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 degreeholders 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 Program⁷ 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 Program⁸ 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 softskills 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 NEETsis 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.



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.

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 onequarter 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 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 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



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.

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 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)



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

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

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

Figure 5.7. Awareness of Entrepreneurship Programs— Urban Versus Rural



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

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 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 FON-APRA 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.

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,

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



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



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.

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.

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 project¹⁹ 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 benefiting 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.

Establish Integrated Local Youth-Friendly Services with Youth Participation

Integrated Local Youth-Friendly Services offering a onestop 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 5.1. 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.

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

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.

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 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 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

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

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

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

Figure 5.11. Matrix of Labor Market Interventions

Source: Adapted from Cunningham et al. 2010.

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.

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-thejob 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.