global practices in youth entrepreneurship. While these recommended programs have been evaluated with largely positive results, it will be critical to introduce them incrementally into Tunisia and to test and evaluate what works best before implementing programs on a larger scale.

Building on previously presented findings on youth exclusion in Tunisia, this chapter provides an overview of existing programs and services aimed at young Tunisians as well as international good practices. It highlighted current gaps in addressing barriers that cause economic exclusion and lack of access to opportunities in the country's programming. Figure 5.11 concludes the chapter by summarizing key categories of barriers discussed so far and offering evidence-based program interventions that contribute to address such barriers.[20]

Notes

1. In 2009, the MVTE undertook the reform of the ALMP portfolio, consolidating ALMPs into six programs to facilitate their management and financial control. All wage insertion programs consist primarily of on-the-job training, include a small monthly stipend, and subsidize social security contributions of participants. The number of beneficiaries of wage insertion programs has increased markedly in recent years, from 85,889 in 2008 to 95,415 in 2009, and to 138,674 in 2010.

2. In 2011, ANETI was able to identify 100,356 vacancies (internships and permanent positions), but they only filled about 46 percent of them. Vacancies are entered into a database that is open to job seekers, and most positions are filled by individuals who contact the enterprise directly and then inform ANETI of the match. ANETI does not systematically match registered unemployed youth to available vacancies.

3. SIVP—*Stage d'Initiation à la Vie Professionnelle*.

4. CAIP—*Contrat d'Adaptation et d'Insertion a la vie Professionnelle*.

5. SCV—*Service Civil Volontaire*.

6. CIDES—*Contrat d'Insertion des Diplômés de l'Enseignement Supérieur.*

7. *Contrat de Réinsertion dans la Vie Active*.

8. *Prise en charge par l'Etat de 50 pourcent des salaires versés*.

9. Decree no. 2012–2369 was passed on October 16, 2012.

10. CES—*Contrat Emploi-Solidarité*.

11. ATFP—*Agence Tunisienne de la Formation Professionnelle*.

12. Estimates from recent survey data (World Bank 2012d; 2012e).

13. The Labor Intensive Public Works Program is part of the CES activities.

14. These results are only descriptive and do not account for education level, family backgrounds, access to networks, and other important factors among the program participants.

15. World Bank calculations.

16. *Banque Tunisienne de Solidarité*.

17. According to the ILO 2013 School-to-work Transition Survey (SWTS), 94,000 Tunisians aged 15–19 plan to enter the labor market in 2014. See ILO. 2014.

18. World Bank calculations using recent survey data (World Bank 2012d; 2012e).

19. Arabic for inclusion and cooperation.

20. Based on Cunningham et al. 2010.

CHAPTER 6
The Way Forward: Inclusive Youth Policy and Institutions

Young people in Tunisia should take responsibility and take their seat at the table and not wait for it to be given to them.
Mohueb Garoui, Co-founder I-Watch, "The Arab Youth and Development Debate," April 1, 2014, Tunis

6.1 Taking Stock of Young People's Gains Since the Revolution

Despite Tunisia's impressive social and political achievements, inclusion of young Tunisians remains a largely unfinished project. Comprehensively addressing the legitimate aspirations of youth will be critical for Tunisia to sustain its positive forward momentum. This report presents Tunisian youth's interests, aspirations, and identities, and shares how young Tunisians experience their frustrating socioeconomic circumstances. The Arab Spring demonstrated that, while economic exclusion is a critical issue, it is by no means the only form of exclusion experienced by young men and women. Youth are subject to a wide range of additional forms of political, social, and cultural exclusion, which in turn can exacerbate their economic exclusion.

- **Political exclusion.** Even though youth played a leading role in bringing about a change in regime, they have been unable to secure a role in the subsequently formed government, and they feel that they are not consulted on issues that directly affect them.
- **Confidence and trust.** Like their peers across the Arab world, young Tunisians have very low confidence in government and other public institutions. In late 2012, only 8.8 percent of surveyed rural youth and 31.1 percent of surveyed urban youth trusted political institutions, according to this study's findings.
- **Participation.** Despite dynamic online activism, community and civic engagement through formal institutions continues to be slight.
- **Social exclusion.** Youth feel socially undervalued, and their potential contribution is thwarted by political and social structures that are not geared to address their problems. They often lack the skills, information, and confidence to challenge exclusionary practices.
- **Economic exclusion.** Unemployment among young people aged 15–29 increased after the revolution, with an official youth unemployment rate of 33.2 percent in 2013, according to the most recent ILO School-to-Work Transition survey (ONJ 2014). The rate of young people who are not in education, employment, or training (NEETs), however, is substantially higher. It is one of the highest in the Middle East and North Africa Region. In rural areas, 20.6 percent of older men are NEET compared with 46.9 percent of young men—a NEET ratio of 2.3. In urban areas, the NEET ratio among old versus young men is 2.6 (NEET affects 13.1 percent of older men versus 34.6 percent of young men). Young women are nearly twice as often

affected by NEET than young men—60.2 percent in urban areas and 81.5 percent in rural areas. Moreover, a large proportion of youth depend on the informal sector for income generation, which provides no stable income and no access to social protection.

Moreover, exclusion continues to be manifest not only in the political and economic sphere, but also in social and psychological terms. Exclusion inevitably influences the identity and self-image of young people, which in turn has an impact on their capacity to fulfill socially sanctioned roles. This report has highlighted the persistent geography of exclusion through which young people in lagging regions of the interior and the south as well as in peri-urban areas suffer disproportionate exclusion. Young women are particularly vulnerable to some forms of exclusion due to social norms that restrict their economic, social, and political inclusion. Cumulatively, these multiple forms of exclusion impact individuals, preventing them from actively contributing to Tunisian society.

The majority of NEET and underemployed youth—particularly those with lower levels of educational attainment—has been largely ignored by mainstream youth programs and services. Rather, they are part of the "other Tunisia," which was evoked at the beginning of this report by a young activist highlighting the urgent need for greater equity. They are often the beneficiaries of alternative support systems provided by religious welfare organizations. Bridging the divide with this "other Tunisia" is an urgent imperative for equity. An appropriate strategy to address this particularly vulnerable population in Tunisia is the encouragement of partnerships between nongovernmental organizations (NGOs) and welfare organizations as well as local governments, with a view toward supporting community-based, youth-targeted interventions that address their multifaceted needs. These would include services such as free remedial education, supporting youth engagement in community life, providing youth-friendly spaces and programs, and promoting active labor market interventions involving work-based training and youth entrepreneurship (International Crisis Group. 2013a).

6.2 Guiding Principles for Strengthening Youth Inclusion and Participation

Participatory decision making in the design and implementation of youth policy and programs as well as in the management of community organizations yields benefits for all stakeholders and is likely to increase the impact of public investments (World Bank 2004). A key message of the report is that enabling active citizenship and civil participation among young Tunisians will be critical to sustaining the country's regained positive forward momentum. Constructive dialogue between Tunisia's youth and public institutions, together with broader civil society, political organizations, and the private sector, will be critical in addressing the most pressing barriers to youth inclusion. Facilitating youth inclusion enables the mobilization of the new generation as an economic and social resource that can directly contribute to sustaining the political stability and economic growth of the country. The new constitution provides an excellent framework for innovative pathways to youth engagement and inclusion, provided that the spirit of Article 8 meaningfully guides the development of the policies and programs, which are priorities for young Tunisians. Participation is also one of the eleven guiding principles for effective national youth policy, as outlined in the Council of Europe's Eleven Principles of

a National Youth Policy (see box 6.1). These principles range from the need to offer training in life and technical skills that complement the formal education system to the establishment of representative youth advisory bodies that contribute to government decisions.

Given Tunisia's clear commitment to democracy, it would be valuable to align Tunisian institutions with good international practices that can strengthen the participation of youth in the design, implementation, and evaluation of relevant policies and programs. Such policies and

Box 6.1. Eleven Principles of a National Youth Policy

1. **Nonformal learning:** Encourage active learning outside of the formal education system—e.g., life skills, foreign language training, and technical skills—through open and inclusive youth nongovernmental organizations (NGOs).
2. **Youth training policy:** Promote the development of good trainers in the youth sector, a prerequisite for the formation of effective youth NGOs.
3. **Youth legislation:** Draft legislation that includes youth NGOs in policy decision making and that ensures the efficiency of government institutions working on youth issues.
4. **Youth budget:** Allocate an administrative budget and project grants to youth organizations.
5. **Youth information policy:** Inform young people about opportunities that exist for them and ensure communication among all stakeholders in youth policy and transparency in the conduct of youth policy.
6. **Multilevel policy:** Outline youth policies to be implemented at both the national and local levels.
7. **Youth research:** Regularly identify the key issues for youth well-being, the best practices in addressing these issues, and the potential role of youth NGOs.
8. **Participation:** Support the active involvement of youth organizations in the design and implementation of youth policies.
9. **Interministerial cooperation:** Implement youth policies in a cross-sectoral manner, ensuring joint ministerial responsibility, possibly through a designated youth coordinating agency.
10. **Innovation:** Stimulate creative and innovative solutions to youth problems.
11. **Youth advisory bodies:** Establish structures—e.g., consultative committees with a mandate to influence government on youth issues.

Source: European Youth Forum 2002a.

programs include education and employment policy reform, local economic development, and innovative youth service delivery with youth participation. To promote greater trust in the interaction with public institutions, it will be essential to ensure that youth leaders are selected through transparent and democratic processes and that they are subject to term and age limits. Top-down selection of youth interlocutors would be rightly perceived as tokenism and would ultimately discourage genuine participation.

6.3 Developing a Multidimensional Youth Inclusion Policy

A multidimensional youth policy is needed to reduce barriers to youth inclusion and facilitate youth contributions to Tunisian society. The approach to youth development is now ready to move from piecemeal initiatives to an integrated set of policies and investment strategies, allowing efficient use of financial resources. As Tunisia emerges from its long recession, public budgets will continue to remain constrained, requiring judicious resource allocation and selectivity. To ensure equity, this can best be achieved through national youth policies and any related reforms that cut across sectors but that have a common focus on youth inclusion. These will also need to complement sector-specific policies—such as those in education, employment, and regional development—to address the needs of young people with greater efficiency. These policies should be reformulated with the participation of youth stakeholders, especially youth representative bodies, as partners in decision making. Moreover, policy implementation needs to be supported by performance-based management of institutions, strengthened by mechanisms for close interagency coordination that bring together government and youth organizations, and informed by systematic data collection and participatory monitoring and evaluation systems. As highlighted in figure 6.1, a multidimensional youth policy will include the following three pillars with their respective measures: (1) participation and active citizenship; (2) Access to economic opportunities; and (3) youth-friendly services at the local level.

These three dimensions of youth inclusion policy, which involve participation, economic opportunities and youth-friendly services require a specific set of measures at the national and especially at the local level, as indicated below.

Participation, Voice, and Citizenship

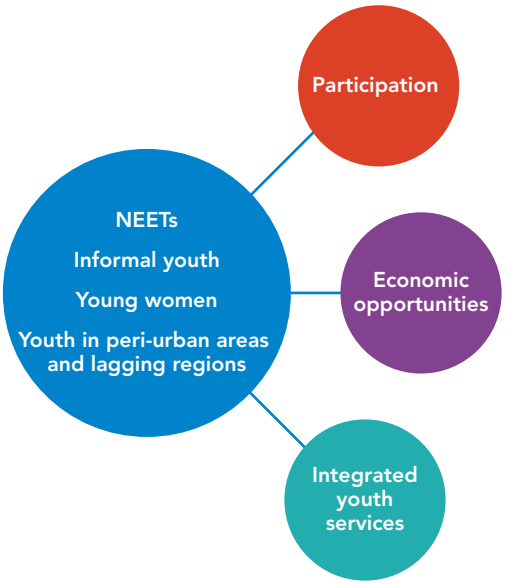
Local Level

- Youth-led community development
- Competitive grant scheme to support the capacity of nongovernmental organizations (NGOs) to engage/provide services to excluded youth
- Institutional channels to influence local policy—i.e., local youth councils
- Legal protection for young disadvantaged people in conflict with police
- Confidence/trust building between youth, local authorities and police
- Joint youth initiatives between religious and nonreligious organizations

National Level

- Capacity support of youth-led national NGOs and coalition building
- Competitive grant scheme to support student and youth organizations
- Student consultative bodies at secondary and tertiary education levels
- Voice in national policy and reforms—e.g., through National Youth Councils

Figure 6.1. Multidimensional Policy for Youth Inclusion



1. Participation and active citizenship
- Youth-led community development
- Volunteering
- Youth councils for participation and voice
- Human rights

2. Access to economic opportunities
- Job counseling in secondary and tertiary education
- Skills training
- Apprenticeships/internships
- Job intermediation
- Youth entrepreneurship

3. Youth-friendly services at the local level
- Life skills training
- Information and communication technology and language skills
- Healthy lifestyles
- Legal support services
- Peer mentoring
- Sports

Source: World Bank.

Access to Economic Opportunities

Local Level

- Job counseling services in secondary schools in partnership with the private sector and NGOs
- Gender-sensitive youth-led community development, also with small cash transfers incentives
- Job intermediation
- Gender-sensitive individual and group entrepreneurship, through equity building grants and access to finance
- Apprenticeships and internships tailored to less educated youth and NEETs through gender-sensitive approaches

National Policy Level

- Job counseling services in universities through public/private/NGO partnerships
- Access to information—e.g., rigorous monitoring and evaluation, data, and youth policy dialogue on employment policy and Active Labor Market Programs
- Youth consultations and participation—also virtual—on labor market reform
- Beneficiary feedback and monitoring and evaluation

Youth-Friendly Services

Local Level

- Youth-friendly services tailored for NEETs and other disadvantaged youth, particularly inactive young women, with youth participation (i.e., life skills, information and communication technology and e-learning, entrepreneurship and employability skills, legal support services, peer mentoring, cultural activities, volunteering, and sports)

National Level

- Capacity building of NGOs providing youth services
- Quality standards of content
- Certification of skills
- Beneficiary feedback and monitoring and evaluation

While the revolution has given young Tunisians a glimpse of the possibilities of a new future, the task of building that future largely remains to be done. It is a task that cannot be accomplished by youth alone—any more than it can be accomplished without them. This is also not an undertaking that government can pursue singlehandedly. New forms of partnerships between government, the private sector, civil society, and communities will be needed to imagine and accomplish the task that Tunisia faces of simultaneously reforming its politics, economy, and society. Young people require the space to participate fully in this process of renewal and, indeed, to benefit from it. The stakes could hardly be higher: the possibility of a productive and equitable economy and vibrant political and civil society is set against the possibility of growing polarization, frustration, and cynicism. Moving toward a constructive outcome holds the promise of a multitude of rewards, including the energy, awareness, goodwill, and commitment of the young men and women of Tunisia for whom this report bears witness.

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Annexes

Annex 1. Data Sources

This study draws on separate household surveys for rural and urban Tunisia and additional comprehensive qualitative research.

Urban Survey

As part of this study, the Tunisia Household Survey on Youth in Urban Areas (THSYUA) was conducted in 2012. The survey was conceived by a group of Tunisian professors and students, called Projet Citoyen, from various universities in Tunisia, particularly from *Ecole Superieure des Sciences Economiques et Commerciales de Tunis* (ESSECT). Motivated by the observed differences between different parts of the country, including neighborhoods in the Grand Tunis area, the aim of the survey was to scientifically understand urban inequality, with a specific focus on economic opportunities for young people. This effort led to collaboration between the Tunisian National Statistical Office (*Institut National de la Statistique* or INS), the General Commissariat for Regional Development, and the World Bank. The INS provided the sampling frame, the commissariat, as the main government counterpart, provided guidance for the scope of the survey and its urban focus, and the World Bank provided technical and financial support.

THSYUA was designed to be regionally representative. The survey was representative across the seven regions of Tunisia—with Grand Tunis counting as a region separate from the northeast. The survey covered 4,214 urban households. The sample was drawn in two stages. The first stage was the selection of 352 enumeration areas, using the General Census of Population and Housing in 2004 as sampling frame. The second stage was the selection of 12 households, after full listing, within each sampled enumeration area. Data collection took place mainly in May and June 2012, with additional repeat visits taking place later in 2012. Fieldwork was carefully monitored to maximize response rates; the response was at least 85 percent in each region.

THSYUA uniquely combines original data on objective household and individual characteristics with data on perceptions and aspirations, particularly among youth. Based on a questionnaire that is broader and more detailed than a labor force survey, THSYUA allows a deeper understanding of the correlations of labor outcomes and seeks to better understand the job aspirations, perceptions, and constraints faced by young Tunisians in accessing economic opportunities and basic services. A unique feature of this survey is that specific modules were fielded to all individuals aged 15 and older, in every sampled household. In contrast to a typical labor force survey in which only very basic information on employment is collected, this survey captured detailed aspects of job searches, unemployment, working conditions, and job satisfaction. In addition, household members aged 15–29 were administered a module to gather information on their attitudes on government and the economy as well as their participation in skills training programs and other programs to expand job opportunities (World Bank 2013b).

Rural Survey

Building on the data collection in urban areas, a second survey was implemented in 2012 in rural areas. The Tunisia Household Survey on Youth in Rural Areas (THSYRA) has a sample size of 1,400 households in the entire rural area of Tunisia as defined by the INS. For the purpose of sampling, administrative governorates were grouped into three survey regions. The data is representative on the level of these survey regions, which largely correspond to socioeconomically and geographically distinct rural zones. The first survey region covered the coast and included coastal governorates in the north and east of the country. The second survey region covered the south and included the southern governorates. The third survey region covered the rural interior of Tunisia and included the remote areas of central and western Tunisia, including the Algerian border. The survey was conducted in December 2012 and overlapped with parts of the data collection of the urban survey. The differences in seasons may have led to some systematic differences in terms of employment, which tends to be lower in rural areas during the winter, but probably did not affect other outcomes. The data of the rural and urban survey have not been pooled for any of the analysis.

The THSYRA sample was drawn from the latest available census, the 2004 General Census of Population and Housing, provided by the INS. This census also provided the sampling frame for the corresponding Urban and Peri-Urban Youth Survey. Proportionality of the possible locations for determining the number of households in rural areas was used to ensure representativeness. Because of the overall research focus on youth, the sampling design ensures representativeness of the youth population, which is defined by ages 15–29. The proportionality to youth population size is based on the disaggregation of Tunisia into enumeration areas.[1] Each enumeration area contains about 100–120 households. In total, 70 enumeration areas were randomly selected—29 along the coast, 10 in the south, and 31 in the interior survey regions. The relative distribution between the survey regions corresponds to their respective shares of youth population. From each of these 70 enumeration areas, 20 households were randomly selected, leading to a total sample size of 1,400 households.

The random sampling of Primary Sampling Unit (PSUs) was performed by experts from the INS who were also responsible for the sample frame of the urban survey (THSYUA). The drawing of 20 households from each PSU is processed on a systematic and clearly defined approach. A random-walk procedure was conducted for each of the PSUs of the sample, which included two separate starting points at opposing ends of the east-west dimension of each PSU, moving toward the population center of the PSU to allow for full coverage of both centrally and remotely located households.

Survey Comparisons

The International Labour Organisation (ILO) Youth-to-Transition Surveys and the World Bank Youth Surveys (THSYUA and THSYRA) build on the same official sampling frame provided by the National Statistics Institute. In principle, survey results should be very similar. The main differences between the surveys are the sample size (ILO surveys are larger) and the survey period (ILO survey took place in 2013, while the World Bank youth surveys took place in late 2012). Overall, the estimates of youth unemployment and NEET based on ILO data are about 5–8 percentage points higher than the World Bank estimates. When taking into account the different survey times and samples,

the differences are within a reasonable range of measurement variation.

In a separate publication by the National Employment Observatory, using the 2013 ILO Youth-to-Transition Survey, estimates are presented for "unemployed youth and not in school or training" (ILO 2104). This definition appears somewhat similar to the NEET concept used in this study, but differs in one important aspect. NEET includes all unemployed youth and all youth who are discouraged and are not actively searching for work. The NEET definition is more inclusive and considers all young people. Because a large segment of the Tunisian youth population is discouraged and does not actively search for jobs, these young people are officially not defined as "unemployed." NEET is broader and considers all unemployed youth and all discouraged youth, except those in education or training. In fact, the main rational for using the NEET concept instead of unemployment is to highlight the large segments of youth who are excluded from economic opportunities. Because of the narrow definition of unemployment, NEET estimates for Tunisian youth presented here are nearly twice as large as the figures presented for "unemployed youth not in school or training" (ILO 2104).

Qualitative Research

Researchers organized 21 focus groups comprised of between 8 and 12 participants each, and conducted 35 individual interviews. In total, the qualitative research involved 199 young people in all seven regions of the country: Tunis (NE), Zaghouan (NE), Mahdia (CE), Jendouba (NW), Sidi Bouzid (CW), Gasfa (SW), and Médenine (SE). In order to achieve a representative sample, researchers took participant gender, rural/urban residency, and other characteristics into account to develop the following groups: school dropouts, those with secondary school education, students, youth who had acquired professional training, unemployed graduates, young people working in the informal sector, micro-entrepreneurs, young salaried workers, and young entrepreneurs. Interview parameters covered education, educational reform and quality, experience of unemployment and employment, and the state of the country since the revolution.

The use of personal relationships, social institutions, and professional networks to identify and recruit respondents resulted in a gender bias that favored males and in having a larger proportion of respondents in the upper range of ages, including several respondents older than age 29. Researchers were concerned that excluding unemployed graduates older than age 29 would alienate them from their younger peers and, in so doing, disrupt cohesion among Tunisian youth living in the same towns or neighborhoods.

Acting as facilitator and note-taker, respectively, an academic consultant and student-conducted focus group held discussions in French using guides and procedures that had been developed and pilot tested by the World Bank in cooperation with the National Youth Observatory and consultants. Researchers obtained permission from each of the focus group participants in order to audiotape the sessions. During the focus groups, participants were invited to participate in individual interviews. Those who expressed an interest in doing so provided the facilitator with their names and contact information.

Based on selection criteria—primarily the consultant's assessment of the participant's active participation and demeanor in the focus group in which he/she participated, the facilitator selected a participant from among those who

had originally volunteered to be individually interviewed. The facilitator subsequently elicited additional detailed narrative information from the participant using a semistructured interview guide developed by the World Bank in cooperation with the National Youth Observatory and consultants. Consultants also conducted interviews with individual service providers working for public or NGO institutions and others providing services to youth in the 14 communities included in the sample. As with the selection of focus group participants for individual interviews, facilitators used criteria that were developed by the National Youth Observatory in cooperation with the World Bank. All interviews were audiotaped with the permission of the interviewee.

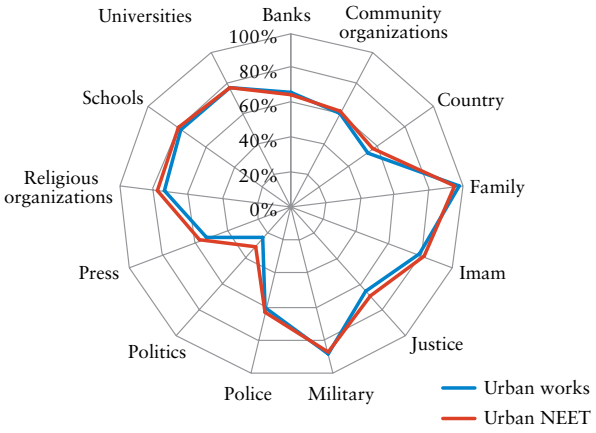
In the case of both the focus groups and individual interviews, the audio recordings were transcribed, and the local consultants, with support from the students, analyzed the data using the Glaser and Strauss grounded theory method—specifically the editing style of analysis, using the full transcription of the focus groups and the individual interviews (Glaser and Strauss 1967). Through this process, using a structured form, the researcher carefully read the responses to identify key words in each response, used these to develop categories of responses within the questions, and then used these categories to develop themes across the question items. This process is hierarchical, with key words being the foundation and the themes being the highest level of answer grouping. The analysis was also independently carried out by World Bank advisers to ensure quality control; this is standard practice in qualitative research. The consultants used the software program NUDIST ™ for the analytical process.

Note

1. Enumeration areas are also referred to as *District de Recensement* by INS.

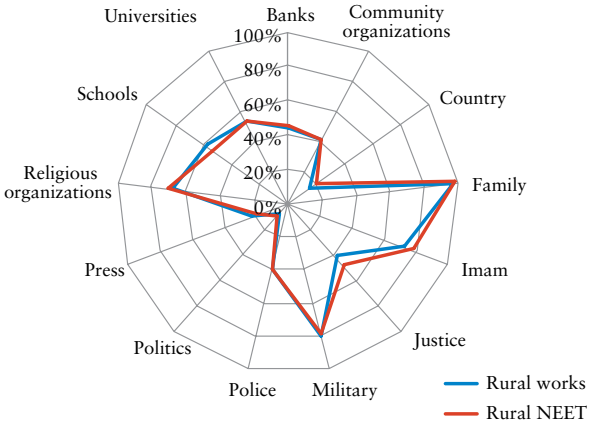
Annex 2. Youth Participation, Voice, and Active Citizenship

Figure A2.1. Trust in Public and Religious Institutions by NEET (Urban)



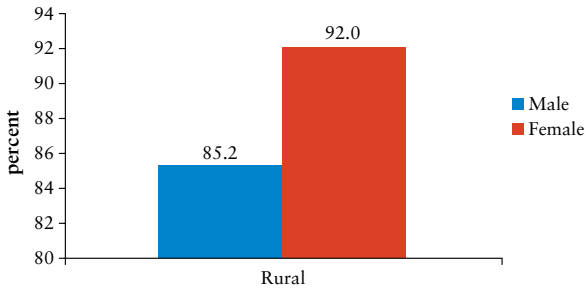
Source: World Bank 2012e.
Note: Figure includes all youth aged 15–29 who are not in school or training.

Figure A2.2. Trust in Public and Religious Institutions by NEET (Rural)



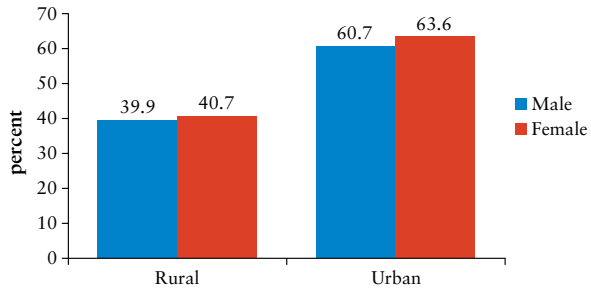
Source: World Bank 2012d.
Note: Figure includes all youth aged 15–29 who are not in school or training.

Figure A2.3. Importance of Community Organizations for Local Development, Rural Tunisia



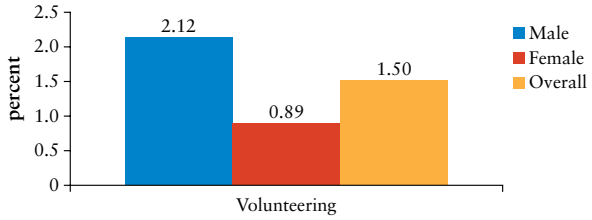
Source: World Bank 2012d.
Note: Figure includes all youth aged 15–29. Data is only available for rural areas.

Figure A2.4. Trust in Community Organizations—Rural Versus Urban



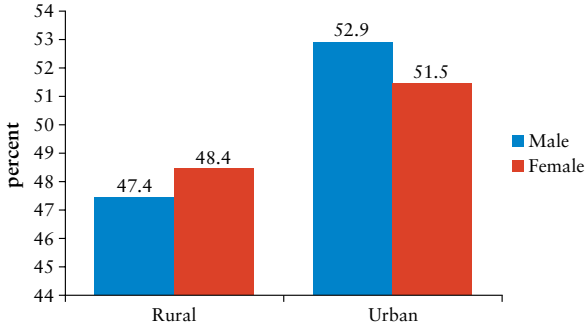
Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

Figure A2.5. Youth Volunteering (Urban Tunisia) by Gender



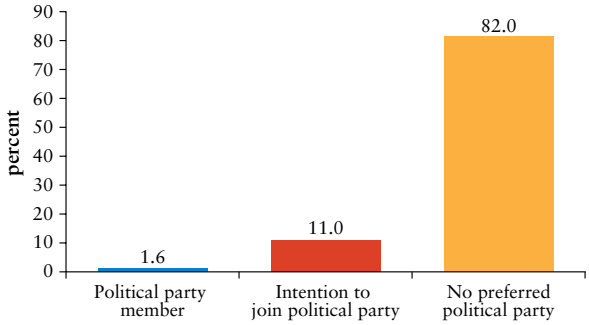
Source: World Bank 2012e.
Note: Figure refers to all youth.

Figure A2.6. Youth Participation in Elections



Source: World Bank 2012d; 2012e.
Note: Figure includes all youth aged 15–29.

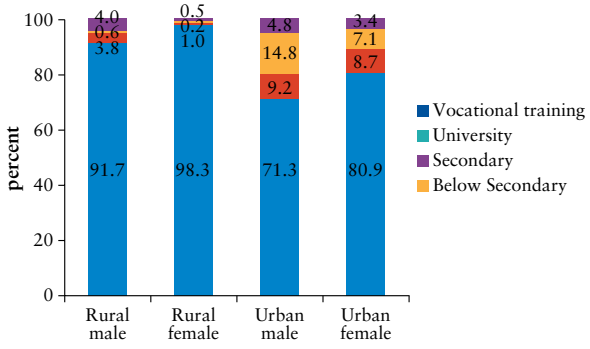
Figure A2.7. Active Engagement in Politics



Source: ONJ 2013.
Note: Figure includes rural youth aged 15–29.

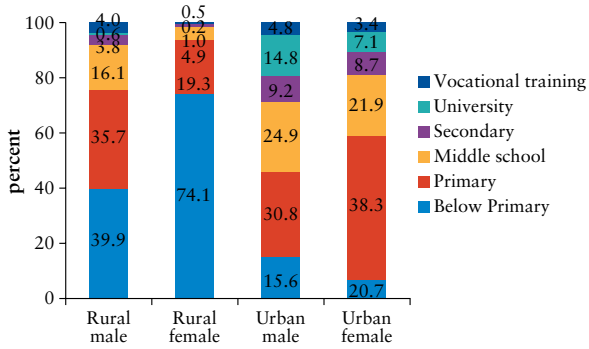
Annex 3. Youth Inactivity and Unemployment

Figure A3.1. Highest Education among NEETs by Gender (Ages 30–59)



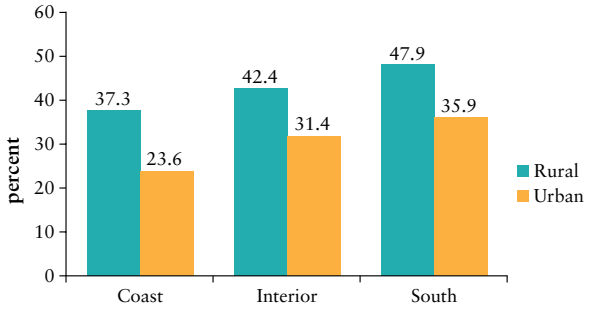
Source: World Bank 2012d; 2012e.
Note: Figure refers to all NEETs aged 30–59.

Figure A3.2. Highest Education among NEETs by Gender (Ages 30–59), Disaggregated



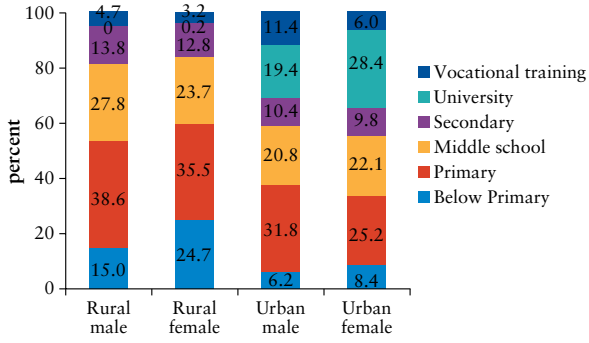
Source: World Bank 2012d; 2012e.
Note: Figure refers to all NEETs aged 30–59.

Figure A3.3. NEET by Region



Source: World Bank 2012d; 2012e.
Note: Figure refers to all NEETs.

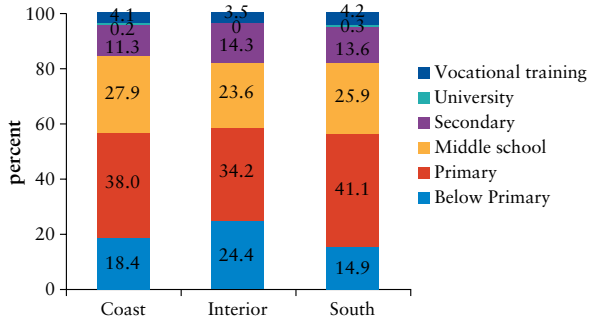
Figure A3.4. Highest Education Among NEETs by Gender (Ages 15–29), Disaggregated



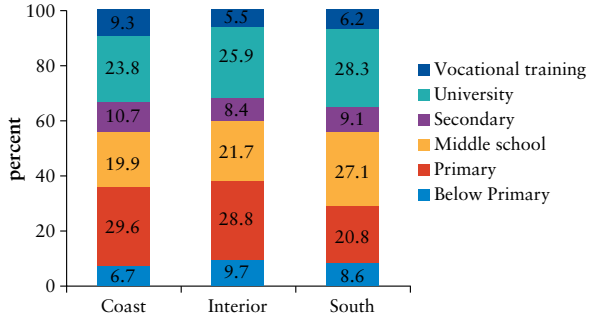
Source: World Bank 2012d; 2012e.
Note: Figure refers to all NEETs aged 15–29.

Figure A3.5. Highest Education among NEETs by Region (Ages 15–29)

a. Rural



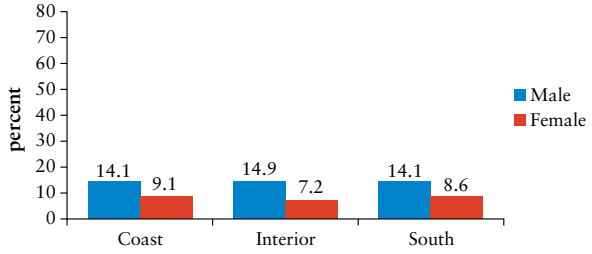
b. Urban



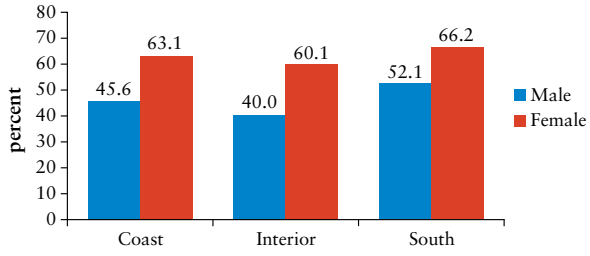
Source: World Bank 2012d; 2012e.
Note: Figure refers to all NEETs.

Figure A3.6. NEETs Registered as Unemployed by Region

a. Rural



b. Urban



Source: World Bank 2012d; 2012e.
Note: Figure refers to all NEETs.

Table A3.1. Probit Model of Early School Leaving

Explanatory Variables	Urban Tunisia			Rural Tunisia		
Female	-0.3551***	-0.3685***	-0.4262***	-0.2608***	-0.2459***	-0.2617***
	(0.0669)	(0.0695)	(0.0725)	(0.0511)	(0.0516)	(0.0524)
Primary Completed*		-0.5171***	-0.2838**		-0.2079***	-0.0531
		(0.1249)	(0.1251)		(0.0585)	(0.0608)
Secondary Completed*		-1.2092***	-0.8645***		-0.4319***	-0.1559
		(0.1519)	(0.1569)		(0.1060)	(0.1090)
Tertiary Completed*		-1.3352***	-0.8738***		-0.9332***	-0.7071***
		(0.1456)	(0.1508)		(0.0999)	(0.1038)
Vocational Training Completed*		-0.7510***	-0.4287**		-0.5310***	-0.3689*
		(0.1931)	(0.1938)		(0.1977)	(0.1994)
2nd Wealth Quintile			-0.1460			-0.1339
			(0.1301)			(0.0871)
3rd Wealth Quintile			-0.4249***			-0.4382***
			(0.1251)			(0.0877)
4th Wealth Quintile			-0.6567***			-0.5604***
			(0.1289)			(0.0909)
5th Wealth Quintile (Richest)			-1.3011***			-0.8949***
			(0.1298)			(0.0934)
Interior	0.0208	-0.0902	-0.2921***	-0.1651***	-0.1490***	-0.3616***
	(0.0799)	(0.0843)	(0.0930)	(0.0561)	(0.0570)	(0.0618)
South	0.0842	-0.0215	-0.0650	-0.0656	-0.0292	-0.1356*
	(0.0770)	(0.0828)	(0.0851)	(0.0748)	(0.0757)	(0.0778)
Observations	1,934	1,934	1,934	2,758	2,758	2,758
Pseudo R-squared	0.0217	0.0958	0.1720	0.0142	0.0431	0.0774

Robust standard errors are in parentheses. * p<0.1, ** p<0.05, *** p<0.01
Note: Probit estimation. Dependent variable takes value 1 if the respondent did not complete secondary education; 0 otherwise. Single age dummies are included in the estimation but not shown. Reference categories are: Never Attended School or Primary Education not Completed, 1st Wealth Quintile (Poorest), Region Coast. Variables marked with an asterisk capture educational attainment of the most educated adult household member (aged 30 years or above).
Sample: Young people aged 19–29 years; youth currently in secondary education or below or in vocational training is excluded.

Annex 4. Economic Opportunities

Table A4.1. Determinants of Employment (Probit Model)

Explanatory Variables	Urban Tunisia				Rural Tunisia			
Female	-0.6288***	-0.6085***	-0.6076***	-0.5984***	-0.9781***	-0.9664***	-0.9650***	-0.9685***
	(0.0764)	(0.0772)	(0.0771)	(0.0773)	(0.0592)	(0.0596)	(0.0599)	(0.0603)
Primary Completed		0.3163**	0.4005**	0.3690**		0.2715***	0.3151***	0.2574***
		(0.1605)	(0.1653)	(0.1641)		(0.0808)	(0.0819)	(0.0836)
Secondary Completed		0.2570	0.4065**	0.3280*		0.0294	0.1027	-0.0002
		(0.1919)	(0.1967)	(0.1959)		(0.1070)	(0.1087)	(0.1111)
Tertiary Completed		0.0004	0.1650	0.0166		0.4592	0.8384	0.7672
		(0.1723)	(0.1802)	(0.1846)		(0.6191)	(0.6915)	(0.7032)
Vocational Training Completed		0.0993	0.2316	0.1058		-0.0377	0.0595	-0.0237
		(0.2036)	(0.2109)	(0.2146)		(0.1677)	(0.1680)	(0.1734)
Primary Completed Parent			-0.1797	-0.2139*			-0.0422	-0.1192*
			(0.1161)	(0.1189)			(0.0618)	(0.0642)
Secondary Completed Parent			-0.5282***	-0.5813***			-0.2534**	-0.3662***
			(0.1565)	(0.1594)			(0.1290)	(0.1351)
Tertiary Completed Parent			-0.3276**	-0.4279***			-0.6440***	-0.7674***
			(0.1514)	(0.1565)			(0.1445)	(0.1459)
Vocational Training Completed Parent			-0.3995*	-0.4396*			-0.4663*	-0.5261**
			(0.2231)	(0.2276)			(0.2632)	(0.2558)
2nd Wealth Quintile				0.0055				0.2710***
				(0.1247)				(0.0886)
3rd Wealth Quintile				-0.0315				0.4070***
				(0.1271)				(0.0929)
4th Wealth Quintile				0.1807				0.5020***
				(0.1324)				(0.0965)
5th Wealth Quintile (Richest)				0.3585**				0.5303***
				(0.1404)				(0.1070)
Interior	-0.3342***	-0.3389***	-0.3761***	-0.3365***	-0.3065***	-0.2770***	-0.2632***	-0.1236*
	(0.0909)	(0.0912)	(0.0923)	(0.0951)	(0.0626)	(0.0631)	(0.0636)	(0.0671)
South	-0.5477***	-0.5543***	-0.5864***	-0.5836***	-0.3129***	-0.3084***	-0.2911***	-0.2602***
	(0.0868)	(0.0871)	(0.0886)	(0.0898)	(0.0802)	(0.0803)	(0.0807)	(0.0817)
Observations	1,553	1,553	1,553	1,553	2,419	2,419	2,419	2,419
Pseudo R-squared	0.0765	0.0840	0.0919	0.0989	0.134	0.140	0.148	0.160

Robust standard errors are in parentheses. * p<0.1, ** p<0.05, *** p<0.01
Note: Probit estimation. Dependent variable takes value 1 if the respondent worked in the last 12 months; 0 otherwise. Single age dummies are included in the estimation but not shown. Reference categories are: Never Attended School or Primary Education not Completed, 1st Wealth Quintile (Poorest), Region Coast. Variables marked with "Parent" capture educational attainment of the most educated adult household member (aged 30 or older).
Sample: Young people aged 15–29; youth currently in education or in vocational training is excluded.

Table A4.2. Determinants of Wage Income (Heckman Selection Model)

Explanatory Variables	Urban Tunisia			Rural Tunisia		
Female	-0.3074***	-0.2862***	-0.2638***	0.1893***	0.1819***	0.1558**
	(0.0745)	(0.0801)	(0.0816)	(0.0680)	(0.0666)	(0.0627)
Primary Education Completed		0.2002	0.1473		0.0272	0.0163
		(0.1466)	(0.1454)		(0.0703)	(0.0683)
Secondary Education Completed		0.3918**	0.3056		0.3776***	0.3106***
		(0.1862)	(0.1887)		(0.0946)	(0.0922)
Tertiary Education Completed		0.6684***	0.5094***		0.1991	0.0409
		(0.1592)	(0.1603)		(0.2590)	(0.2411)
Vocational Training Completed		0.4629***	0.3396**		0.1156	0.0383
		(0.1604)	(0.1624)		(0.1267)	(0.1234)
2nd Wealth Quintile			-0.0646			-0.0688
			(0.0902)			(0.0740)
3rd Wealth Quintile			0.0369			0.0135
			(0.0853)			(0.0723)
4th Wealth Quintile			0.1821**			0.0529
			(0.0898)			(0.0771)
5th Wealth Quintile (Richest)			0.2645***			0.3193***
			(0.0974)			(0.0895)
Interior	-0.4678***	-0.4295***	-0.3651***	0.0912	0.0766	0.1365**
	(0.0904)	(0.0852)	(0.0871)	(0.0576)	(0.0575)	(0.0590)
South	-0.4780***	-0.3992***	-0.3826***	0.0264	0.0299	0.0423
	(0.0895)	(0.0920)	(0.0930)	(0.0861)	(0.0863)	(0.0814)
Observations	1,570	1,570	1,570	2,420	2,420	2,420

Robust standard errors are in parentheses. * p<0.1, ** p<0.05, *** p<0.01
Note: Estimation with Heckman sample selection correction. Dependent variable is logarithm of monthly wage. Single age dummies are included in the estimation but not shown. Reference categories are: Never Attended School or Primary Education not Completed, 1st Wealth Quintile (Poorest), Region Coast. Variables used in the selection equation of Heckman procedure are a set of dummy variables capturing educational attainment of the most educated adult household member (aged 30 or older): Never Attended School or Primary Education not Completed, Primary Education Completed, Secondary Education Completed, Vocational Training Completed, Tertiary Education Completed.
Sample: Young people aged 15–29; youth currently in education is excluded.

Table A4.3. Determinants of Informal Employment, Conditional on Being in Employment (Probit Model)

Explanatory Variables	Rural Tunisia			
Female	-0.6563***	-0.7160***	-0.7100***	-0.7141***
	(0.1073)	(0.1092)	(0.1097)	(0.1106)
Primary Completed		-0.4102**	-0.3963**	-0.3889**
		(0.1809)	(0.1822)	(0.1825)
Secondary Completed		-1.1626***	-1.1429***	-1.1025***
		(0.2133)	(0.2144)	(0.2148)
Vocational Training Completed		-0.6029*	-0.5720*	-0.5153
		(0.3232)	(0.3264)	(0.3299)
Primary Completed Parent			-0.1340	-0.0775
			(0.1051)	(0.1056)
Secondary Completed Parent			-0.0107	0.0437
			(0.2379)	(0.2476)
Tertiary Completed Parent			-0.1375	-0.0272
			(0.2876)	(0.2855)
Vocational Training Completed Parent			-0.4883	-0.3783
			(0.4678)	(0.4874)
2nd Wealth Quintile				0.0264
				(0.1813)
3rd Wealth Quintile				0.1609
				(0.1863)
4th Wealth Quintile				-0.2684
				(0.1778)
5th Wealth Quintile (Richest)				-0.2120
				(0.1878)
Interior	0.2491**	0.2634**	0.2519**	0.1952*
	(0.1060)	(0.1089)	(0.1081)	(0.1154)
South	0.1871	0.1758	0.1862	0.1389
	(0.1427)	(0.1485)	(0.1480)	(0.1478)
Observations	932	932	932	932
Pseudo R-squared	0.0601	0.103	0.105	0.116

Robust standard errors are in parentheses. * p<0.1, ** p<0.05, *** p<0.01
Notes: Probit estimation. Dependent variable takes value 1 if the respondent was informally employed in the last 12 months; 0 otherwise. Age dummies are included in the estimation but not shown. Reference categories are: Never Attended School or Primary Education not Completed, 1st Wealth Quintile (Poorest), Region Coast. Variables marked with "Parent" capture educational attainment of the most educated adult household member (aged 30 or older). Tertiary university excluded in rural areas due to sample size.
Sample: Young people aged 15–29 years in employment over the last 12 months; youth currently in education or in vocational training is excluded.

Table A4.4. Determinants of Educational Attainment (Ordered Probit)

Explanatory Variables	Urban Tunisia			Rural Tunisia		
Female	0.1115*	0.1008*	0.1400**	-0.2125***	-0.2210***	-0.2038***
	(0.0596)	(0.0601)	(0.0607)	(0.0453)	(0.0452)	(0.0451)
Primary Not Completed Parent		-0.6485**	-0.4124		0.0099	-0.0793
		(0.2666)	(0.2660)		(0.0737)	(0.0743)
Primary Completed Parent		-0.1773	-0.0609		0.2293***	0.0816
		(0.2566)	(0.2550)		(0.0618)	(0.0634)
Middle School Completed Parent		0.1394	0.1327		0.4889***	0.3245***
		(0.2606)	(0.2578)		(0.0843)	(0.0851)
Secondary Completed Parent		0.4633*	0.4648*		0.5283***	0.3118***
		(0.2680)	(0.2663)		(0.1117)	(0.1136)
Tertiary Completed Parent		0.6339**	0.5109*		0.9487***	0.7321***
		(0.2660)	(0.2638)		(0.1059)	(0.1085)
Vocational Training Completed Parent		0.1987	0.1937		0.7284***	0.6177***
		(0.2891)	(0.2851)		(0.1994)	(0.2039)
2nd Wealth Quintile			0.2001**			0.2987***
			(0.0947)			(0.0705)
3rd Wealth Quintile			0.3744***			0.5523***
			(0.0975)			(0.0731)
4th Wealth Quintile			0.6384***			0.6216***
			(0.0990)			(0.0771)
5th Wealth Quintile (Richest)			1.1567***			0.7826***
			(0.1054)			(0.0847)
Interior	-0.0671	0.0498	0.2002**	-0.0830*	-0.0941*	0.1081**
	(0.0733)	(0.0756)	(0.0806)	(0.0489)	(0.0494)	(0.0527)
South	0.0433	0.1181*	0.1370*	0.1070*	0.0872	0.1440**
	(0.0673)	(0.0686)	(0.0700)	(0.0584)	(0.0595)	(0.0612)
Observations	1,658	1,658	1,658	2,436	2,436	2,436
Pseudo R-squared	0.0344	0.0738	0.108	0.0155	0.0339	0.0515

Robust standard errors are in parentheses. * p<0.1, ** p<0.05, *** p<0.01
Note: Ordered probit estimation. Dependent variable is educational attainment measured by five categories. Categories in urban sample are: Never Attended School or Primary Education not Completed, Primary Education Completed, Middle School Completed, Secondary Education or Vocational Training Completed, Tertiary Education Completed. Categories in rural sample are: Never Attended School, Primary Education not Completed, Primary Education Completed, Middle School Completed, Secondary or Tertiary Education or Vocational Training Completed. Single age dummies are included in the estimation but not shown. Reference categories are: Never Attended School, 1st Wealth Quintile (Poorest), Region Coast. Variables marked with "Parent' capture educational attainment of the most educated adult household member (aged 30 or older).
Sample: Young people aged 15–29; youth currently in education is excluded.

Table A4.5. Determinants of Wage Income by Sector (Least Squares)

Variables	Urban Tunisia				
Age	0.2863**	0.2217	0.2342*	0.2253*	0.2374*
	(0.1390)	(0.1390)	(0.1378)	(0.1365)	(0.1363)
Age squared	-0.0045	-0.0035	-0.0038	-0.0037	-0.0040
	(0.0029)	(0.0029)	(0.0029)	(0.0029)	(0.0028)
Female	-0.0859	-0.1249**	-0.2108***	-0.2083***	-0.2560***
	(0.0535)	(0.0511)	(0.0528)	(0.0488)	(0.0506)
Skilled		0.3963***	0.3573***	0.3231***	0.3025***
		(0.0514)	(0.0535)	(0.0517)	(0.0548)
Construction			0.1603		0.1725
			(0.1543)		(0.1501)
Industry			0.3991***		0.3259**
			(0.1454)		(0.1426)
Services			0.2625*		0.2503*
			(0.1448)		(0.1414)
Public Service			0.4571***		0.3516**
			(0.1484)		(0.1454)
Informal Employment				-0.3156***	-0.2790***
				(0.0497)	(0.0517)
Interior	-0.3432***	-0.3355***	-0.3282***	-0.3116***	-0.3090***
	(0.0726)	(0.0697)	(0.0679)	(0.0659)	(0.0647)
South	-0.2307***	-0.1979***	-0.1297*	-0.1446**	-0.1002
	(0.0686)	(0.0682)	(0.0726)	(0.0684)	(0.0712)
Observations	748	748	748	748	748
R-squared	0.1979	0.2620	0.2865	0.3026	0.3158

(continued

Table A4.5. Continued

Variables	Rural Tunisia				
Age	0.2180***	0.1836**	0.1823**	0.1583**	0.1632**
	(0.0815)	(0.0803)	(0.0801)	(0.0792)	(0.0796)
Age squared	-0.0042**	-0.0037**	-0.0037**	-0.0032*	-0.0033**
	(0.0017)	(0.0017)	(0.0017)	(0.0017)	(0.0017)
Female	-0.1894***	-0.2371***	-0.2805***	-0.2941***	-0.3054***
	(0.0455)	(0.0438)	(0.0482)	(0.0465)	(0.0489)
Skilled		0.3124***	0.2383***	0.2601***	0.2147***
		(0.0463)	(0.0493)	(0.0460)	(0.0483)
Construction			0.0592		0.0590
			(0.0594)		(0.0591)
Industry			0.1981***		0.1359**
			(0.0571)		(0.0574)
Services			0.2160***		0.1743***
			(0.0603)		(0.0602)
Public Service			0.4363***		0.3378***
			(0.0943)		(0.0953)
Informal Employment				-0.2587***	-0.1915***
				(0.0474)	(0.0483)
Interior	-0.0749*	-0.1049**	-0.0889**	-0.0839**	-0.0793*
	(0.0421)	(0.0412)	(0.0406)	(0.0414)	(0.0407)
South	-0.1706**	-0.1769***	-0.2043***	-0.1623**	-0.1874***
	(0.0674)	(0.0670)	(0.0660)	(0.0662)	(0.0660)
Observations	935	935	935	935	935
R-squared	0.0469	0.0951	0.1294	0.1263	0.1443

Robust standard errors are in parentheses. * p<0.1, ** p<0.05, *** p<0.01
Note: Dependent variable is logarithm of monthly wage. Reference categories are: Sector Agriculture, Region Coast.
Sample: Young people aged 15–29 who earned wage in the last 12 months (rural sample) or in the last seven days (urban sample); youth currently in education is excluded.

Table A4.6. Determinants of Self-Employment, Conditional on Being in Employment (Probit Model)

Explanatory Variables	Urban Tunisia				Rural Tunisia			
Female	-0.9099***	-0.8903***	-0.9062***	-0.9066***	-0.2168*	-0.2170*	-0.2325*	-0.2463*
	(0.1717)	(0.1722)	(0.1703)	(0.1696)	(0.1312)	(0.1310)	(0.1297)	(0.1350)
Primary Completed		-0.1445	-0.2068	-0.2237		0.0797	0.0475	-0.0085
		(0.2821)	(0.2845)	(0.2846)		(0.1610)	(0.1623)	(0.1635)
Secondary Completed		-0.2379	-0.3461	-0.3359		0.0362	0.0057	-0.1219
		(0.3497)	(0.3406)	(0.3402)		(0.2191)	(0.2221)	(0.2337)
Tertiary Completed		-0.8450***	-0.9766***	-1.0008***				
		(0.3245)	(0.3332)	(0.3507)				
Vocational Training Completed		-0.0700	-0.1756	-0.1926		0.3775	0.3343	0.1772
		(0.3569)	(0.3540)	(0.3594)		(0.3188)	(0.3223)	(0.3213)
Primary Completed Parent			0.1833	0.1568			0.1754	0.1258
			(0.1945)	(0.1940)			(0.1153)	(0.1176)
Secondary Completed Parent			0.3437	0.3064			0.3801*	0.2770
			(0.2873)	(0.2793)			(0.2305)	(0.2267)
Tertiary Completed Parent			0.2958	0.2514			-0.0961	-0.2294
			(0.2747)	(0.2706)			(0.3333)	(0.3383)
Vocational Training Completed Parent			0.2745	0.3135			0.4578	0.2869
			(0.3941)	(0.4070)			(0.4670)	(0.4261)
2nd Wealth Quintile				-0.2049				-0.1367
				(0.2280)				(0.1840)
3rd Wealth Quintile				0.1084				-0.1362
				(0.2191)				(0.1919)
4th Wealth Quintile				0.0582				0.1059
				(0.2071)				(0.1920)
5th Wealth Quintile (Richest)				-0.0026				0.4959**
				(0.2404)				(0.1989)
Interior	0.1637	0.1182	0.1445	0.1553	-0.3402***	-0.3497***	-0.3399***	-0.2682**
	(0.1717)	(0.1750)	(0.1768)	(0.1847)	(0.1130)	(0.1150)	(0.1155)	(0.1257)
South	0.3792**	0.3447**	0.3548**	0.3420**	-0.5123***	-0.5194***	-0.5308***	-0.4813***
	(0.1651)	(0.1687)	(0.1701)	(0.1702)	(0.1701)	(0.1682)	(0.1712)	(0.1763)
Observations	719	719	719	719	929	929	929	929
Pseudo R-squared	0.0819	0.1060	0.1100	0.1140	0.0257	0.0276	0.0341	0.0599

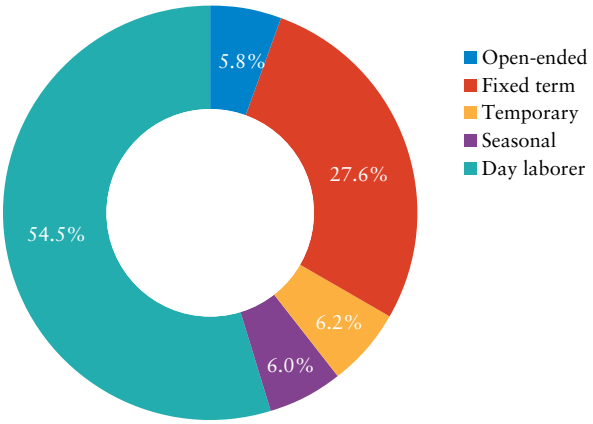
Robust standard errors are in parentheses. * p<0.1, ** p<0.05, *** p<0.01

Note: Probit estimation. Dependent variable takes value 1 if the respondent was self-employed in the last 12 months (rural sample) or in the last seven days (urban sample); 0 otherwise. Age dummies are included in the estimation but not shown. Reference categories are: Never Attended School or Primary Education not Completed, 1st Wealth Quintile (Poorest), Region Coast. Variables marked with "Parent" capture educational attainment of the most educated adult household member (aged 30 or older).

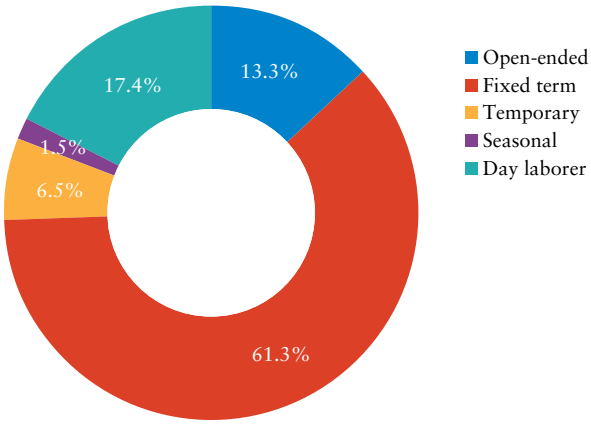
Sample: Young people aged 15–29 in employment over the last 12 months; youth currently in education or in vocational training is excluded.

Figure A4.1. Contract Type of Employed Adults (Aged 30–59)

a. Rural

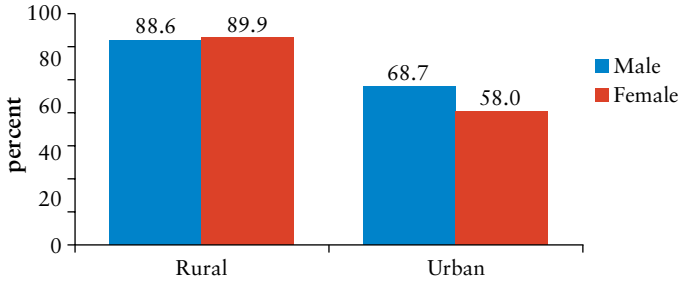


b. Urban



Source: World Bank 2012d; 2012e.
Note: Figure only refers to working adults and excludes self-employed adults.

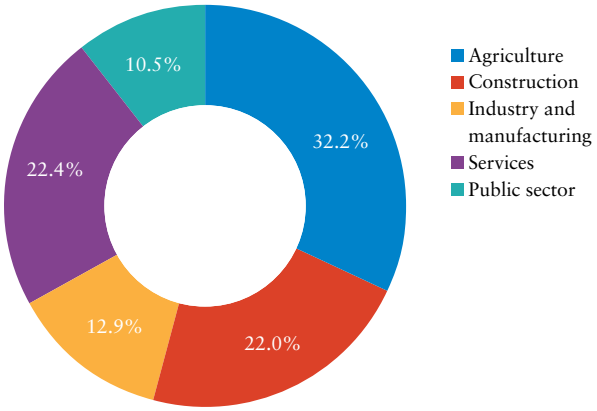
Figure A4.2. Adult Employment in Low-Productivity Sectors



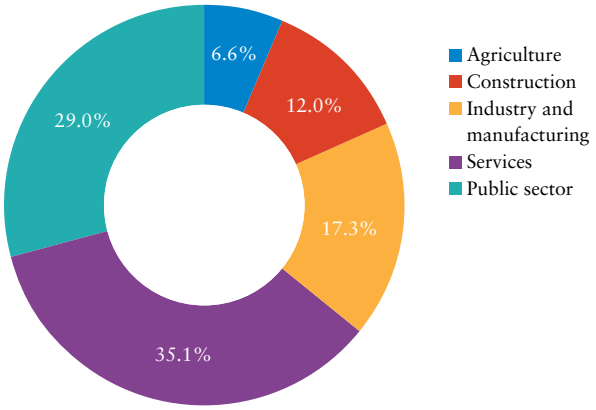
Source: World Bank 2012d; 2012e.
Note: Figure only refers to working adults and excludes self-employed adults.

Figure A4.3. Adult Employment by Sector

a. Rural



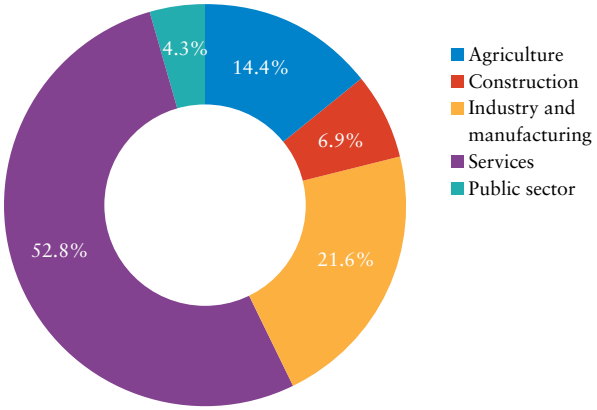
b. Urban



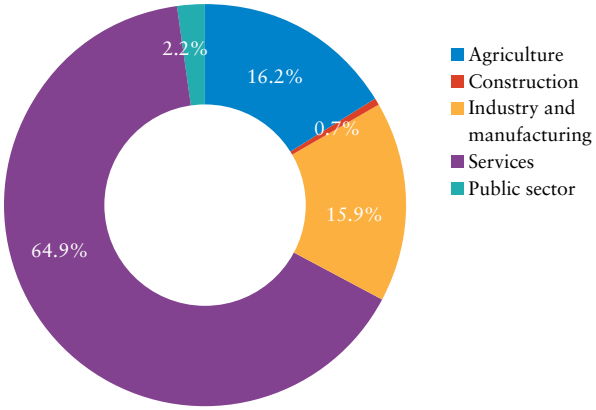
Source: World Bank 2012d; 2012e.
Note: Figure only refers to working adults and excludes self-employed adults. The agricultural sector includes jobs in the food processing industry.

Figure A4.4. Intention to Work in Public Sector

a. Rural

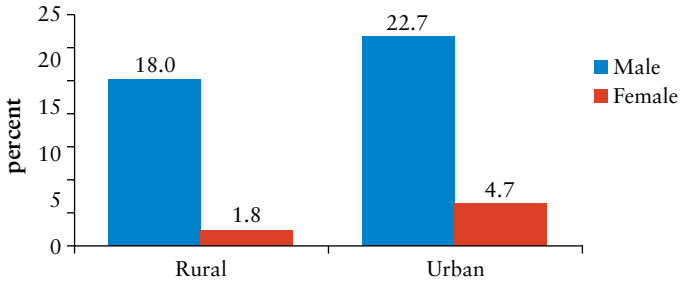


b. Urban



Source: World Bank 2012d; 2012e.

Figure A4.5. Adult Self-Employment—Rural Versus Urban

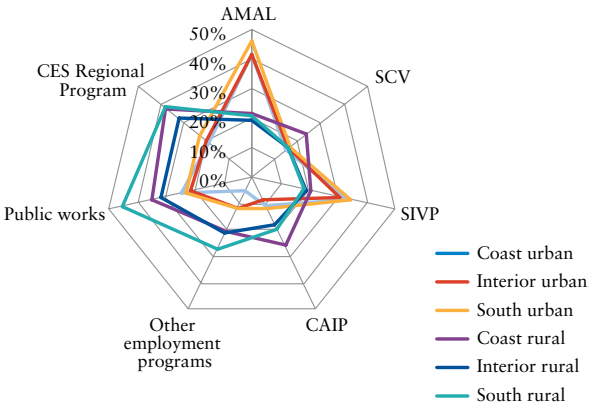


Source: World Bank 2012d; 2012e.
Note: Figure excludes all youth enrolled in education or training programs.

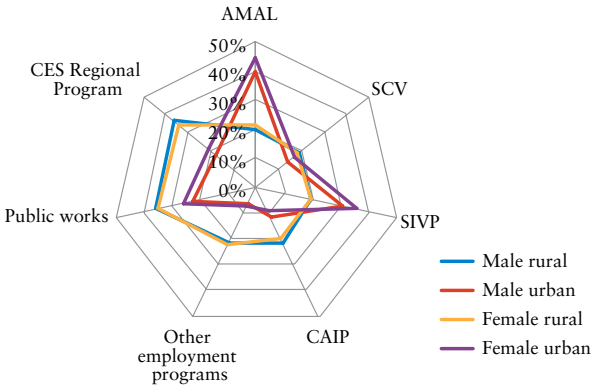
Annex 5. Skills for Employment and Other Youth Services

Figure A5.1. Awareness of Active Labor Market Programs by Region and Gender

a. Region

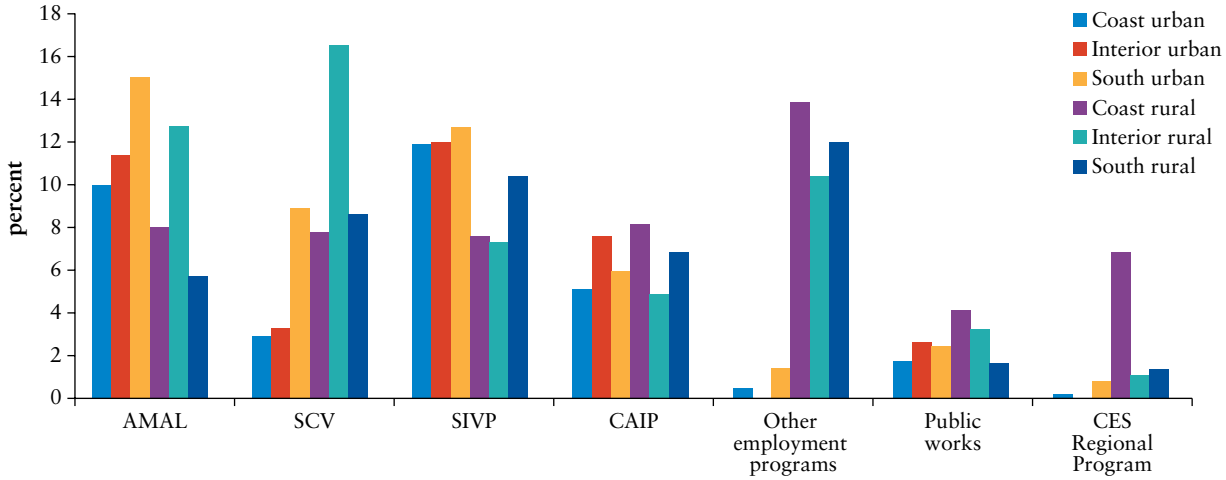


b. Gender



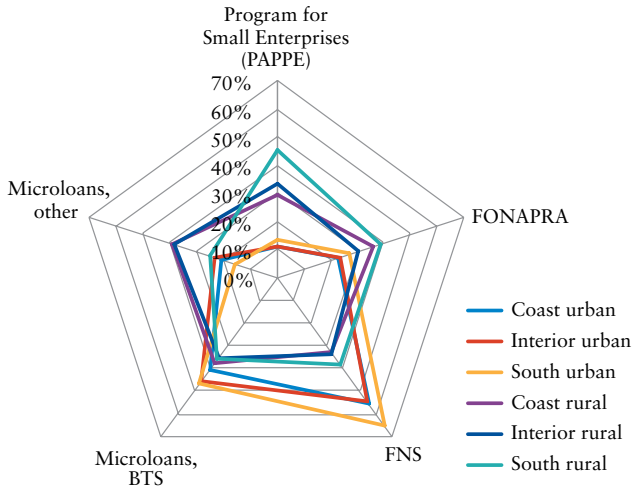
Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

Figure A5.2. Take-Up of Active Labor Market Programs by Region



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

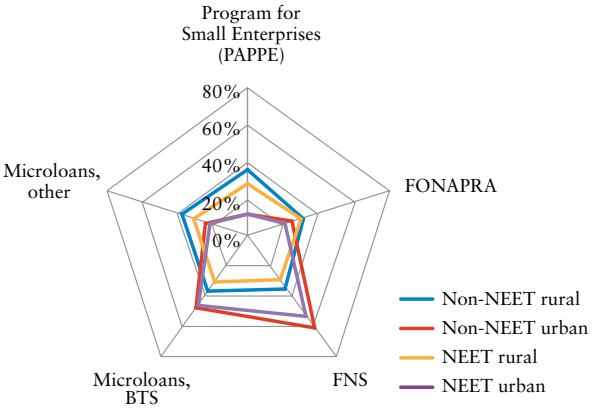
Figure A5.3. Awareness of Entrepreneurship Programs by Region



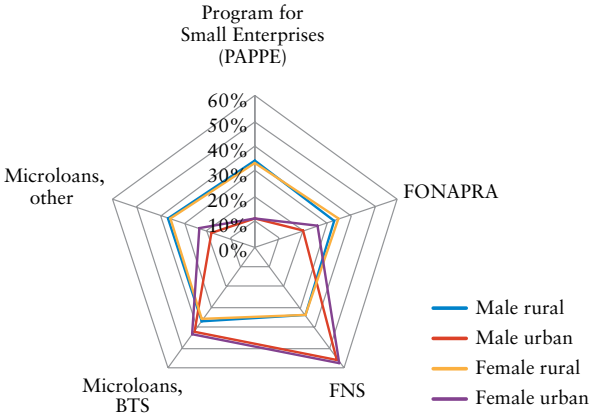
Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

Figure A5.4. Awareness of Entrepreneurship Programs by NEET and Gender

a. NEET

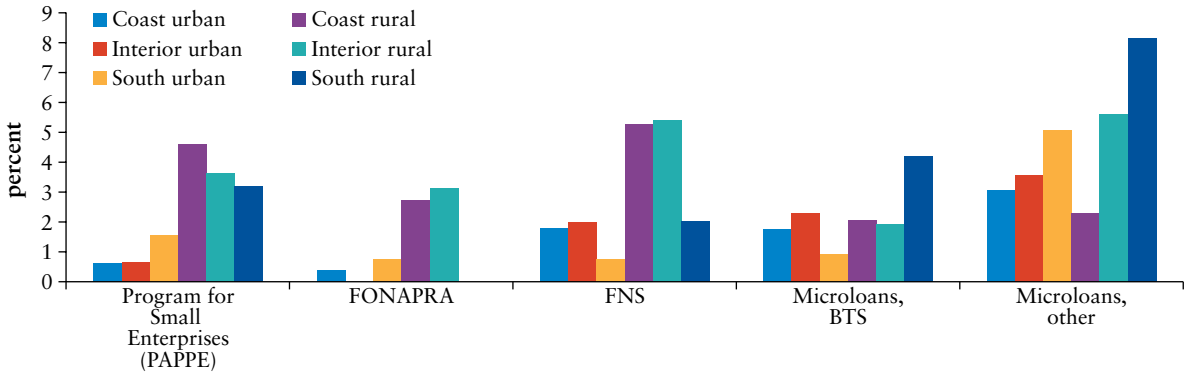


b. Gender



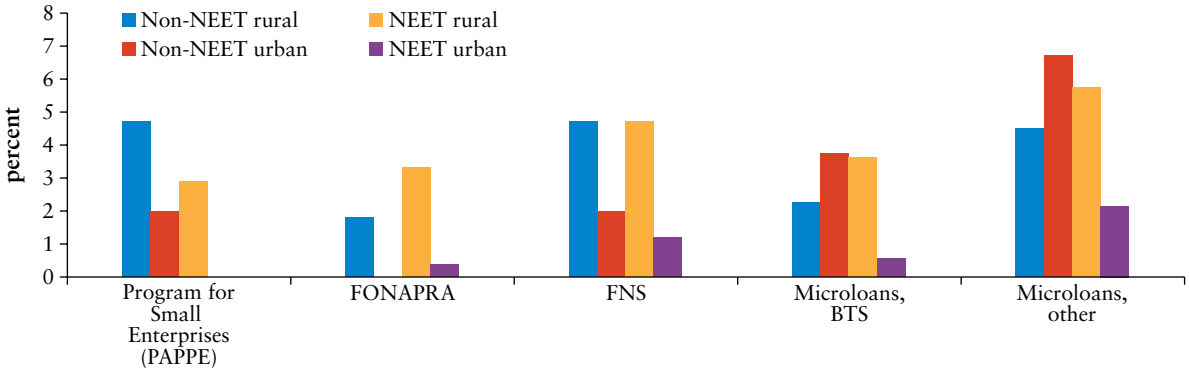
Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

Figure A5.5. Take-Up of Entrepreneurship Programs by Region



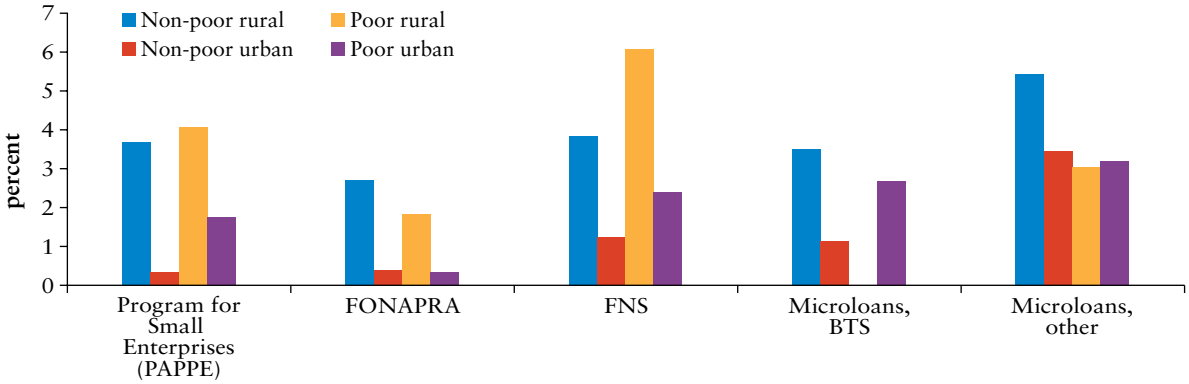
Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

Figure A5.6. Take-Up of Entrepreneurship Programs by NEET



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

Figure A5.7. Take-Up of Entrepreneurship Programs by Poverty



Source: World Bank 2012d; 2012e.
Note: Figure refers to all youth.

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