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The role of social protection in young people's transition to work in the Middle East and North Africa

Nicolò Bird and Wesley Silva, International Policy Centre for Inclusive Growth (IPC-IG)



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Research Report No. 41

The role of social protection in young people's transition to work in the Middle East and North Africa (MENA)

By Nicolò Bird and Wesley Silva

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United Nations Development Programme and the United Nations Children's Fund

International Labour Organisation

This publication is one of the outputs of the UN to UN agreement between the International Policy Centre for Inclusive Growth (IPC-IG) and the United Nations Children's Fund (UNICEF) Middle East and North Africa Regional Office (MENARO).

The International Policy Centre for Inclusive Growth (IPC-IG) is a partnership between the United Nations and the Government of Brazil to promote South–South learning on social policies. The IPC-IG is linked to the United Nations Development Programme (UNDP) in Brazil, the Ministry of Economy (ME) and the Institute for Applied Economic Research (Ipea) of the Government of Brazil.

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Suggested citation: Bird, N. and W. Silva. 2020. *The role of social protection in young people's transition to work in the Middle East and North Africa (MENA)*. Research Report No. 41. Brasília and Amman: International Policy Centre for Inclusive Growth and UNICEF Middle East and North Africa Regional Office.

ISSN: 2526-0499



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BRAZILIAN GOVERNMENT

**THE ROLE OF SOCIAL PROTECTION IN YOUNG
PEOPLE'S TRANSITION TO WORK IN THE
MIDDLE EAST AND NORTH AFRICA**

ACKNOWLEDGEMENTS

This study is part of a series of knowledge products focusing on non-contributory social protection in the Middle East and North Africa (MENA) region that were produced by a partnership between the International Policy Centre for Inclusive Growth (IPC-IG) and UNICEF Middle East and North Africa Regional Office (MENARO). This study is also being finalised in collaboration with UNICEF MENARO and the International Labour Organization (ILO)'s Regional Office in the Arab States (ROAS).

This report consists in the analysis of an inventory of publicly provided social protection programmes to promote young people's transition to work in the MENA region. It is based on an extensive review of official government documents and websites, reports and relevant documents produced by international organisations, and academic papers. All documents used in this inventory are listed in the references section. UNICEF Country Offices in the region have helped validate and update programme-level information and have provided contextual information that has contributed to the overall analysis and to the country-specific profiles included in the report.

We would like to express our appreciation to Buthaina Al-Iryani (UNICEF MENARO), Luca Pellerano (ILO ROAS), UNICEF MENARO, especially Samman Thapa and Momo Duehring, and ILO ROAS—particularly Patrick Daru, Tariq Haq and Aya Jaafar—for comments, suggestions and support throughout the elaboration of this report. We would also like to thank the following UNICEF Country Office teams for their valuable contributions: Egypt, Iran (Islamic Republic of), Iraq, Jordan, Lebanon and Morocco.

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ACRONYMS AND ABBREVIATIONS

ALMP	Active Labour Market Policy
ANAPEC	<i>Agence Nationale de Promotion de l'Emploi et des Compétences.</i>
CCT	Conditional Cash Transfer
CT	Cash Transfer
E-TVET	TVET Policy that is part of the Educational System
GDP	Gross Domestic Product
ILO	International Labour Organisation
ILO SWTS	ILO School-to-Work Transition Surveys
IPC-IG	International Policy Centre for Inclusive Growth
LAC	Latin America and the Caribbean
LFP	Labour Force Participation
MENA	Middle East and North Africa
MoE	Ministry of Education
MoL	Ministry of Labour
MSMEDA	Micro, Small and Medium Enterprise Development Agency
NEET	Neither in Employment, Education or Training
OECD	Organisation for Economic Cooperation and Development
PES	Public Employment Service
PLMP	Passive Labour Market Policy
PWP	Public Works Programme
RCT	Randomised Control Trial
SWT	School-to-Work Transition
TVET	Technical and Vocational Education and Training
TVTO	Technical and Vocational Training Organisation
UBI	Universal Basic Income
UCT	Unconditional Cash Transfer
UI	Unemployment Insurance
UISA	Unemployment Insurance Saving Account
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNESCWA	United Nations Economic and Social Commission for Western Asia
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nation Children's Fund
UNICEF MENARO	UNICEF MENA Regional Office
YPTW	Young People's Transition to Work

GLOSSARY

Active labour market policies (ALMPs): Programmes that reduce the risk of unemployment and increase the earnings capacity of workers; and help or encourage unemployed people into work. Examples include job training, employment services, employment stimulus and activation strategies.

'Cash plus' programmes: Cash transfers that are complemented with additional inputs, service components or linkages to external services.

Demographic dividend: A period in which the working-age population has good health, quality education, decent employment and a lower proportion of young dependents.

'Graduation' approach: Aims to provide a sequenced and intensive package of support to very poor people, with the objective of facilitating their movement out of poverty towards resilient and sustainable livelihoods.

Passive labour market policies (PLMPs): Programmes that alleviate the financial needs of unemployed people but do not address employability directly (for example, unemployment insurance and income support).

Private sector incentives: A category of ALMPs, of which wage subsidies are the most common type. These programmes are mainly aimed at creating incentives for employers and/or workers to engage in work. Wage subsidies can take the form of a direct wage subsidy to employers or a time-limited financial incentive to workers. These programmes frequently target the long-term unemployed and/or disadvantaged youths. Another type of private sector incentive are self-employment grants, which may include advisory support for a period of time.

Public sector incentives: A category of ALMPs, consisting mainly of public works programmes (PWPs) or any other activities that produce public goods or services. These measures commonly target disadvantaged individuals to keep them in touch with the labour market. These incentives are sometimes treated separately from other ALMPs since they do not directly promote private sector employment. In this review, however, PWPs and other public sector incentives are included as a type of ALMP.

Search and matching services: A category of ALMPs which comprises all measures aimed at job search efficiency. This includes job search courses, vocational guidance, job matching services, counselling and monitoring, and sanctions in the case of non-compliance.

Technical and Vocational Training programmes: These encompass ALMPs, such as classroom training, on-the-job training and work experience. They can provide either a more general education and basic skills, or more technical and advanced vocational training.

EXECUTIVE SUMMARY

This report analyses the role of social protection in promoting young people's transition to work (YPTW) in the Middle East and North Africa (MENA) region. It is expected that during the first half of this century, a large proportion of the population in the region will move into their most productive years, creating the opportunity of realising a demographic dividend. However, this will not be achieved without ensuring that an enabling environment is in place for promoting YPTW. Building a stronger mandate and environment focusing on young people and their transition to work not only has the potential of improving labour market and economic outcomes, it can also lead to stronger ties in societies and thus improve the social fabric and lower political unrest.

Making sure young people are provided with adequate knowledge, skills and support to successfully integrate into the labour market is a major concern across the region. Increased importance is being placed in providing decent employment opportunities for youth to guarantee social, political and economic cohesion. The growing youth population presents “a historic opportunity to invest in human capital by improving access to education, health and protection and enhancing the prospects for inclusive employment” (UNICEF 2019a, 25).

To complement education policy, social protection—including labour market policies—can play a crucial role in supporting YPTW. This can be accomplished in several ways: social assistance and social insurance can protect youth by mitigating the effects of unemployment and providing resources for livelihood creation, while labour market policies have the potential to increase young people's chances in the job market by building capacity and creating better conditions for youth employment.

This report has three main objectives. The **first** is to analyse social protection's potential role in promoting better transitions to work, particularly for young people from disadvantaged backgrounds. Such policies can serve as an integral component in achieving **Target 1.3 of the Sustainable Development Goals (SDGs)**: “implementing nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.”

The **second** is to empirically analyse YPTW in the MENA region. This involves examining data on the relationships between socio-economic conditions and employment outcomes, as well as reviewing existing research from both academic and policy literatures on the key issues and determinants to YPTW in the region. The **third objective** of this study is to analyse, through a programme mapping, current regional social protection schemes and policies enacted by national governments to promote employment for young people. All these objectives are part of the broader goal of achieving **SDG Target 4.4**: “by 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship”.

Main findings

Chapter 2 reviews the global evidence on how effective social protection programmes are in promoting employment opportunities, especially the links between ALMPs and YPTW. Evidence from the literature review shows that labour market and livelihood programmes can lead to positive impacts on income and employment, especially when targeting poor and vulnerable groups. Design and sequencing of activation policies can significantly impact employment outcomes, with best practices suggesting to start with job-search services, given that these services tend to be less expensive to provide and are more likely to be effective in the short term; and later move on to training programmes, which are more expensive, but yield positive effects in the medium to long term due to skills and human capital formation. Details on the empirical evidence of best practices are provided in Section 2.4.

Chapter 3 consists of an empirical diagnosis on YPTW in MENA. Both macro and micro data on labour market outcomes demonstrate the many challenges of the region, which include high youth unemployment,

high inactivity among young women, the prevalence of informal employment, and few opportunities for young people to transition into decent and stable jobs. The chapter also provides summary evidence on the relationships between socio-demographic characteristics—in terms of age, gender, family background, geographic area, and level of education—and labour market outcomes. The findings highlight how background characteristics strongly impact employment outcomes.

Chapter 4 provides a literature review of key issues affecting youth unemployment and transitions to work in the MENA region. After discussing social and economic challenges facing youth employment, the chapter turns to the role of social protection. Almost half of ALMPs delivered by public employment agencies in MENA target high-skilled unemployed individuals and have largely been developed in response to increasing unemployment among university graduates. Women tend to be widely underrepresented in these programmes. This chapter also reviews the empirical evidence on the effectiveness of social protection programmes in MENA. Findings include that: (i) entrepreneurship programmes that target marginalised groups (women and people from poorer regions) have potentially strong returns (Egypt); (ii) programmes composed of different interventions are more likely to be successful than stand-alone programmes (Egypt); (iii) humanitarian cash transfers for migrants and internally-displaced persons can play an important role in reducing risk and vulnerability among beneficiaries (Lebanon); and (iv) conflict and political instability strongly jeopardise the potential benefits of activation programmes (Egypt and Yemen).

Annex I presents the **Country Case Studies for MENA**. This annex maps current social protection strategies, measures, and policies that promote YPTW for national governments from six countries: Egypt, Iran, Iraq, Jordan, Lebanon and Morocco. While there are signs that governments are increasingly adopting new programmes to promote employability, it is often not clear how different programmes are coordinated, while little information is available assessing how effective the different initiatives are in generating new employment opportunities. Moreover, linkages between ALMPs and social assistance or social insurance programmes are largely weak. However, there are encouraging new programmes and reforms being adopted across the different countries that are worth highlighting. New specialised bodies administering technical and vocational education and training (TVET) and integrated services have recently been established (e.g., the ETVET Fund in Jordan, the TVTO in Iran, and the MSMEDA in Egypt), while other countries have extended the importance of existing institutions (e.g., ANAPEC in Morocco). In terms of improved measurement and evaluation, an interesting initiative is Jordan's National Social Protection Strategy (2019-25), which includes information of previous programmes with empirical and critical assessments of their effectiveness. Lastly, *Forsa* in Egypt is a programme which targets current and previous recipients of anti-poverty conditional cash transfers (CCTs) and unconditional cash transfers (UCTs) to promote 'graduation' into the workforce. *Forsa* represents an interesting example for how to promote integrated social protection approaches that combine income support and activation opportunities into a single framework.

Recommendations

Chapter 5 includes **policy recommendations** that summarise the main takeaways for policymakers based on the general findings from this study. The following recommendations are intended for governments as well as researchers and those involved in policy advocacy to promote social protection policies that promote YPTW, especially among poor and vulnerable groups.

Use evidence-based results and best practices to identify what works with ALMPs for YPTW

- **Understand the properties of different ALMPs, recognise which labour market barriers they are more likely to address, and identify potential beneficiaries.** ALMPs are only effective if they address specific employability issues. Search and matching services are unlikely to lead to work for jobseekers with severe

skill deficits. Conversely, training programmes are inefficient if jobseekers simply need guidance of available opportunities. Considering the high levels of youth unemployment in MENA, ensuring that the right type of programme is diagnosed is important to maximise the efficiency of ALMPs.

- **Target labour market programmes at poor and vulnerable groups. Results from report show that programmes aimed at disadvantaged groups often have positive impacts and should be supported.** Guaranteeing that ALMPs are also tailored to the needs and capabilities of poor and vulnerable groups is an important challenge for public policy in MENA. Customised approaches with integrated services for vulnerable populations should be highlighted in order to better understand different needs.
- **Prioritise the measurement and evaluation of labour market programmes in MENA.** In the future, policymakers in MENA need to adopt better and more critical Measurement and Evaluation frameworks to assess the outcomes of different programmes instead of relying simply on summary information that says little about programme effectiveness. This includes systematic analysis of ALMPs to assess who is excluded *de jure* and/or *de facto*, and who is participating in ALMPs but not benefiting from them in order to improve the inclusiveness of these interventions.

Strengthen the mandate of social protection and labour market programmes in MENA

- **Increase spending on ALMPs and complementary policies to promote employment in MENA.** Public spending by MENA countries on ALMPs should be increased to account for rising youth unemployment. Comparisons with European countries show that MENA countries significantly underinvest in activation programmes as a percentage of gross domestic product (GDP). Increased spending on ALMPs is crucial considering the economic, social and political challenge that youth employment represents to the region.
- **Improve synergies across existing ALMPs to avoid fragmentation.** ALMPs in MENA generally suffer from programme and institutional fragmentation, often leading to duplication and inefficiencies. More needs to be done to simplify and consolidate existing public ALMPs into an integrated framework, with clear mandates for the different entities involved to simplify and strengthen programme delivery and inter-institutional coordination.
- **Create linkages between ALMP, social assistance and social insurance schemes, and build institutional and administrative capacity in order to promote social protection for YPTW.** Solutions that successfully integrate multiple types of interventions –i.e. non-contributory schemes, activation programmes and non-contributory schemes– are more likely to lead to stronger and lasting outcomes. These can be achieved by integrating programmes that promote employment and employability into existing social protection frameworks (especially with social assistance and social insurance programmes), but also ensuring ALMPs promote access to social insurance, and promoting compatibility and transition between social assistance and social insurance. By creating integrated frameworks, social protection systems can contribute towards an approach that guarantees coverage over the life cycle. Case studies from developing and emerging countries show how schemes that combine, for instance, cash transfers with public employment schemes or unemployment insurance with training programmes are viable policy solutions to simultaneously provide income support while promoting activation. Administrative steps to address these issues include creating beneficiary registries, cash delivery mechanisms, and unified targeting approaches.
- **Lastly, social protection programmes alone are an insufficient policy instrument to promote employment on a macro-level.** New and complementary policies need to be implemented to help promote job growth. This includes considerations on the demand side of the labour market, with business development

strategies for job creation, but also on improved human resource capacity for decent work, including for enterprises to attract, and retain the talents they need to grow. Promoting firm dynamism and innovation is another challenge for many MENA countries, and involves developing a more complex understanding of strategic economic sectors—considering both demand and supply-side issues—to provide inclusive and sustainable employment opportunities for the future.

Support the education, TVET and E-TVET systems

- **Strengthen the general educational system and curriculum to guarantee a basic quality educational level for all students.** ALMPs are not a substitute for education policy. Lower secondary education completion is often necessary to obtain both the foundational and transferable skills for finding work with decent wages. ALMPs are more likely to be successful in situations where education systems are stronger and better equipped to prepare young people for employment.
- **Introduce or reinforce existing social protection programmes that contribute to prevent school dropouts, especially among more vulnerable children.** Children dropping out of school leads to important losses in human capital that are neither easily nor cost-effectively recovered. Issues of adequacy and complementarity between educational services, and the provision of cash transfers need to be assessed more carefully. Moreover, child labourers require specific integrated interventions with education and livelihood and social support that is coordinated through a referral system.
- **Equip TVET to improve, and better match, the supply and demand of skills in the labour market.** TVET providers should frequently update their curricula based on the skills that are demanded in the labour market, bearing in mind how regional, gender and prior educational attainment can all operate as determinants and/or barriers in accessing work. TVET programmes that build partnerships with the private sector in MENA tend to have more positive impacts on employment, meanwhile quality apprenticeships are an efficient tool to ensure that the skills acquired are market relevant.
- **Promote synergy between the broader educational, the TVET and the E-TVET systems.** Government agencies should implement a comprehensive approach through competency-based training. Meanwhile, encouraging pathways to TVET skills on a wider scale can be achieved through informational campaigns to promote TVET education among young people.

1. INTRODUCTION

1.1 Overview: Young people's transitions to work and social protection

Since the 2007-2009 global financial crisis and due to rising unemployment, demographic pressures, structural transformations associated with technological change and globalisation, policymakers worldwide have become increasingly concerned with youth employment (Martin 2014; McKenzie 2017). Understanding the factors that limit transitions to decent work remains a central concern, as changes in the world of work considerably affect the availability and distribution of quality jobs in emerging and developing countries (ILO 2019). In many parts of the world, youth employment outcomes have underwhelmed, despite increasing levels of education. Meanwhile, precariousness and long working hours are serious problems faced by many youths looking for decent work. According to the International Labour Organization (ILO), in 2015, 475 million new jobs were needed over the next decade worldwide to absorb the 73 million unemployed youths and the 40 million new entrants into the labour market. International organisations have increasingly stressed the importance of providing adequate work opportunities for youths to guarantee social and political—in addition to economic—cohesion. UNICEF (2019a, 25) notes that the increasing youth population presents “a historic opportunity to invest in human capital by improving access to education, health and protection and enhancing the prospects for inclusive employment.”

Many of these global issues are mirrored in the Middle East and North Africa (MENA).¹ The region continues to face many social and economic challenges. Many of these challenges—whether related to (low levels of) economic growth, social rights issues, internal and external migration, or political stability—have significant impacts (direct or indirect) on labour markets in MENA. One of the keys to improving socio-economic conditions in the region is creating and sustaining enough quality jobs for the population. This is particularly true for young people, who often face greater barriers and discrimination to enter the labour force.

Making sure young people are provided with adequate knowledge, skills and support to successfully integrate into the labour market is a growing concern for policymakers in the region. It is expected that during the first half of this century, a large proportion of the population will move into their most productive years, and thus creating the opportunity of realising a **demographic dividend**, which is defined as a period in which the working-age population has good health, quality education, decent employment and a lower proportion of young dependents. Translating the current demographic transition into a demographic dividend will lead to a situation where there are fewer children per household leading to larger investments per child, increased participation of women in the labour market and more household savings for old age. However, a demographic dividend cannot be properly realised without ensuring an enabling environment is in place for promoting young people's transition to work (YPTW). Creating a stronger mandate and environment focusing on YPTW not only has the potential to improve labour market and economic outcomes but can also lead to stronger ties for the youth, thus helping improve the overall social fabric and lower political unrest.

While investing in education remains key in improving YPTW, changes in the educational system will not necessarily result in immediate returns for young people in terms of access to jobs. Thus, there is a need to design effective policies that target vulnerable youth at the end of their childhood to support transitions to the workplace. Social protection policies can achieve this in different ways. On the one hand, some types of social protection policies can protect youth by mitigating the effect of unemployment and providing resources for livelihood creation. On the other hand, suitable labour market policies have the potential to increase young people's chances in the job market by building capacity and creating better conditions for youth employment in the MENA context. These two mechanisms can be understood separately as measures that support either (i) *anti-poverty and risk-prevention*, or (ii) *activation in the labour market*. It should be remembered that, in practice, some policies or programmes can contain both elements. Striking a balance between providing these two mechanisms is a central concern to the design of social protection systems, in order to provide financial stability for all in need and, at the same time, promote employability.

In addition to the matter of incentives, questions remain among policymakers concerning the effectiveness and cost-effectiveness of labour market interventions. Moreover, clear policy recommendations are often challenging when it comes to assessing labour market programmes, as most interventions do not record detailed information on the trajectories of beneficiaries, while even fewer authorities use rigorous impact evaluations techniques, which can be difficult and expensive to implement in the case of labour market outcomes. Nevertheless, an increasing body of evidence has grown over the past few decades, which allows policymakers to draw on experiences from the MENA region as well as from other regions around the world for best practices. This global evidence on labour market policies can help inform and shape policy regarding the employment situation in MENA. This ensures that social protection—operating in unison and complementarily with both education and wider social policy—provides the tools and support to equip young people with the necessary skills to navigate increasingly shifting labour markets. Another key relationship within social protection is the one between, on the one hand, social assistance and social insurance, and on the other ALMPs. Although this link is somewhat under-explored by research, it is becoming increasingly important given the rise of cash transfers both in the region and across the world (see Section 2.3.2)

Against this background, the International Policy Centre for Inclusive Growth (IPC-IG) has partnered with UNICEF's Regional Office for the Middle East and North Africa (UNICEF MENARO) and the Regional Office for Arab States of the International Labour Organisation (ILO ROAS) to produce this report on the role of social protection in YPTW in the MENA Region. This report is the fifth knowledge product resulting from the partnership between the IPC-IG and UNICEF MENARO, following *Overview of Non-Contributory Social Protection Programmes in MENA through a Child and Equity Lens* (2018); *Children's Right to Social Protection in the MENA Region—An Analysis of Legal Frameworks from a Child Rights Perspective* (2018); *Building Shock-Responsive National Social Protection Systems in the MENA Region* (2019); and *Fiscal Space for Child-Sensitive Social Protection in the MENA Region* (2019).

1.2 Definitions, concepts and framework for YPTW

To conduct an analysis of social protection programmes, it is important to carefully define and outline the scope of the study. Taken from UNICEF (2019b), the definition of social protection adopted in this study is the following: "A set of public and private policies and programmes aimed at reducing and eliminating economic and social vulnerabilities to poverty and deprivation"

This definition is used consistently throughout the regional studies conducted by the IPC-IG in partnership with UNICEF MENARO. It defines social protection as a set of public policies classified in three broad categories: **social assistance** (non-contributory social protection), **social insurance** (contributory social protection) and **labour market programmes**.²

Given this study's focus on transitions to work, it is also important to define, and distinguish among **Passive Labour Market Policies (PLMPs)** and **Active Labour Market Policies (ALMPs)** as categories of labour market policies, and types of social protection:

- **PLMPs:** Programmes that alleviate the financial needs of the unemployed but do not address employability (for example, unemployment insurance and income support). These are effectively delivered through social assistance and social insurance.
- **ALMPs:** Programmes that often target the long-term unemployed, workers in poor households, and groups with labour market disadvantages that reduce the risk of unemployment and increase the earnings capacity of workers, or help or encourage the unemployed into work (such as, for example, job training, employment services, employment stimulus and activation strategies) (McCord 2018, 26-7).

This differentiation between passive and active labour market policies is an important starting point. It does not, however, fully describe the range of social protection interventions that promote employment, especially in the context of developing countries. Indeed, PLMPs and ALMPs are traditionally envisaged to support wage employment. In recent years, a stronger emphasis has been placed on **livelihood programmes** that support self-employment and entrepreneurship, such as graduation programmes for the ultra-poor (see, for instance, the BRAC model) (Balboni et al. 2017). These are interventions that usually provide targeted capital injections (cash or in-kind transfers), often in tandem with provisions related to activation policies (usually technical and/or entrepreneurial training and skills). Livelihood programs are closely associated with the concept of **graduation approaches**. Although there are multiple definitions available, Devereux and Sabates-Wheeler (2015) define them as “programmes (that) aim to provide a sequenced and intensive package of support to very poor people, with the objective of facilitating their movement out of poverty towards resilient and sustainable livelihoods”. **‘Cash Plus’ programmes**—which denote cash transfers that are complemented with additional inputs, service components or linkages to external services—are also gaining traction in policymaking, due to their potential to be more effective in achieving their desired impacts compared to cash transfers alone (Roelen et al. 2017).

Throughout this report, we refer to different sub-groups based on UN definitions: ‘young people’ covers the age range between 10 and 24; ‘youth’ covers the 15 to 24 range; and ‘young adults’ denotes people between 25 and 30 years of age. By focusing on **YPTW**, we consider both school-to-work and out-of-school (OOS) trajectories equally. We adopt mainly *young people* in this report to emphasise the need for social protection to promote transitions to work from childhood to adulthood.

In addition to these key concepts, the following definitions for some of the key sub-groups among YPTW are included:

- **Out-of-school children (OOSC):** UNESCO defines OOSC as children of primary school-age (usually under 12 years) that are not enrolled in pre-primary, primary, or secondary education. However, this definition can be extended to children under 15 (lower secondary education) or under 18 (secondary education). The concept of OOSC in the context of YPTW is particularly relevant for young people who have not completed lower secondary education, given that the ILO’s Minimum Age Convention (C.138) for admission to employment or work is set at 15 years. This report also refers to out-of-school youth, for 15-24-year olds, and out-of-school young people, for 10-24-year olds, when relevant.
- **Unemployed:** According to international labour standards, the unemployed are defined as all persons above a specified age who during the reference period were: (a) ‘without work’—not in paid employment or self-employment; and either (b) ‘currently available for work’ (available for paid employment or self-employment during the reference period); or (c) ‘seeking work’ (had taken specific steps in a specified recent period to seek paid employment or self-employment). Individuals who do not meet conditions (b) and (c) are commonly categorised as ‘inactive’. Definitions of unemployment can also be relaxed based on data availability.
- **Neither in employment, education or training (NEET):** The rate of NEETs among youth or young adults serves as an indicator to measure the prominence of inactive young people in the labour market.
- **Employment in the formal sector:** Refers to employment that is governed by national labour legislation, income taxation, social protection or entitlement to certain employment benefits (e.g. advance dismissal notice, severance pay, paid leave). According to the ILO’s working definition, employment in the formal sector refers to: work in government and public agencies; non-governmental organisations (NGOs); private firms registered under national institutions and legislation, or engaging in formal bookkeeping; situations in which employees contribute to social security; work in economic units with more than five workers (ILO 2018: Chapter 1).
- **Employment in the informal sector:** This refers to employment that does not take place in the formal sector—hence, that is *not* covered by national labour legislation, income taxation, social security benefits provided by employers or entitlement to employment benefits. In contrast to the concept of the informal sector that refers to

production units as observation units, the concept of informal employment refers to jobs as observation units—this allows to differentiate between informal employment in both the informal and the formal sectors. For example: a worker might be employed by a registered private firm but might not have access to social security or social protection if the position is undeclared, or if the job is casual or of short duration (ILO 2018: Chapter 1). In practice, the formal or informal nature of a job held by an employee is determined based on operational criteria such as social security contributions by the employer (on behalf of the employee), and entitlement to paid sick leave and paid annual leave.³

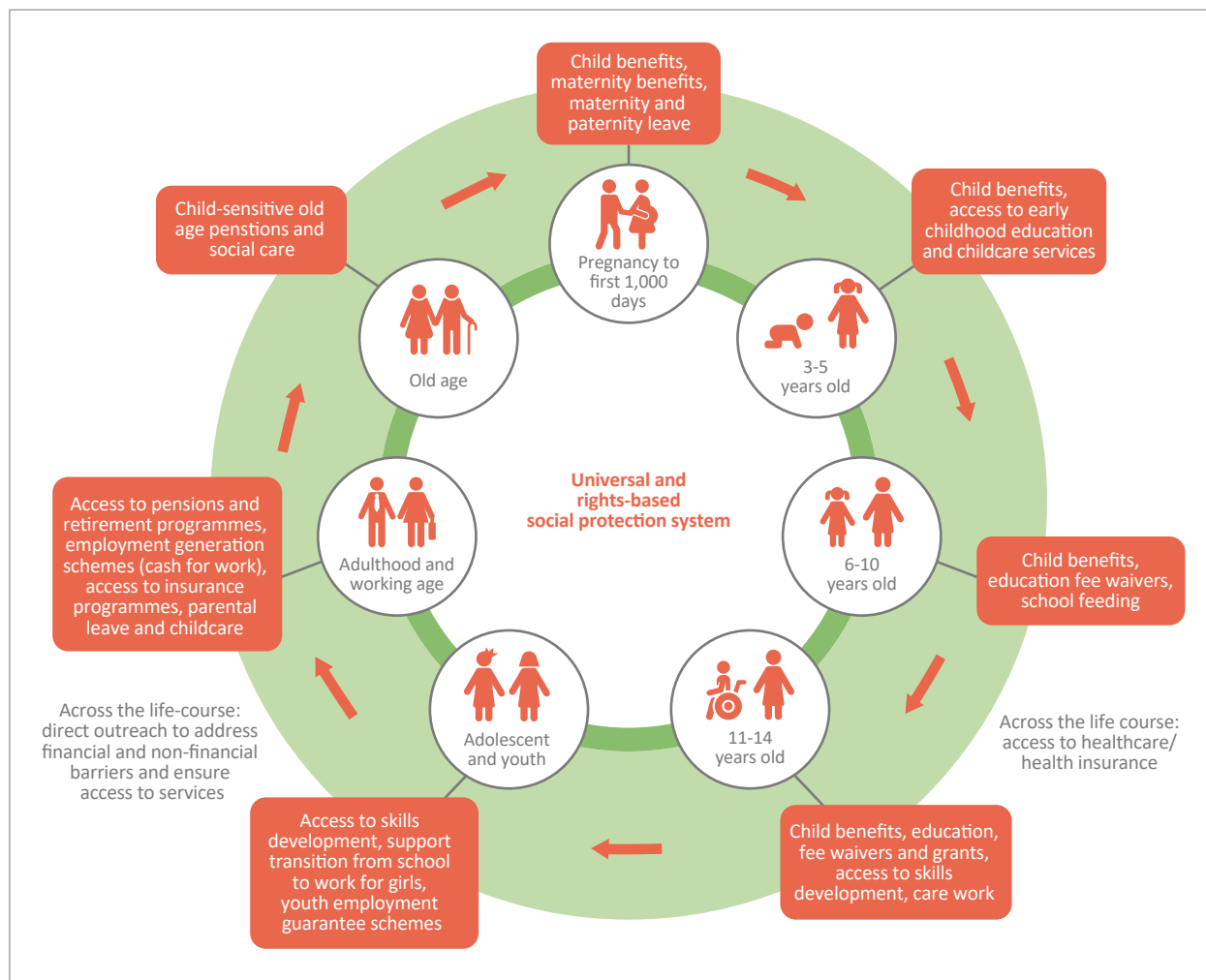
- **Self-employed workers and entrepreneurs:** Formal definitions of employment status are usually based on the 1993 International Classification of Status in Employment (ICSE). According to the ICSE, jobs are classified into five main categories, which can be grouped under two main types of jobs: paid employment jobs (employees) and self-employment jobs (employers, own-account workers, contributing family workers and members of producers' cooperatives). Entrepreneurs are not defined by the ICSE, but are commonly defined as “people who organise and operate a business or businesses, taking on greater than normal financial risks in order to do so”
- **Domestic work:** According to ILO Convention 189, domestic work is defined as “work performed in or for a household or households”. Therefore, it is defined according to the workplace, which is the private household, and usually encompasses the provision of personal and household care. Domestic work may be part-time, full-time or on an hourly basis, and domestic workers may live in the home of the employer or not. According to ILO estimates, there are at least 67 million domestic workers over the age of 15 worldwide, of whom 80 per cent are women, and 17 per cent are migrant workers.
- **Vulnerable employment:** Different definitions exist here, but according to the ILO's Solutions for Youth Employment (S4YE) report, it can be described as “work that is insecure and vulnerable to external shocks, where fluctuations in the economy or factors specific to the business can in turn affect workers with reduction of wages, termination of employment, more time doing unpaid work, and so on” (ILO 2015).
- **Decent work:** According to the ILO (2016), “decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men”. There are also many different indicators that are used to measure decent work adopted by the ILO (2008), including unemployment, youth NEETs, excessive working time (over 48 hours per week), access to social security, the working poverty rate, and occupational segregation by sex.

According to the framework developed in EPRI and UNICEF (2016), the two determinants to **vulnerability** are **risks** and **capabilities**: risks are positively associated with vulnerability; while capabilities are negatively associated (for example, as capabilities improve, vulnerability decreases). Hence, to minimise vulnerabilities, steps must be taken to both reduce existing risks and strengthen capabilities, especially among the most vulnerable. To ensure that vulnerabilities are effectively and comprehensively addressed, social protection must provide support **across the life course**, and according the principles of **universality** and a **rights-based approach**. Figure 1, taken from the UNICEF Global Framework on Social Protection (2019b), shows the different types of programmes that address the various needs of different population groups according to the life course. Focusing on adolescents and youth, the Figure highlights the need to focus on access to skills development, support transition from school to work for girls, and youth employment guarantee schemes. This framework aligns with the ILO Recommendation of Social Protection Floors from 2012 (No. 202), which calls for the establishment and maintenance of social protection floors for all.

It is important to note that certain aspects related to **social vulnerabilities** can amplify these risks over the life cycle. Such aspects include: coming from a **poor** or **economically disadvantaged** background; being affected

by **gender-based discriminations**; living in **remote or rural areas**, and **lacking access to public services**; having **low educational attainment levels**; being affected by **disability or chronic illness**; and being either an **international economic migrant** or a **forcibly displaced refugee**. Social protection programmes that consider both risks and capabilities over the life course, as well as social vulnerabilities that are not related to the life course, are more likely to be effective and guarantee greater **inclusivity**.

Figure 1. Social protection across the life cycle, UNICEF global framework on social protection



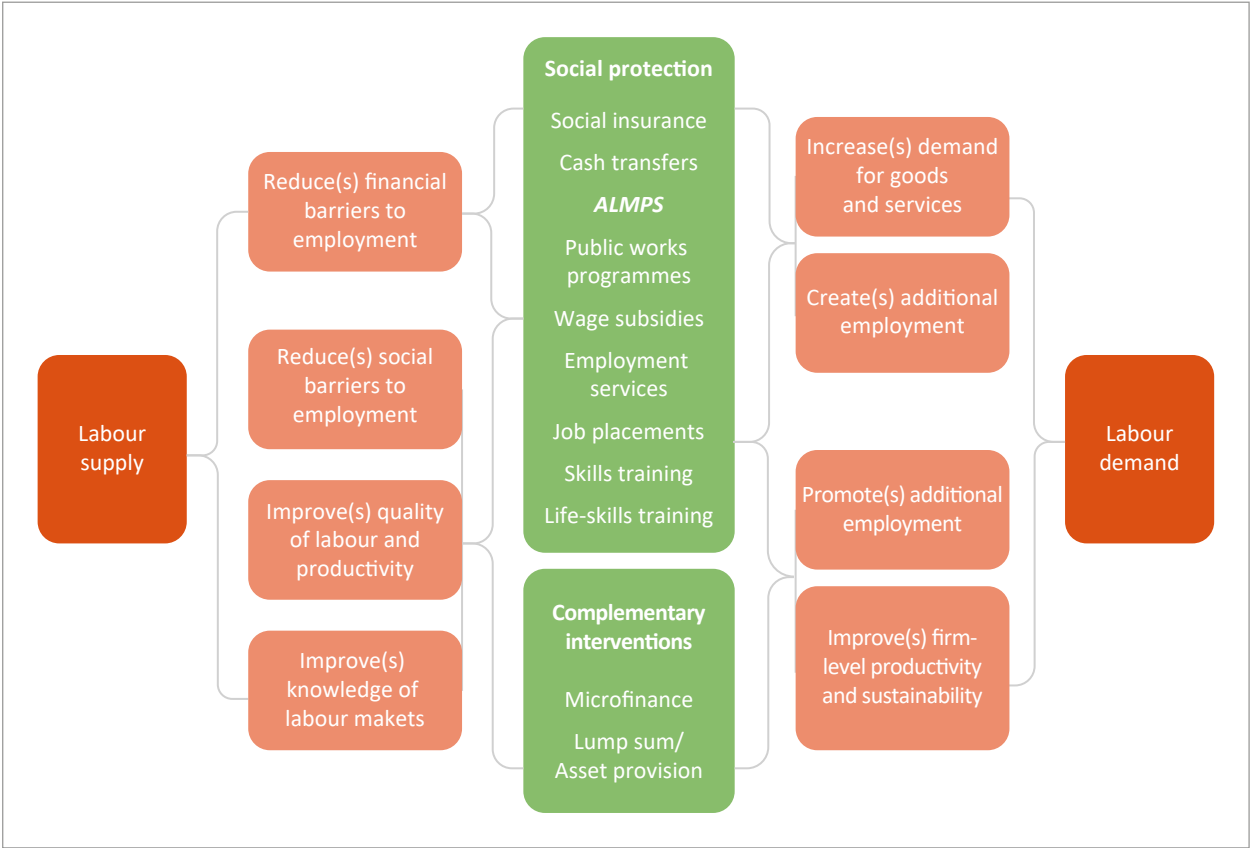
Source: UNICEF (2019b).

To reiterate, the other method to successfully reduce vulnerabilities (besides lowering risks) is to strengthen capabilities. Therefore, the aim of social policy (in general) and social protection (in particular to this study) should be not only to reduce existing risks, but also to strengthen capabilities and promote opportunities. Making sure that these promotive social programmes and policies become institutionalised is not only important to create economic opportunities and develop human capital; it is also the main way to guarantee transformational change among existing power imbalances (Sabates-Wheeler and Devereux 2004; UNICEF 2019b: 15).⁴

One of the main ways for social policy to strengthen individual capabilities is through investments in human capital. Figure 2 provides a valuable framework to conceptualise the different channels through which social assistance and ALMPs can strengthen capabilities and improve economic conditions by impacting labour supply and demand. Social protection programmes and complementary interventions (such as microfinance, and lump sum or asset

provisions) can increase the quality or quantity of labour supply by reducing both financial and social barriers to employment; improving the quality of labour (i.e., human capital); and improving the knowledge of individuals of labour markets. Additionally, certain types of programmes can positively affect labour demand by increasing the demand for goods and services via rising incomes; increasing additional employment (especially in the case of public work programmes—PWPs—and wage subsidies); promoting livelihoods and self-employment; and potentially improving both productivity and sustainability of small and medium firms.

Figure 2. Impacts of social protection and complementary interventions on labour market outcomes



Source: Authors' elaboration based on McCord (2018).

1.3 Objectives and structure of the report

This report has **three main objectives**. The **first** is to analyse the potential role that social protection—commonly defined as social assistance, social insurance and labour market programmes⁵—can have in promoting better transitions to work, particularly for young people from disadvantaged backgrounds. Policies that provide assistance and/or improve the employability of young adults when entering the labour market can serve as an integral component in achieving **SDG Target 1.3**: implementing nationally appropriate social protection systems and measures for all, including floors, and achieving substantial coverage of the poor and the vulnerable by 2030. The **second objective** is to empirically describe and better understand YPTW in the MENA region. This requires not only analysing data on the relationships between educational, geographic and socio-economic conditions and employment outcomes, but also reviewing from the extensive academic and policy literature the key issues determining YPTW in the region. The **third objective** of this study is to analyse through a programme mapping current regional social protection schemes and policies enacted by national governments to promote employment for young people. Overall, this study will consider school-to-work transitions (SWTs) as well as OOS-to-work transitions; and assess existing gaps in terms of the equity

and gender sensitiveness of such efforts. These objectives are part of the broader goal of achieving **SDG Target 4.4**: “by 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.”

The remainder of this report is structured as follows: **Chapter 2** focuses global practices of social protection for YPTW by reviewing the effectiveness of social protection programmes in promoting employment opportunities. The goal of the chapter is to provide strong evidence on the impacts of social protection—particularly ALMPs—on transitions to work among young people, which serves to complement the knowledge gaps on the effectiveness of these programmes in MENA. After a detailed review on the impacts on interventions in promoting employment, Chapter 2 summarises the main findings from global experiences and considers which types of interventions to be most appropriate, depending on the different barriers or challenges in the labour market.

Chapters 3 and 4 provide an empirical diagnostic and contextual background analysis on YPTW in MENA. The empirical diagnosis in **Chapter 3** uses data from official sources and microdata on labour markets outcomes from MENA to describe: (i) the macro and socio-economic context of the region; (ii) descriptive information of the characteristics of young people in selected MENA countries; and (iii) analysis on the relationships between socio-demographic characteristics—in terms of age, gender, geographic area, and level of education—and labour market status, focusing on transitions into decent and/or stable work, and employment in the public sector. **Chapter 4** continues with the analysis of YPTW in MENA by reviewing key issues affecting youth unemployment and transitions to work in the region, mentioning whenever relevant issues related to disadvantaged and vulnerable groups in the labour market. The literature review also describes recent challenges regarding the implementation and effectiveness of social protection for YPTW in MENA, while bringing into attention new findings, as well as some of the remaining knowledge gaps. **Chapter 5** offers policy recommendations on how to promote employment for young people using social protection based on the key findings from the report.

Annex I presents the Country Case Studies for MENA. It maps current social protection schemes, measures, and policies enacted by national governments in support of YPTW in the region. The chapter compares the experiences from six countries (Egypt, Iran, Iraq, Jordan, Lebanon and Morocco), focusing on flagship programmes administered by governments to promote employment. The analysis also reviews recent national strategies, administrative frameworks, and programmes enacted that remain related to social protection for YPTW. Key takeaways from Annex I are summarised in the policy recommendations in Chapter 5.

2. IDENTIFICATION OF GLOBAL PRACTICES—SOCIAL PROTECTION AND YOUNG PEOPLE’S TRANSITION TO WORK

This chapter reviews the global evidence regarding the effectiveness of different social protection programmes on employment, particularly among young people. This review draws on evidence from meta-analyses, literature reviews, and relevant studies, with findings divided across developed and developing countries. Challenges faced in including young people into social protection programmes, as well as integrating labour market programmes into broader social protection frameworks, are also discussed.

2.1 Experiences from developed countries

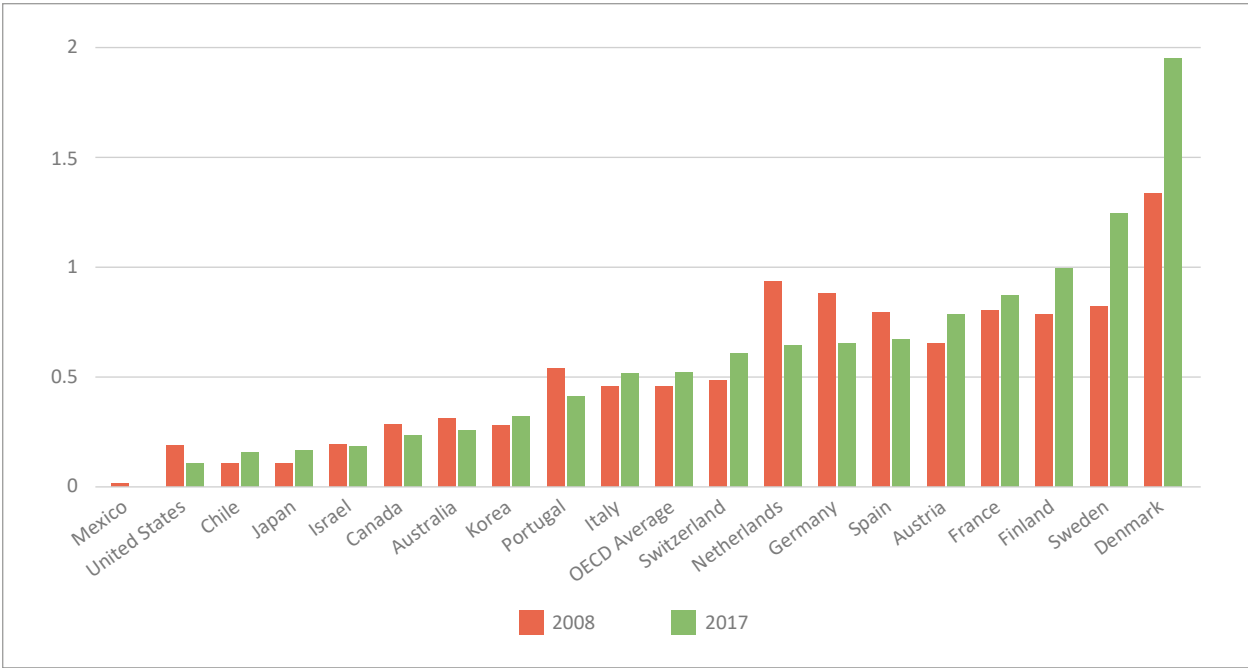
2.1.1 Policy and programme overview

Developed countries have a relatively long history of introducing ALMPs. Activation policies—including training programmes and employment subsidies—have been in use for over 50 years in high-income countries.⁶ Significant

shifts in labour market policies occurred in the 1980s, following the rise in unemployment across developed countries. In response, governments increasingly adopted a coordination of ALMPs and PLMPs to provide social insurance, while at the same time promoting transitions from unemployment to employment (Estevão 2003). More recently, ALMPs have gained importance in the last decade following the global financial crisis. Following the rise in unemployment—especially among the youth—in most developed countries, governments across the developed world have gradually focused on providing training programmes and employment services to the unemployed, as well as providing fiscal incentives to enterprises hiring new entrants into the labour market (Martin 2014; Pignatti and Van Belle 2018).

ALMPs are the most common type of social protection to improve employability, especially among young people. Figure 3 shows public expenditure on ALMPs in OECD countries, measured as a percentage of GDP, in 2008 and 2017. Across the OECD, average spending on ALMPs has increased over the 10-year period from 0.46 to 0.52 per cent of GDP. Figure 3 also shows a wide range of public expenditure towards ALMPs across the OECD, ranging from almost 0 per cent in Mexico to 1.96 per cent in Denmark. The data illustrates clear trends across regions: Latin American, East Asian and Anglo-Saxon countries tend to spend relatively less on ALMPs; Southern European countries spend close to the OECD average; Western European countries spend more than the OECD average; and Northern European countries spend the most on ALMPs.

Figure 3. Public expenditure on ALMPs (percentage of GDP) in OECD countries



Source: OECD STAT.

Interactions between active and passive labour market policies have at times been misunderstood. Because PLMPs—such as unemployment insurance and unemployment assistance—are programmes that alleviate the financial needs of the unemployed but do not address employability, developed countries have often ignored the close relationship between ALMPs and PLMPs. Many policymakers believed that in order to activate the unemployed, public spending needed to shift from PLMPs to active interventions. However, evidence showed that countries implementing this strategy did not automatically improve their labour market outcomes, which suggests that ALMPs and PLMPs should be viewed as complimentary components of broader social protection systems (Pignatti and Van Belle 2018).

2.1.2 ALMPs

The study turns now to the empirical evidence on the impact of ALMPs. Although ALMPs have quite a long history in developed countries, credible research on their impacts on employment outcomes has only been carried out in the last few decades (Card et al. 2015). This chapter adopts the same definition of ALMPs from Kluge (2010), which divides ALMPs into four categories:

- **Training programmes.** These encompass labour market programmes, such as classroom training, on-the-job training and work experience. The measures can provide either a more general education and basic skills, or more technical and advanced vocational training.
- **Private sector incentives**, the most common of which are wage subsidies. These programmes are mainly aimed at creating incentives for employers and/or workers to engage in work. Wage subsidies can take the form of a direct wage subsidy to employers or a financial incentive to workers for a limited period. These programmes frequently target the long-term unemployed and/or disadvantaged youths. Another type of private sector incentive are self-employment grants, which may include advisory support for a time.
- **Search and matching Services**, which encompass all measures aimed at job search efficiency. This includes job search courses, vocational guidance, job matching services, counselling and monitoring, and sanctions in the case of non-compliance.
- **Public sector incentives** consist mainly of PWPs or any other activities that produce public goods or services. These measures commonly target disadvantaged individuals to keep them in touch with the labour market. These incentives are sometimes treated separately from other ALMPs (e.g., McKenzie 2017), since they do not directly promote private sector employment. Also, PWPs are often treated as a type of social assistance (e.g., in WB ASPIRE data). In this review, however, PWPs and other public sector incentives are included as a type of ALMP.

Training programmes

As previously mentioned, training programmes are the most common type of ALMP adopted by governments. New global trends transforming the world of work are translating into the increasing importance of technical and vocational education (CEPAL 2017). Amid this context, short-duration training programmes have the potential to incorporate students into specific niches of the labour market and, thereby, facilitate YPTW. These different policies have the potential to make life-long education and learning a reality, which will be increasingly important to adapt to technological changes in the economy and the fourth industrial revolution (UNICEF 2019, 59; CEPAL 2017, 64).

Training programmes can broadly be categorised into three different types: **technical and vocational training** (most common), **soft skills**, and **entrepreneurial skills**. Despite these different categories, interventions will quite often include a combination of different types of training, usually soft skills offered together with vocational or entrepreneurial skills training. Unless specified otherwise, training programmes refer to the more common technical training.

The rationale behind these programmes is that a lack of technical or interpersonal skills is the reason that some individuals are unemployed, and that these skills can be learned in a relatively short period of time. Training programmes can have beneficial impacts on employment through different channels, by (i) leading to more efficient matching between unemployed workers and job vacancies; (ii) allowing participants to acquire new skills and knowledge, thereby increasing productivity; and (iii) keeping unemployed workers attached to the labour force, despite long periods of inactivity (Estevão 2003, 4-5).

In practice, these programmes vary in their targeting and are usually aimed at two different groups of beneficiaries: the first group is the **general population of unemployed workers**. Training for this group typically consists of short-term programmes (usually 3 months) that cover a wide range of occupations. These types of training programmes are more common in developed countries. The second type is more specifically **focused on low-income, or at-risk youth or young adults**, and serves primarily as a substitute for formal education among youths who have dropped out of formal education. This second type of training is more commonly found in developing countries and will be elaborated on in Section 3.

In a key paper, Card, Kluve and Weber (CKW) (2010) conduct a meta-analysis of 97 microeconomic evaluations of ALMPs, conducted between 1995 and 2007. Almost all the study estimates (98.5 per cent) from the paper take place in either economically advanced or Eastern European countries. The authors standardise the different studies into a single database, for which they can distinguish between short- (1 year) and medium-term (2 year) impacts for about half the studies, and long-run (3 year) impacts for a quarter of the studies. They find that training programmes generally appear ineffective in the short-run but are associated with positive medium-run impacts. They also find no significant differential effects between men and women. Moreover, they observe that outcomes used to measure programme impact matter. For instance, evaluations measuring outcomes based on time in registered unemployment appear to show more positive short-term results than evaluations based on employment or earnings (p. F475).

In their follow-up paper, CKW (2015) cover over 200 evaluations of ALMPs from around the world, including new evaluations from non-OECD and Latin American countries. In addition to confirming the results from their previous paper, they find that (i) **programmes that emphasise human capital accumulation are more likely to show impacts in the medium- and long-run**; (ii) impacts of training programmes are larger for women—contrary to their original findings—and for participants coming from long-term unemployment, but smaller for youths and older workers; (iii) **human capital programmes work best for the long-term unemployed**; and (iv) countercyclical job training programmes are particularly effective for the longer-term unemployed in a recessionary climate and, therefore, can play an important role in preventing labour force exit and loss of productive capacity (CKW 2015, 25).

Surveys of ALMPs in developed countries are largely consistent with the findings discussed above. Kluve (2010) conducts a meta-study of ALMPs in Europe and finds that contextual factors matter less than programme type. Evidence on training programmes shows, on average, modest positive effects on employment. Other literature reviews and meta-evaluations of ALMPs in developed countries conducted in recent years⁷ reach very similar conclusions as the ones found in CKW (2010; 2015) concerning training programmes. Specifically, that they are more likely to show positive effects in the medium-term (after a few years), and that the impacts are generally positive, but modest.

Private sector incentives

As previously mentioned, wage subsidies are the most common type of private sector incentive. Wage subsidies in European and Anglo-Saxon countries usually target youths and young adults that are either (i) new or recent entrants into the labour market and/or (ii) from disadvantaged backgrounds (Bordos et al. 2015, 18-20), although wage subsidies have been introduced to benefit the long-term unemployed, and even the elderly.⁸ These programmes are designed to provide temporary assistance and can be delivered either as a direct wage subsidy to employers or as a financial incentive to workers. Wage subsidies are meant to facilitate employment opportunities for workers with limited work experience and lower productivity. Due to the cost of hiring and firing frictions in the labour market, firms might be reluctant to hire young workers who are inexperienced or untested, especially if firms know little about their productivity or motivation. Wage subsidies, therefore, lower the cost of firms to hire young and inexperienced workers.

Two key take-aways emerge from meta-analyses of wage subsidies in developed countries. The first is that these programmes can have significant impacts on increasing employment (Kluve 2010). However, there is evidence that effects vary according to the time profile of analysis, as impacts were found to be larger on employment in the short-term compared to the medium- and long-term (CKW 2015). Lack of evidence on the longer and post-programme

effects of wage subsidies is a valid concern. However, some studies suggest that longer-term effects on employment can arise, as in the case of a wage subsidy programme in France which was found to be both cost-efficient and effective in creating employment (Pallais 2014). A second take-away from the meta-literature is that private sector incentives tend to have more significant impacts among disadvantaged groups (CKW 2015: 21). In line with this finding, Escudero (2018) examines the effectiveness of ALMPs in improving labour outcomes across 31 economically developed countries and finds that start-up incentives (aimed at encouraging self-employment and newly founded businesses) are particularly effective in promoting employment among low-skilled individuals.

Not all studies, however, reach the same conclusions as the ones from the meta-studies. Autor and Houseman (2010) analyse the impact of temporary jobs on employment among low-skilled workers in Detroit and find that not only did the programme not increase the likelihood of being employed during a follow-up assessment, but might have actually hindered long-term employment. Similarly, Kvasnicka (2009) finds no significant impact of temporary jobs on employment in a 4-year follow-up in Germany, due largely to low unemployment making it relatively easy for the unemployed to access employment irrespective of having participated in a temporary work programme.⁹ In their review, Brown and Koettl (2015) find wage subsidies to be ineffective, especially when considering cost-effectiveness. They argue that hiring subsidies that target the long-term unemployed are more likely to be cost-effective.

There is also conflicting evidence on the impact on low-income and vulnerable groups. In a detailed review on the impact of wage subsidies on youth employment in European countries, Bordos et al. (2015) find that even generous subsidy programmes have not proven to be effective in providing disadvantaged youth with permanent contracts. They do, however, find more positive effects for disadvantaged youth in cases where: (i) subsidies are coupled with other benefits, such as reductions in dismissal costs; (ii) wage subsidies incorporate on-the-job training (although effects are larger for the more highly skilled); and (iii) programmes are delivered jointly with job search training and mentoring. Hence, **programme effectiveness often depends on initial design**. Context also seems to matter, as the evidence suggests that, similarly to job training programmes, private employment subsidies are more effective for the longer-term unemployed during a recessionary climate. Therefore, **wage subsidies can prove to be an important anti-cyclical tool in preventing labour force exit and loss of productive capacity** (CKW 2015: 25).

While private sector subsidies can have positive impacts on employment, these programmes often prove to be costly compared to other types of ALMPs. Outcomes also tend to show that effectiveness depends on programme generosity, as evidence suggests that more generous subsidies are more likely to have greater impacts on employment. **Policymakers should therefore bear in mind the trade-offs between costs and benefits**. Two additional concerns should be considered when thinking about the lasting effect of wage subsidy programmes. First, it is important that these programmes are targeted at individuals that would have been unlikely to access work in the absence of the subsidy. Otherwise, wage subsidy programmes are simply private sector costs being borne by the public sector.¹⁰ In their review, Bordos et al. (2015, 29) estimate that “under selection procedures currently in place in European public employment services, more than half of the available subsidies go to individuals who would have been likely to find a job in the absence of the subsidy”. Second, it is important to look not only at the impact of hiring during the subsidy period but also the longer-term impacts on employment. Evidence on long-term employment is unclear, with few studies exploring long-term impacts.¹¹ Overall, there is **insufficient evidence** from programme evaluations whether wage subsidies have long-term effects on employment, and whether distortionary displacement effects—i.e., subsidy recipients accessing employment at the expense of non-recipients— can be ruled out, meaning that the impact of wage subsidy programmes on net job creation could be considerably overestimated (Kluve 2014).

Search and matching services

This subsection summarises the literature on the impacts of job search and matching services—job search courses, vocational guidance, job matching services, and counselling and monitoring—on employment outcomes in developed countries. Although both public and private services exist in practice, public employment services (PESs) are usually

the main providers of these services. PESs in developed countries tend to target the disadvantaged and long-term unemployed, whereas private services usually focus on more privileged employees and white-collar workers (Kluve 2010, 905). These programmes are usually the least expensive type of ALMP to provide.

The rationale for job search services is relatively clear, as they have the potential to lead to better matches between unemployed workers and job seekers. If these services are effective in creating new matches, they can lead to an overall increase in employment. In developed countries, job search services and sanctions are often linked to eligibility criteria in order to access PLMPs, such as unemployment benefits. In their meta-review of mostly developed countries, CKW (2015) find that job search services were most common in Nordic and Anglo-Saxon countries.

Results of meta-studies from developed countries tend to find positive impacts of job search services on employment (Kluve 2010; CKW 2010, 2015). Results find that effects of job search services have similar time profiles as private sector subsidies, as positive impacts seem to be stronger in the short run, but positive effects seem to dissipate over time (CKW 2010, 2015: 24). However, it is difficult to truly estimate the effectiveness of job search services, since their impacts potentially risks being overestimated, due to the possibility of new jobs benefitting programme recipients at the expense on non-participants. For instance, in a study exploring the displacement effect of a labour market policy in France, Crépon et al. (2013) find that counselling programmes led to stable jobs for university-educated youths. Despite this positive result, gains were only found to be transitory and appear to have come partly at the expense of eligible workers who did not benefit from the programme;¹² hence, the programme had overall small net benefits. Recent evidence analysing job search assistance in Denmark supports the existence of displacement effects, as non-participants from regions that introduced the programme were found to be less likely to find employment as a result of the intervention (Gautier et al. 2018).

Because of potential displacement effects, **job search services** that are targeted individually should have clear justifications concerning the targeting of beneficiaries, and **should benefit people from disadvantaged backgrounds** (e.g., low-skilled individuals, the long-term unemployed, women in under-represented professions, people with disabilities, and both economic migrants and refugees). Although more expensive, evidence suggests that **comprehensive interventions that combine multiple targeted components**—for example, job search services coupled with counselling, training, and placement services—**are more likely to succeed** (Kluve 2014, CKW 2015).

Public sector incentives

Different terms are used in the literature to denote public sector incentives for employment: specifically, direct job or employment creation, and (labour intensive) PWP.¹³ These programmes are also known as direct subsidies for low-skill employment. There are both negative and positive motivations for the introduction of PWPs. On the one hand, they are criticised for: being ineffective, as they might displace non-subsidised employment opportunities; for being expensive; resulting in low quality infrastructure; and for not taking into account women's care responsibilities. On the other hand, these programmes could lead to aggregate positive impacts on wages (if the programme is large enough), and can provide an occupation, some income, and the possibility of maintaining labour skills among otherwise unemployed workers (Estevão 2003, 6)—if well targeted.

In meta-studies from developed countries, PWPs are relatively rare in most country groups (CKW 2015, 7). The reviews conducted by CKW (2010; 2015) find that public sector employment programmes are largely ineffective in promoting employment, especially in the medium and long term. CKW (2015) suggest that, from their results, private sector employers place little value on experience gained in PWPs, possibly due to these programmes having little to no skill-building element. The authors suggest that these results indicate that PWPs might even have negative impacts on employment in the long run, as these programmes “serve to slow down the transition of participants to unsubsidised jobs” (p. 12).

2.1.3 PLMPs

In developed countries, unemployment insurance (UI) is the most common type of income support received among the unemployed. UI provides temporary benefits to workers who lost their jobs through no fault of their own and, in most cases, these are contributory schemes. The main goal of PLMPs is to provide a consumption smoothing mechanism that can support workers while they search for a new job, and prevent them from having to expend their savings, selling their assets, or falling into poverty due to the loss of income (Röth et al. 2016b).

In practice, UI schemes come in very different types, which can in turn influence incentives when it comes to searching and finding work. In his review of UI frameworks, Robalino (2014) draws attention to the differences between (i) 'pure' unemployment individual savings accounts (UISAs), and (ii) 'traditional' UI systems. In the case of pure UISAs, benefits received cannot exceed contributions made by (and for) the individual, which usually involve a combination of employer and employee contributions. UISAs, therefore, serve as a form of personal savings account that can be accessed during spells in unemployment, but also in cases of emergencies or for long-term investments (e.g. housing). Meanwhile, in traditional UI systems, individual benefits are delinked from personal contributions, as surplus accounts (workers who contribute more than their expected cost of unemployment) finance deficit accounts—working as a form of cross-subsidy. There are potential pros and cons to both systems: traditional UI can pool risks and introduce solidarity between the employed and unemployed. However, traditional UI systems can potentially have negative effects on labour supply, as individuals could have fewer incentives to seek, take or keep jobs with respect to UISAs. In practice, however, UI programmes in developed countries tend to combine elements of both systems, these 'hybrid' systems combine individual and collective accounts (the latter for those with insufficient savings in their personal accounts).

In their review of UI systems, Robalino and Weber (2013) find mixed evidence from developed countries concerning the impacts of UI on labour market outcomes. Research finds that unemployment spells and the unemployment rate tend to increase with the level and duration of benefits (Ribe et al. 2012, Lalive 2008, Krueger and Mueller 2010). Nonetheless, unemployment benefits can boost the welfare of individual workers, particularly in contexts where insurance markets are inefficient and risk aversion is high (Chetty and Looney 2006). More generous benefits can also provide workers with additional flexibility to search for jobs and, thus, eventually lead to better job matches, with results from European countries in line with this interpretation (Tatsiramos 2009). And although the literature shows that the impact of UI on wages has traditionally been inconclusive, recent evidence from Austria finds that benefit extension provokes an average increase of 0.5 per cent in wages for new jobs (Nekoei and Weber 2017).

Thus, two dynamics are at play when considering the type and design of UI schemes: lower incentives to take jobs, which can reduce employment levels and output; and the possibility of better job matches, which can increase overall economic productivity. This policy trade-off between disincentive to work is largely confirmed in empirical studies: UI beneficiaries from European countries with more generous unemployment insurance and higher ALMP spending take longer to find a new job, but also achieve more sustainable reintegration into the workforce (Wulfgramm and Fervers 2015). Conversely, Arni, Lalive and van Ours (2013) observe that the introduction of unemployment sanctions in Switzerland reduced unemployment spells, but also reduced wages and the amount of time the new position was maintained. The net welfare effect is, therefore, difficult to quantify, as long-term wages and productivity needs to be compared to the public cost of benefits.

2.1.4 Social assistance

There is a growing discussion in developed countries on the role of CTs as a tool to counteract rising inequality and labour market instability. This has included a debate on universal cash transfers, also known as universal basic income (UBI), which would provide a non-means tested CT delivered on an individual basis. The effects of UBI on labour supply and employment are heavily debated. A common view among critics of UBI is that such transfers provide a disincentive to work and promote laziness, especially among young beneficiaries. Whether or not UBI

actually decreases labour supply—and by how much—is unclear, as the effects on employment will largely depend upon the generosity of benefits, especially whether or not CTs actually cover basic subsistence. Moreover, individual labour supply is not the only channel through which UBI can affect employment. Theory suggests that UBI might lead to increased consumption (hence, aggregated demand) and higher wages, especially if fewer people enter the labour market. Beyond impacts on employment, proponents of UBI argue that one of the primary goals of UBI is to provide a safety net in which unemployed workers no longer need to have to choose between precarious working conditions and living in poverty.

Due to the lack of UBI programmes in place, studies assessing the impacts of CTs in developed countries are limited. Indeed, evidence on the effects of social assistance on employment is the one area in this study in which evidence from low- and middle-income countries clearly exceeds that of high-income countries. Research from high-income countries tends to focus on the effects of UCTs among adult populations, and the effects of windfalls (e.g., lottery winnings) on labour supply (Cesarini et al. 2017; Imbens et al. 2001). Marinescu (2018) reviews the literature of these different programmes and finds that, in most cases, the effects of UCTs on labour supply are either nil or small.¹⁴ One of the programmes included in the review is a UBI scheme in Alaska, which is most closely comparable to a full UBI, since dividends are permanent, unconditional, and universal in the country. However, it should be noted that the amount of the dividend is relatively small compared to the poverty line. Studies on the Alaskan UBI find no impacts in changes to employment, although results show some increase in part-time work, suggesting a “combination of workers moving from full-time to part-time and others moving from non-employment into part-time work” (Marinescu 2018, Jones and Marinescu 2018). Preliminary results from a UBI scheme in Finland also found no significant change in employment from UBI beneficiaries, while slight improvements to well-being were observed (Kangas et al. 2019).¹⁵

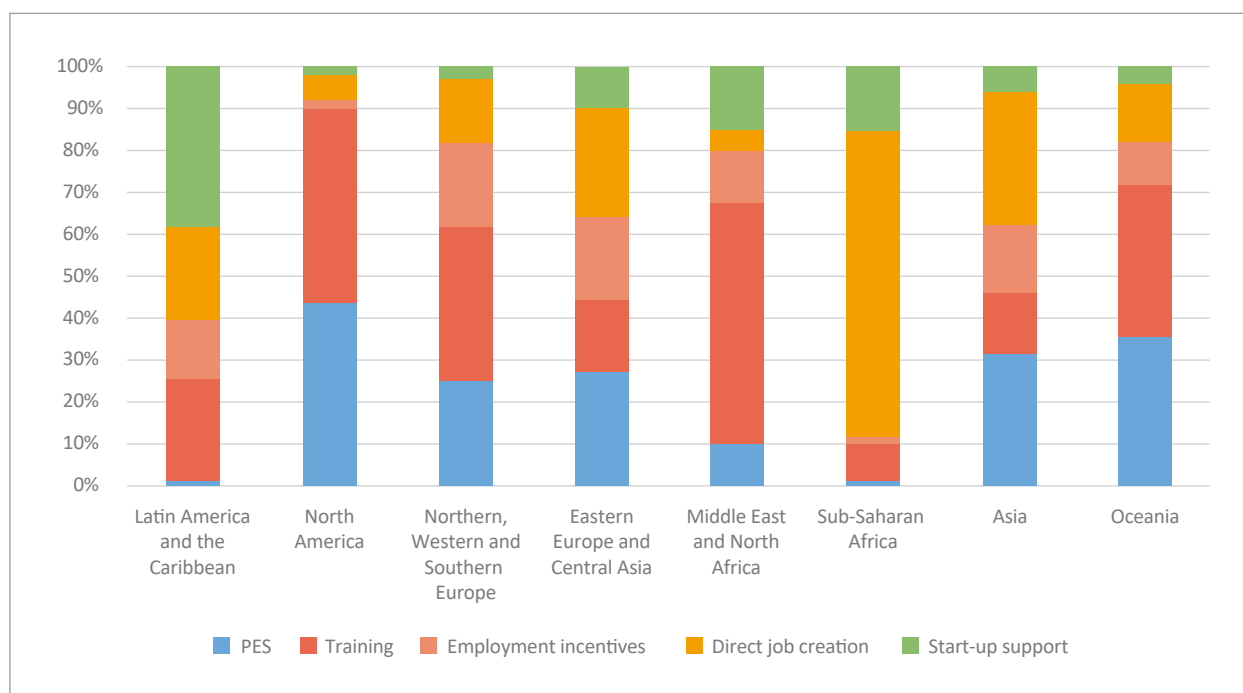
2.2 Experiences from developing countries

2.2.1 Policy and programme overview

While data on labour market policies in developed countries are easily accessible, there is a lack of standardised and comparable figures on government expenditure for both ALMPs and PLMPs in developing countries.¹⁶ Available data does, however, confirm that spending on labour market policies tends to be lower in developing countries, although there are considerable differences across regions. Estimates from four middle-income (non-OECD) countries in Latin America—Argentina, Colombia, Costa Rica, and Uruguay—find that government expenditure on ALMPs represented, on average, 0.35 per cent of GDP (CEPAL 2018, 129). Meanwhile, average public spending on ALMPs in 25 Asian countries was estimated at 0.1 per cent of GDP (ADB 2019, 10-11), and estimates from MENA—based on information from Lebanon, Morocco and Tunisia—point to spending on ALMPs at 0.07 per cent of GDP. These figures are considerably lower than public expenditure on ALMPs in OECD countries from Figure 3 (0.52 per cent of GDP).

Information beyond the OECD on the composition of different types of ALMPs can likewise prove challenging. In a recent study, Pignatti and Van Belle (2018) provide valuable estimates by compiling information on ALMPs from different sources. They use the information to generate estimates on public spending in ALMPs across world regions and disaggregated by programme type. Although the estimates in Figure 4 should be treated with caution, they reveal interesting differences across regions. First, start-up incentives are considerably more important in Latin America and the Caribbean (LAC) than in any other world region. Second, MENA countries spend a greater share of their ALMP budget on training, on average, than other regions, although given lower initial spending on ALMPs, total spending (as a percentage of GDP) remains lower than most regions. Third, direct job creation programmes on average—or public employment incentives—are particularly important in sub-Saharan Africa (SSA), but also in Asia and in Eastern and Central Europe. Lastly, PESs are relatively important programmes in most regions, except for LAC, SSA, and to a lesser extent, MENA.

Figure 4. Distribution of spending on ALMPs by type of intervention, across world regions



Source: Pignatti and Van Belle (2018). Estimates based on database developed by the authors.

While experiences and results from developed countries provide a benchmark for the research on social protection policy in developing countries, it is important to highlight some crucial differences between the developed and the developing world:

- First, while the objective of ALMPs in developed countries is largely to promote (formal) employment, **in developing countries ALMPs frequently take on an anti-poverty dimension as well.** In contexts where the formal economy is small and large segments of the population have basic skills, programmes that teach business skills or PWP are sometimes considered successful enough if they provide positive outcomes in terms of material well-being for individuals from poor and disadvantaged backgrounds. Consequently, researchers and policymakers in developing countries tend to focus on other outcomes and dimensions of material well-being besides (formal) employment, such as earnings, consumption, or assets accumulated.
- Second, **weak and fragmented labour markets in developing countries can reduce the effectiveness of certain types of ALMPs due to stronger displacement effects.** Discussed in more detail in the following sub-sections, displacement effects occur if programme beneficiaries gain access to a job opportunity at the expense of (qualified) non-beneficiaries. Displacement effects are likely to be stronger in contexts where there is high unemployment and greater competition among jobseekers for the same jobs.
- A third difference is that, also due to labour market fragmentation, **certain forms of social protection are in practice either less common, or else limited to workers in the formal sector in developing countries.** This is especially true for UI programmes, given that these policies are less likely to be effective in situations where large segments of the population work informally. Moreover, administrative constraints and higher monitoring costs in developing countries can create difficulties in providing social protection programmes, thereby leading to an under-supply of services.

- A fourth difference to consider is that **training programmes often have different functions or goals within social protection systems in developed and developing countries.** As highlighted in Martin (2014), training programmes in the OECD are often introduced as a form of conditionality to access UI benefits. **Meanwhile, training programmes in developing countries are less likely to be integrated into broader social protection frameworks and are more likely to be stand-alone projects.** In his meta-study on Latin America, Kluve (2016) finds that only about 10 per cent of participants enter training programmes as registered unemployment insurance recipients.
- **Training programmes in developing countries tend to target specific groups or individuals, though there are significant differences across regions.** For example, training programmes introduced in Latin America mostly target poorer and more disadvantaged youth (Kluve 2016), whereas Angel-Urdinola and Leon-Solano (2013) find that training programmes in MENA mostly target more educated and skilled youth. It is necessary to consider the heterogeneity of characteristics among ALMP recipients across developing countries.

2.2.2 ALMPs

While studies analysing the impact of ALMPs on employment in developing countries go back to the 1980s, there has been a considerable increase in studies since the 1990s, particularly focusing on training programmes in Latin America (Kluve 2016: 23). The rise in new studies has in large part been driven by the impressive surge of randomised control trials (RCTs) in the last decade that analyse the impact of ALMPs on employment outcomes in developing countries. Kluve et al. (2016) note that although the majority of RCTs used to take place in OECD countries, there has been a remarkable increase in RCTs in developing countries since 2011. This growing literature has led to recent meta-studies and literature reviews focused on developing countries coming out in the last five years.¹⁷ This review combines results from broader meta-studies with findings from individual case studies.

Training programmes

In the last decade, there has been a growing literature on the impacts of training programmes in employment in developing countries. Between 2002 and 2012, the World Bank and its partner governments have spent an estimated USD1 billion per year on skills training programmes (Blattman and Ralston 2015). Due to the interest in this study specifically on transitions to work for young people, this section focuses on two separate types of training programmes: **technical and vocation education and training (TVET)**, which is the most common form of training; and **training for entrepreneurial skills**, which has been an area of growing interest given the potential to increase productivity for self-employment and small businesses in highly informal economic contexts. This analysis looks at the literature on these two types of programmes in turn.¹⁸

Technical and vocational education and training (TVET)

The empirical literature analysing vocational and technical—also known as ‘traditional’—training in developing countries is considerably large compared to any other type of ALMP. RCTs exploring the impacts of these programmes mostly date from the late 1990s, and most of them are from Latin America and the Caribbean (LAC), although there has been a rise in recent studies assessing the impacts of these programmes beyond LAC. As previously discussed, training programmes in developing countries tend to target poor and vulnerable youth more often. This is particularly the case in LAC countries, where programmes such as *Jovenes* and *Juventud y Empleo* have been introduced to provide remedial and/or technical education to out-of-school and vulnerable youth. These programmes usually combine three months of classroom training with 2-3 months of on-the-job training in the form of an internship, and sometimes provide life skills training (McKenzie 2017).

Given the broader availability of studies assessing the impacts of TVET programmes in developing countries, recent papers have provided meta-studies and analyses of the results. For example, Escudero et al. (2018) conduct a systematic review and meta-analysis of impact evaluations of ALMPs in LAC, based on 296 estimates from 51 programmes. Focusing on the sub-sample of 'traditional' training programmes, they find that these programmes increased both formal employment and earnings (compared to the other outcomes of interest), potentially through the human capital that is provided. These results are in line with those obtained by Tripney and Hombrados (2013), who conducted a similar meta-analysis of TVET programmes in low- and middle-income countries (LMICs). Escudero et al. (2018) also find that **training programmes that target poor people explicitly are more likely to yield positive results**. However, training programmes with more than one component (such as, for example, on-the-job and classroom training) are not necessarily more likely to yield positive results,¹⁹ although the authors argue that this is because the main constraint to programme effectiveness appears to reside in its intensity (or duration) rather than the design (i.e., number of components).

Although the literature points to positive impacts on employment in the short-term and among disadvantaged youth, the evidence is more mixed when it comes to other outcomes. Although many reviews from developing countries find evidence of stronger (positive) impacts of vocational training among women (e.g., Blattman and Ralston 2015; Tripney and Hombrados 2013; Attanasio et al. 2017), the evidence remains inconclusive, since an equal measure of different studies either find no differences between men and women, or more positive impacts among men.²⁰ **Evidence on the long-term impacts of these programmes tends to be mixed:** studies by Ibararán et al. (2015) and Attanasio et al. (2017) find clear evidence of long-term impacts of TVET programmes targeting youth in the Dominican Republic and Colombia, respectively; however, studies from Turkey (Hirschleifer et al. 2016) and Argentina (Alzúa et al. 2016) find little evidence of programme impacts persisting over time. Clearly, the impacts of TVET programmes on employment outcomes—especially in the long term—will depend on both the quality of training and the demand for skills in the economy. Ibararán et al. (2015) note that that skills acquired from training programmes **work particularly well in more dynamic local contexts**, where there is actual demand for the skills provided.

These mixed results bring up questions about whether the returns to TVET programmes, measured in higher earnings over time, actually outweigh costs of TVET training programmes, which can be quite high. Although empiricists are most often concerned with the impact of training programmes on employment or human capital, **cost-effectiveness is often overlooked in empirical studies of TVET programmes**. In his review on the impacts of ALMPs in developing countries, McKenzie (2017) notes that very few studies include follow-ups to assess long-term impacts of these programmes, so it is hard to estimate benefits over the life cycle. However, it is hard to find a training programme that passes a simple cost-benefit analysis (Blattman and Ralston 2015, McKenzie 2017).

Although there is limited evidence indicating that TVET programmes are cost-effective, two recent studies examining the impact of training programmes targeting low-income women found very significant impacts on income, despite being relatively cheap to provide. Maitra and Mani (2017) find that a free stitching and tailoring course offered to young low-income women in India led to an increase in employment, self-employment, working hours, and earnings (150 per cent increase with respect to women in the control group).²¹ Meanwhile, in a similar study from Nepal—a poor country with high levels of informality and underemployment—a TVET programme promoting self-employment activities to rural youth had significant positive impacts on employment and income, especially among women who started self-employment activities inside their homes (Chakravarty et al. 2019). The authors highlight the **importance of social and cultural norms surrounding work**, noting that gender roles can constrain women from participating in the labour force. These findings from India and Nepal show that vocational education targeting young women from low-income and vulnerable backgrounds can provide a valuable option through which young women can contribute to household welfare despite constraints imposed by gender roles. Although basic technical skills can be overlooked by policymakers, results from these studies indicate that they can have very significant impacts.

Finally, there is some indication in the literature that training **programmes that involve—and build partnerships with—the private sector actors are more likely to lead to positive outcomes**. Kluve (2014) argues that “a general

case can be made for designing demand-driven, multicomponent (training) programmes that incorporate private-sector enterprises through work practice and on-the-job training.” Results from Latin America and other places find that training can be effective if providers are selected through an open bidding process and required to collaborate with firms in the provision of their services. An evaluation of ALMPs in Turkey shows that contracting training to private providers can substantially improve employment results (Hirscheleifer et al. 2016).

The empirical evidence finds significant benefits of training programmes in developing countries in terms of formal employment, earnings, and human capital formation. Because TVET programmes tend to be relatively expensive to provide, efforts should be made to optimise (i) **programme design** to provide skills that are valued in the economy, both for the present but also looking towards the future, while building in the process partnerships with the private sector; and (ii) **targeting disadvantaged groups**, as recent evidence from studies analysing the impacts of basic skills training targeting underemployed women from disadvantaged backgrounds finds these programmes to be cost-effective, and can have significant impacts on earnings and household well-being among particularly vulnerable groups. These results suggest that technical and vocational training programmes, especially when targeting disadvantaged youth, should receive particular attention by policymakers concerned with YPTW (Kluve 2016).

Entrepreneurial skills

Training programmes that teach entrepreneurship skills are becoming an increasingly important type of ALMP used in developing countries. Training for entrepreneurial skills differs from traditional training programmes, insofar as the skills provided should be applicable to most businesses but are not related to technical or sector-specific knowledge. These programmes can vary widely in terms of content and breadth. For instance, entrepreneurial skills might consist of maintaining business records, accounting, financial planning, or advice on how to separate business and household finances. Meanwhile, courses that target potential business owners tend to focus more on product ideas, and steps to take the product to market. Other topics covered in entrepreneurial skills training programmes can range from marketing to customer service, from employee management to aspiration and self-esteem motivation (McKenzie and Woodruff 2014: 56-7).

Recent reviews and meta-studies by Cho and Honorati (2014), McKenzie and Woodruff (2014), and Grimm and Paffhausen (2015) have analysed in detail the literature on entrepreneurship programmes, business training, and interventions targeting micro-enterprises in developing countries.²² The studies overall find positive impacts of training on business knowledge and practices, although improvements can sometimes be modest (McKenzie and Woodruff 2014). Entrepreneurial training was found to have only modest impacts on firm survivorship, but stronger impacts on business creation (McKenzie and Woodruff 2014). Training or business development services are found to be more effective than financing alone (Grimm and Paffhausen 2015), although combining training with financing seems to be most effective (Cho and Honorati 2014). Cho and Honorati (2014) also find that entrepreneurship programmes have a larger impact for youth, while financial support for women, and business training for existing entrepreneurs, appear more effective in improving business performance than other interventions.

However, **entrepreneurial training programmes do not always show clear positive economic outcomes.**

All three reviews find **very little impact of these interventions on employment over time**, as it is generally easier to enhance self-employment than to expand employment into existing firms (Grimm and Paffhausen 2015). Meanwhile, **impacts on income tend to be small** (Cho and Honorati 2014), as profits and sales are only found to be positive in some cases (McKenzie and Woodruff 2014). These should be important concerns for policymakers, especially considering that there is very little evidence of long-term effects and cost-effectiveness (Grimm and Paffhausen 2015).

Although Cho and Honorati (2014) do find that labour market and business outcomes are significantly higher for youth, there is considerably little evidence on the impact of these programmes specifically on the youth. Bruhn and Zia (2013) examine the effects of a short training programme (two and a half days) targeted at young entrepreneurs

in post-conflict Bosnia and Herzegovina. The programme consisted of a combination of financial literacy and marketing skills, as well as business investment and growth strategies. The authors find that the training programme improved business practices, investments, and loan terms for surviving businesses. However, the study found that the programme had no impact on firm survival.²³ Another study which explores the impacts of business and entrepreneurial training among young peoples is the study by Premand et al. (2016) in Tunisia, which is covered in detail in Chapter 4 of the report, which found a slight positive impact of entrepreneurial training on self-employment among university graduates. More generally, further evidence is needed from the literature to assess and understand the impacts of these programmes on young people.

Evidence from the literature on differential impacts between men and women is mixed but still evolving. Cho and Honorati (2014) find in their review that financing support for women are programmes that appear more effective in improving business performance than other interventions. Yet, different experiments analysing the impacts of programmes providing financial assistance to micro-enterprises have often found these interventions to be less successful among women (McKenzie and Woodruff 2014: 64-65). **Based on the literature, it is difficult to neatly summarise the impact of these programmes for women.** Nevertheless, it is **increasingly clear that women are more likely to face barriers in engaging in entrepreneurial activity.** Field et al. (2016) find that women in India who attend business training with a friend are able to expand their businesses and increase household earnings and expenditures. They also find stronger impacts among women subject to social norms that restrict female mobility. In their conclusion they suggest that “rather than being bad entrepreneurs, women may be constrained in ways that men are not” (p. 148).

In summary, the literature finds a significant impact of entrepreneurship training on business skills, business creation and, to a lesser extent, firm survival. However, it finds no clear positive impact on employment, while profits and sales are only found to increase in a few studies. There is also evidence that interventions that combine financing with entrepreneurial training are more likely to lead to better outcomes when it comes to skill acquisition, indicating that greater emphasis should be put on understanding the dynamics of combining different interventions. The review found some evidence that entrepreneurship training is more likely to have a positive impact among the youth. Finally, although the evidence on training targeted at female entrepreneurs is mixed, there is strong evidence suggesting that interventions that reduce gender discrimination can have significant impacts on improving female entrepreneurship and increasing household earnings.

Private sector incentives

Wage subsidy programmes in developing countries have gathered a renewed interest among policymakers as a tool for stimulating employment (ILO and World Bank 2012), especially among groups facing barriers entering the labour market, such as young people and women (Almeida et al. 2012). Despite recent interest, wage subsidy programmes still represent a small share of ALMPs in developing countries and, when introduced, are often limited in scope. The evidence available on the effectiveness of wage subsidies is also small compared to high-income countries.

Bordos et al. (2015) highlight two common concerns often expressed when it comes to the use of wage subsidies in developing countries. First, programmes that promote human capital accumulation—e.g., training programmes—can potentially be more effective than wage subsidies in developing countries, at least if young people lack the necessary knowledge and skills due to the poor quality of educational systems. Second, because of possible limitations of formal job growth and high shares on informality in developing countries, programmes that encourage (formal) self-employment of youth through entrepreneurship subsidies might be more effective in promoting youth employment than wage subsidies in existing firms.

In his review on ALMPs in developing countries, McKenzie (2017, 137-141) analyses the recent evidence on wage subsidy programmes. Most of this evidence suggests that wage subsidies have little impact on employment outcomes.

A study from South Africa finds that vouchers given to youths that would pay a subsidy up to six months if the firm formally registered the worker were largely ineffective, as only 30 out of the 1,500 workers (2 per cent) that were given the voucher were actually hired (Levinsohn et al. 2014). A recent study, also from South Africa (Ebrahim and Pirttilä 2019), examines employment impacts of the country's Employment Tax Incentive programme—a wage subsidy specifically targeting low-wage youth. In line with the previous results, they find a non-significant impact on employment among eligible workers, likely due to low take-up rates.²⁴ Galasso et al. (2004) provide empirical evidence from Argentina which also finds that wage subsidies that are conditional on formally hiring workers prove to have low take-up rates, likely due to the costs of formally hiring (and firing) workers remaining (too) high.²⁵

Betcherman et al. (2010) examine the effects of two employment subsidy programmes in Turkey. Although they found an increase in firm registration, significant displacement effects were found, and no changes in total employment were observed. However, results do not always find insignificant impacts on employment. Covered in Chapter 4, the study by McKenzie et al. (2016) exploring a subsidy programme for youth internships in Yemen found that the programme resulted in almost a doubling of work experience and a 73 per cent increase in income in the short-run, while employment outcomes were also found to be better for the treatment group in a follow-up survey 5 months later.

De Mel, McKenzie and Woodruff (2019) analyse the short- and long-term impacts of a wage subsidy programme provided to microenterprises (instead of workers) to promote employment in Sri Lanka. They find that beneficiary firms increased employment during the subsidy period (52 per cent increase in the likelihood of having a worker) and were more likely to survive after the subsidy. However, no lasting impacts on employment were found, and no effects on profitability or sales were observed either during or after the subsidy period. Wage subsidies have also been introduced as policies to provide liquidity-constrained firms with support to avoid firing workers during an economic shock. Bruhn (2016) evaluates whether wage subsidies have improved employment outcomes in targeted industries during an economic crisis in Mexico. Results showed a positive (ranging between 5.7 and 13.2 per cent) but statistically insignificant effect of the programme on employment during the programme's eight-month duration. However, the results also show that employment recovered faster in eligible industries than in ineligible industries following the programme.²⁶

Based on the evidence related to wage subsidies in developing countries, there is **considerable reason for concern regarding whether these programmes can provide an effective and cost-effective solution towards creating employment, especially in the long run.** Almeida et al. (2014) conclude in their policy review, that “if the main goal of government is to create short-term jobs, wage subsidies might not be the most effective instrument” (p. 20). However, **the literature suggests that wage subsidies could be useful in three cases.** First, during **large and temporary shocks**, wage subsidies can have smoothing effects on households during a recession. As noted in McKenzie, however, it might be difficult to know in practice whether a shock is temporary or permanent in nature (2017: 141). The second context in which wage subsidies can be effective is to **create temporary employment conditions in economically and politically fragile contexts** (e.g., McKenzie et al. 2016), especially where high levels of youth unemployment might have **more than just economic ramifications** (McKenzie 2017: 141). Finally, wage subsidies can play a role in **promoting human capital accumulation by providing on-the-job training and work experience**, although potential displacement effects should be considered very carefully. In this third case, wage subsidies should target disadvantaged groups, such as first-time job seekers, women in underrepresented professions, or workers who have experienced long periods of unemployment or inactivity (Almeida et al. 2014).

Search and matching services

While there is a large literature exploring job matching processes in largely informal contexts,²⁷ it is not always clear what the actual impacts of job search and matching services on (formal) employment are in developing countries. Two competing views exist when it comes to thinking about how the potential impacts of these services might differ in developing countries than in more developed contexts. On one hand, job search services might be less effective

in promoting employment in countries with large informal sectors if job-seekers typically use other—more informal—channels to find work.²⁸ On the other hand, employment services might have larger effects in reducing search and matching frictions in less developed contexts, if (i) educational systems are not very good at signalling quality, and/or (ii) if educational contents taught in school differ considerably from the skills looked for by employers (McKenzie 2017, 142). Studies exploring the impacts of search and matching services cover many different types of interventions: services and information sent from public service providers; recruiting services, which can inform individuals about new job opportunities and facilitate contacts with employers; job fairs, which also help connect job-seekers and employers; and programmes that provide firms with information on job-seekers, thereby reducing informational frictions.

Most of the evidence from developing countries generally find little or mixed evidence of job search services having significant impacts on employment outcomes in the long run.

Dammert et al. (2015) examine whether providing information about job vacancies to registered jobseekers led to any increase in employment in Peru. They find positive and significant results in the short-term (1 month), mostly driven by the newly introduced digital services. However, no differences in employment are found between treatment and control groups after three months. Pignatti Morano (2016) compares employment outcomes for jobseekers looking for work through public employment services (PESs) and other channels²⁹ in Colombia. The results show that finding a job through PESs had a positive effect on having a formal (rather than informal) job. **Recruiting campaigns when linking new job opportunities can have significant impacts on employment and individual behaviours.** Jensen (2012) explores the effects of recruiting services in India that connected young women in rural villages with experienced recruiters in the business process outsourcing industry. Increase in employment was small (2.4 percentage points.) but positive and statistically significant. Meanwhile, the intervention increased both awareness and accessibility of job opportunities for young women (18-24 years old), leading to an increase in human capital investments for girls, as well as delayed marriage and childbearing.

Evidence is mixed when it comes to assessing the impacts of job fairs on labour market outcomes in developing countries.

Beam (2016) finds that attendants at job fairs in the rural Philippines did not facilitate direct matches with job-fair employers. However, attendance led to an increase in reported formal sector employment and in the likelihood of looking for any work outside the region in the months following the job fair. Abebe et al. (2017) examine the role of a job fair in Addis Ababa that brought together large firms and young jobseekers. They equally find that the fair generated very few hires (approximately one for every ten firms that attended). They also find that firms are over-optimistic about the availability of skilled workers with work experience, while low-skilled workers had reservation wages well above what firms offered. They do, however, find evidence that job fairs lead to changes in behaviours, as participants accurately update their beliefs after the fairs.

The last category of studies covered in this review are programmes that **provide certificates and job application workshops** to reduce matching frictions for employers by providing better information about jobseekers. The studies covered in this literature are focused either on recent graduates or young jobseekers. Most of the studies found in this literature **focus on interventions providing certification for hard or soft skills (or both)**. Bassi and Nansamba (2017) conduct a field experiment in Uganda in which certifications on soft skills of workers was provided during job interviews. They find that both managers and workers with higher skills update their beliefs on skills. They also find that the programme had a positive, but non-significant, impact on employment. Abebe et al. (2016) examine the impact of participating in a job application workshop, in which participants had their skills certified, and were given orientation on how to make effective job applications in urban Ethiopia. They found that the intervention improved search efficacy and increased the quality of jobs obtained. Results were concentrated among women and the least educated jobseekers. Lastly, Abel et al. (2019) analyse the impact reference letters from former employers in a low-skill labour market in South Africa. They find that using a reference letter in the application improved call-back interviews by 60 per cent. Impacts on employment, however, were mixed: although no significant impact was found for the overall sample, they find some evidence suggesting that reference letters improved employment outcomes for women (6 per cent).

The studies reviewed here overall find little impact of job-search and matching programmes on employment in developing countries. The one clear exception found was Jensen (2012). However, this study differs from the others in the literature, as recruiting services were introduced along with a sudden rise in new job opportunities in Indian villages. Abel et al. (2019) find some evidence that reference letters can improve employment for low-skilled women in South Africa; however, no effects were found in the overall sample. These studies do, however, provide some indication that search and matching services can lead to increases in formal employment outcomes, as found in the cases of PESs in Colombia, job fairs in the Philippines, and skill certification in Ethiopia. Nonetheless, these studies find no significant impact on wages or job satisfaction.

In summary, despite no clear evidence of programmes increasing employment overall, the results from this review indicate that employment services can be effective in different ways: **(i) job fairs can effectively bring together job-seekers and employers and improve expectations on labour markets; (ii) certification programmes can help reduce information frictions for employers; (iii) PESs can be a valuable resource for job-seekers and can improve employment outcomes in the short-run; and (iv) face-to-face search services and CV workshops can be effective tools in creating matches in the labour market.** Regarding this last point, it should be noted that due to potential displacement effects, programmes that provide individualised and face-to-face service should target disadvantaged groups facing barriers entering the labour market, including the youth, the long-term unemployed, and women.

Beyond the effectiveness of search and matching services, two benefits concerning these programmes, especially among policymakers, are worth drawing attention to. **First, job-search services are by far the least expensive type of ALMP to provide.** Although programmes that include more complex testing and enrolment processes might be more expensive, comparisons between different types of ALMPs find that the cost per person attended for job-search services represent between one-fiftieth and one-hundredth the cost per person of vocational training programmes³⁰ (McKenzie 2017, 142). **Second, search and matching services can be valuable in assessing capabilities, characteristics and needs of jobseekers, particularly in contexts where educational systems might not be as effective in signalling skills and ability.** Including these services as a component of national social protection systems can, therefore, play an important role as an entry point from the perspective of job centres to assess individuals' skills and abilities, but also for jobseekers to gain information about options concerning potential transitions to work.

Public sector incentives

A major development over the last 20 years in terms of social protection policy in developing countries has been the rise of national PWP as key components of social protection strategies.³¹ Today, these programmes are most common in middle-income countries, and sometimes serve as a permanent safety net by offering a guaranteed amount of employment every year. Other workfare programmes are either one-off affairs or operate on a temporary basis, and are common in post-conflict or post-disaster situations, to inject cash into an economy and provide some of the poorest a basic income (Blattman and Ralston 2015: 5). Prominent examples of large-scale PWPs in low- and middle-income countries include India's National Rural Employment Guarantee Act (NREGA) and Ethiopia's Productive Safety Net Programme (PSNP). Designs of these programmes can differ significantly, for instance, in some cases all citizens have the choice to self-select into the programme (i.e., NREGA), while other programmes target beneficiaries based on eligibility criteria.

As previously discussed in Section 2.2.1, the objectives of PWPs can differ considerably between developed and developing countries. While policymakers in developed countries tend to assess the effectiveness of PWPs as an activation policy for future formal employment, large-scale PWPs in developing countries are often targeted in rural areas and at the most vulnerable populations, and often take on an anti-poverty or social insurance dimension. For instance, India's National Rural Employment Guarantee Act (NREGA) was originally conceived as a tool to

provide guaranteed minimum wage unskilled work to rural households during the lean season for a maximum of 100 days per financial year.³² Despite a relatively long history of workfare programmes in developing countries, most of the empirical studies exploring their effectiveness have been published in the past decade. While evidence of PWPs in developed countries generally finds these programmes to be detrimental to employment, evidence from developing countries is more mixed and depends on the outcomes surveyed. Assessments of PWPs in developing countries often focus on poverty alleviation, wages in the private sector, human capital investments, and other socio-economic outcomes in addition to (formal) employment.

Much of the empirical evidence on PWPs is relatively recent and focused on NREGA in India. Evidence from India's flagship programme shows that large-scale PWPs can increase rural private sector wages. Imbert and Papp (2015) find that districts that received the programme earlier experienced a significant increase in public work, which led to a significant increase in private sector wages, as (aggregate) reservation wages in the private sector went up. Berg et al. (2018) also examine the impact of NREGA on wages in 209 districts across 18 Indian states, and find that, on average, the programme boosted the growth rate of real daily agricultural wages by 4.3 per cent per year. Azam (2012) finds a strong gender dimension to the impacts of NREGA, as the programme had a much sharper impact on female labour force participation. Also, a significant positive impact on the wages of female casual workers was observed (8 per cent more compared to non-NREGA districts). Zimmerman (2012) finds that increases in private-sector wages were more substantial for women than men, while little evidence of negative impacts on private employment were observed.

In the case of NREGA, positive impacts are also detected beyond employment and wages. The PWP was found to have positive effects on food security, expenditure, and the likelihood of having savings (Ravi and Engler 2015). Positive impacts were also observed on schooling and educational attainment among children, a result seemingly driven by greater labour force participation among women, and greater decision-making for working mothers (Afriti et al. 2016). Studies analysing NREGA also find that the programme decreased temporary migration from rural to urban areas due to the social insurance effect of the programme (Imbert and Papp 2019; Morten 2019), and also provide some evidence of decreasing violence (Fetzer 2014) and creating state support in conflict regions of India (Khanna and Zimmerman 2017).

Studies analysing the PSNP in Ethiopia tend to find positive, although much more modest impacts on beneficiaries. In an earlier study of the programme, Gilligan et al. (2009) found that PSNP beneficiaries often received transfers considerably below programme targets. Nonetheless, beneficiary households that received at least half of the intended transfers experienced a small but significant improvement in food security. Berhane et al. (2014) find that the PSNP reduced the length of the last hungry season (1.29 months) among households that received transfers for 5 years, compared to eligible households that did not receive the PSNP. They also find a small positive impact on holding livestock, and no evidence that the PSNP crowded out private transfers. Furthermore, there is some indication that the PSNP promoted new productive practices among beneficiaries. Andersson et al. (2011) find that the PSNP had a positive effect on beneficiaries planting trees. This could be explained either through a learning effect, as the workfare component of the programme included work in forestry; or as an insurance effect, due to the PSNP providing a source of income to allow beneficiaries to make longer-term investments in agriculture (i.e., planting trees instead of short-term crops). **Despite encouraging evidence from India and Ethiopia, not all the evidence from developing countries finds that PWPs lead to better outcomes.** Beegle et al. (2017) examine the impacts of a PWP in rural Malawi and find no evidence of the programme improving food security. Moreover, they find evidence of negative spillovers among untreated households.

Despite these mostly encouraging results, careful consideration should be given to issues of displacement effects in the private sector and cost-effectiveness of PWPs.³³ Evidence concerning long-term productive effects is limited and difficult to assess, which could make other interventions—such as cash transfers—preferable if growth effects in the long-run are limited (Gehrke and Hartwig 2018). Another important concern is related to the availability of evidence, as most studies of PWPs in developing countries focus on few programmes. Hence, more evidence

is needed to properly assess the effectiveness of these programmes, especially in fragile contexts. Early evidence from a World Bank study (Mvukiyehe 2018) exploring the impacts of labour-intensive work programmes in five fragile states find that, although these programmes have positive impacts on well-being in the short-term, economic welfare impacts in the medium- and long-term are limited. There is also no evidence that these programmes improved violence or crime indicators, which suggests that PWPs are not guaranteed to bring peace and stability in conflict and fragile areas.

One of the main and most important conclusions from the literature is that the effectiveness of PWPs principally depends on programme design and implementation. In her review of PWPs in developing countries, Zimmerman (2014, 9) emphasises how “rationing, corruption, mismanagement, and other implementation problems limit the effectiveness of public works programmes in providing employment at specified wages.” Governments should also set clear policy goals when designing and implementing PWPs as part of a poverty alleviation strategy. Key factors identified by Zimmerman include (i) identifying and reaching the target population; (ii) setting the right wage rate; and (iii) establishing government institutions whose implementation of PWPs is efficient and transparent. If these conditions are met, PWPs are more likely to become a viable safety net option. The fact that PWPs can effectively target vulnerable individuals and be flexible in their design makes this type of programme particularly relevant, given that it can be adapted to different contexts.

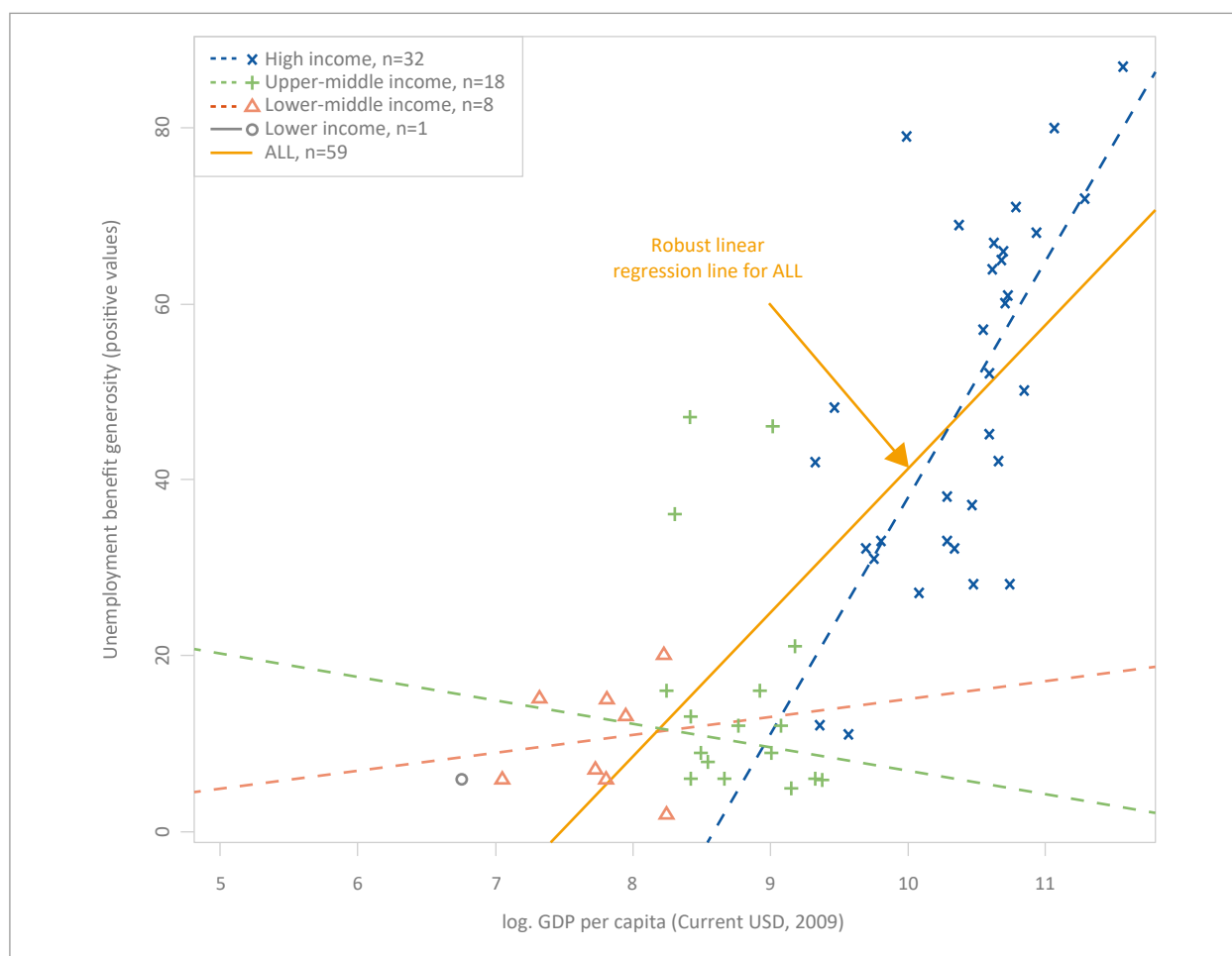
2.2.3 PLMPs

Although they are slowly gaining importance, PLMPs in the developing countries are less common and remain marginal to social protections systems with respect to more developed countries. Whereas UI in most developed countries is mandated to cover all workers with some exceptions (e.g., self-employed, agricultural workers and household workers), this is generally not the case in developing countries. In a review of UI schemes around the world, Holzmann et al. (2011) find that 80 per cent of high-income countries surveyed had a mandatory UI scheme. This same value was 50 per cent in upper middle-income countries, about 18 per cent in lower middle-income countries, and 3 per cent (1 out of 34) in low income countries. Furthermore, UI in developing countries that is not mandated usually covers only a fraction of the workforce, due to large levels of informality in labour markets. One of the consequences of low coverage is that informal and vulnerable workers in developing countries are much more likely to be excluded from such schemes.

Another characteristic of unemployment benefits in developing countries is that they are significantly less generous—measured as a share of previous wages – than in developed countries. Figure 5 shows the relationship between generosity of UI benefits and GDP per capita among countries with mandatory UI schemes. It highlights a strong correlation between benefit generosity and GDP per capita in high income countries (blue line); however, this relationship across upper and lower middle-income countries is weak and not clear.

In practice, there are many policy aspects to consider when introducing or expanding UI schemes in predominantly informal contexts. In a paper analysing the policy implications of UI schemes in developing countries, Vodopivec (2013) argues that the successful performance of UI depends on (i) developed labour markets; (ii) strong administrative capacity; (iii) a modestly sized informal sector; (iv) low incidence of underemployment; and (v) low political risk. Clearly, many of these pre-conditions are wanting in low- and middle-income countries. These issues can lead to significant administrative and logistical challenges, as it is more difficult in largely informal countries to assess whether benefit recipients are actively looking for work, or if they are in fact working informally during UI benefit spells. However, despite significant issues regarding feasibility, UI schemes can have important impacts in reducing transitory vulnerabilities in a poorer context. **A common argument arising from the literature is that UI and social insurance schemes most likely provide greater welfare gains in developing countries, due to more households being close to subsistence consumption levels and to financial market imperfections being deeper.** Hence, welfare gains from consumption smoothing are likely to be more pronounced in developing countries (Chetty and Looney 2006, Vodopivec 2013).

Figure 5. Generosity of UI benefits across countries



Source: Holzmann et al. (2011).

Compared with developed countries, there are significantly fewer studies from developing countries exploring the impacts of UI schemes on employment. Similar to the results in Section 2.1.3, studies from developing countries also find that increases in UI benefits lead to longer transitions into (formal) employment. Iturriza et al. (2011) explore the impact of *Plan Jefes* in Argentina, a programme implemented in 2002 as a response to the crisis. Although the programme provided a social safety net to many families in need, the authors question the long-term sustainability of the programme, which provided benefits to eligible unemployed individuals for an unlimited duration. They found that individuals enrolled in the programme were between 12 and 19 percentage points less likely to exit unemployment than non-participants of the programme, with negative effects being particularly strong for women which led to the programme becoming increasingly feminised over time. Two studies from Brazil provide similar results: Gerard and Gonzaga (2013) find that prolonging unemployment benefits reduces the probability of formal re-employment; while Hijzen (2011) finds a positive effect of UI on the duration of non-employment in Brazil, with a more pronounced reduction of the job-finding rate of formal than informal jobs.

Despite increased unemployment spells—as observed and discussed in Section 2.1.3—UI schemes can nonetheless have positive welfare effects for recipients overall. Hijzen (2011) finds that UI benefits in urban areas of Brazil have positive welfare effects, as they increased liquidity among financially-constrained households, which is in line with previous results from Chetty (2008). Large informal sectors make assessing the potential macro-effects of IU in developing countries even more complicated, as workers might be more inclined to opt for informal work and self-employment. Margolis et al. (2012) analyse the potential impacts of introducing UI on informality in the case of

Malaysia. They find that UI would lead to only a modest increase in the unemployment rate if benefits are not overly generous. The main outcomes of this hypothetical reform would be a shift in labour from wage into self-employment, although average wages in the formal and informal sectors would increase as a result.

In summary, providing a systematic and comprehensive review of UI schemes is challenging, as the **effectiveness of UI schemes ultimately depends on programme design and country specificities**. The question of whether to introduce UI in a developing country must be carefully examined and consider the design of the proposed programme. In a paper analysing the policy implications of UI schemes in developing countries, Vodopivec (2013) argues that policymakers should tailor OECD-style UI programmes to suit their circumstances, which can gradually be achieved by “(i) relying on UISAs—complemented by solidarity funding—as a source of financing; (ii) simplifying monitoring of job search behaviour and labour market status; (iii) keeping benefits modest both in terms of replacement rate and potential benefit duration; (iv) drawing on employer and worker contributions as a source of financing; and (v) piggybacking on existing networks to administer benefits” (p. 18). It should be noted that individuals with lower contributory capacity are more likely to receive insufficient protection from systems based on “pure” UISAs and are therefore at greater risk of receiving inadequate support in the case of job loss. This risk is particularly strong in the context of developing and emerging economies (Asenjo and Pignatti 2019: 14). Hence, social insurance schemes that based on (worker) individual saving accounts should consider contributions from employers and government to expand adequacy.

Although the role of UI in developing countries is growing and has the potential to reduce worker instability and to promote productivity, in practice, these programmes remain marginal and out-of-reach for many LMICs and LICs. As long as UI programmes are limited to workers in the formal sector, it will remain an inadequate solution for poor and vulnerable individuals, especially for young people with little to no experience in the workforce.

2.2.4 Social assistance

This section focuses its analysis on non-contributory social assistance schemes. Although social assistance generally includes both monetary and in-kind (generally food) transfers, this section more specifically reviews the literature on monetary transfers, also known as cash transfers. Reasons for focusing on CTs include the following: (i) they are the most ubiquitous type of social protection used by governments (and analysed) in low- and middle-income countries (Gentilini, Honorati and Yemtsov 2014), and (ii) they are considerably more likely to have an impact on employment outcomes and transitions to work.

CTs exist in different varieties: they can be either unconditional or conditional (usually related educational or health outcomes); and either categorically targeted (usually at poor or vulnerable households) or universally distributed to all households. In practice, disability pensions, disability benefits and old age pensions are amongst most common forms of cash transfers in the world. CTs can also exist in the form of support for entrepreneurial activity or self-employment, and/or as part of livelihood programmes. Across the developing world, CTs have become an increasingly important form of social protection. They are being gradually used by governments in developing countries as a response to poverty and vulnerability, and are an essential component of economic and social development strategies.

There is an extensive body of work analysing the impacts of CTs on different socio-economic outcomes, including education, health, fertility, and consumption in developing countries. Given the focus of this study on YPTW in MENA, this section focuses on the literature regarding the impacts of CTs on adult labour supply in developing countries. The section also surveys the literature on the impacts of CTs—especially CCTs—on educational outcomes, given that schooling and learning are important and integral parts of YPTW.

Cash transfers and employment

Standard neoclassical economic theory on the impacts of unexpected cash windfalls on labour supply is quite clear: individuals will work and earn less in order to enjoy more leisure at the expense of additional income.

However, this interpretation is incomplete, especially when considering responses to labour choices in the case of low- and middle-income countries, where different channels are likely to affect these choices. Four channels on how CTs can increase employment are worth highlighting: **productivity effects**, as transfers can improve the health and energy of undernourished workers and hence increase earnings and productivity; **self-employment and insurance effects**, as individuals lacking access to credit might be more inclined to start or expand their own businesses, or else undertake risky activities with greater potential rewards; and lastly, **labour search effects**, which could in practice have similar effects to UI by improving and prolonging the job search processes, which could ultimately lead to better job matches (Baird et al. 2018, 3-4). Another way in which CTs can lead to improved labour search and insurance effects is by helping workers gain access to different labour markets across space (also known as spatial mismatches) by lowering the cost of transportation to find or commute to new jobs.

In practice, CT programmes implemented in developing countries vary substantially in size and scope. **Because social assistance comes in very different varieties and target different groups, it is important to understand what the main purpose of a specific programme is, since programme design and the targeted population will influence the likely impact on employment.** For instance, the main purpose of certain types of CTs, such as old-age assistance, is considered to be *reducing* unemployment among older individuals. In their systematic review on the impacts of CTs on adult labour market outcomes, Baird et al. (2018) differentiate between different types of CTs (humanitarian assistance, government transfers, CTs for business start-up, and more) and provide an empirical review on how these policies differently impact labour activity.

One of the key findings from their review is that transfers with an explicit job focus—specifically CTs for job search assistance or business start-up—tend to increase adult labour supply and earnings. As highlighted in the review by McKenzie (2017), there is growing evidence that CTs made conditional on job search can potentially have significant impacts on employment.³⁴ In a study analysing the impacts of a transport subsidy to look for work in Ethiopia, Franklin (2015) and Abebe et al. (2016) find that the programme reduced temporary work, as individuals spend more time looking for more permanent jobs. The two studies find positive impacts on employment, which is estimated in Franklin (2015) as a 6.7 percentage point increase in employment. In Abebe et al. (2016), results were concentrated among women and the least educated. Evidence from a programme in Bangladesh that provided a bus ticket to the city for rural residents found even stronger impacts. Akram et al. (2017) find that the subsidy leads to increases in employment and earnings, while Bryan et al. (2014) find a 30-35 per cent increase in household consumption during the hungry season. The evidence from Ethiopia and Bangladesh suggest that, although relatively inexpensive to provide, job search subsidies can have significant impacts on employment. This is due to the ability of these CCTs to incentivise individuals to look for new opportunities (job search effect) but also protect against the risk of not finding a job (insurance effect). The insurance effect will be likely stronger for poorer individuals living in rural or semi-urban areas. Conversely, CTs for job search might be less effective for jobseekers that are skilled and already living in urban areas.

There is a rapidly increasing body of evidence on the effects of CTs for business start-up and growth in developing countries.³⁵ This literature also tends to find positive impacts on labour market outcomes (profits, business survival, and hours worked). In most cases, the studies examined generally provided a one-time CT ranging between USD100 and USD200 to small businesses in low- and lower middle-income countries, with returns to capital starting at 5 per cent on investment.³⁶ There is also some evidence that conditionality matters regarding outcomes: in the case of Ghana, individuals who received transfers that were conditional on investing in their firms had greater returns than UCTs (Fafchamps et al. 2014). Evidence also shows that CTs can be profitable beyond urban areas. Research taking place in a post-conflict context in northern Uganda finds that cash grants for business developments provided an effective solution for ultra-poor individuals, especially in situations in which credit markets were non-existent (Blattman et al. 2019; 2014). The main channel to explain increases in earning and working hours in these studies is the self-employment effect, as individuals grow their businesses thanks to CTs lowering credit constraints. At the same time, results finding that CCTs linked to investments in firms show larger impacts than UCTs suggest that the conditionality might help some individuals to overcome self-control problems and expand their business. Although evidence shows that CTs transfers can have positive impacts in expanding self-employment, establishing microenterprises and increasing productivity, one of the

key conclusions from the literature is that there is much less evidence whether transfers that target small businesses are successful in expanding employment in micro-enterprises (Grimm and Paffhausen 2015). This shows that there are often important limitations when it comes to increased productivity and job creation.

The review by Baird et al. (2018) also finds that CTs without an explicit employment focus (CCTs, UCTs, and remittances) tend to result in little to no change in adult labour outcomes. Although this finding is rather encouraging for policymakers since it confirms that social assistance in developing countries does not decrease labour supply (see Banerjee et al. 2017), there is limited evidence to suggest that these CTs can consistently improve productivity or employment outcomes.³⁷ Relevant to this review, studies exploring the long-term employment effects of CCTs among young people and young adults are often disappointing, as papers exploring scholarships for secondary students in Cambodia (Filmer and Schady 2014), CT recipients in primary education in Ecuador (Araujo, Bosch and Schady 2016), and a CT experiment for young women in Malawi (Baird et al. 2019) find no medium- to long-term impacts of transfers on employment outcomes among previous beneficiaries. It should be noted that not all the evidence corroborates these findings: long-term effects of *Progresá*, a large scale CCT in Mexico, found weak positive effects on employment for women beneficiaries aged 13-15, while the programme had weak *negative* effects on agricultural employment for men, potentially explained by former beneficiaries staying longer in school (Behrman, Parker and Todd 2011); another study which more clearly stands out from the rest of the literature is a paper by Barham, Macours and Maluccio (2013) which finds that a CCT programme targeting boys aged 9-12 in Nicaragua found substantive improvements in earning and labour force participation ten years after the baseline study. **In summary, these results show that there is no guarantee that social protection programmes aimed at improving educational outcomes among young people will automatically lead to better employment outcomes in the medium to long term.** Understanding why these channels—including schooling and human capital—do not necessarily improve labour outcomes is crucial. The role of CTs and their impacts on education is discussed further in the next sub-section.

Finally, there is evidence suggesting that transfers to elderly people and, to a lesser extent, to international refugees, reduce work among beneficiaries. Evidence from the old-age pension in South Africa—a UCT for adults over 65 years of age—finds that the programme decreased labour force participation among the elderly (Ranchhod 2006). Meanwhile, although the evidence of these programmes on prime-age adults living with older beneficiaries is inconclusive, there is some indication that labour supply is more likely to decrease among working-age adults living with pension beneficiaries if the beneficiary is female, which is potentially due to a lower value placed on the welfare of female beneficiaries (Bertrand et al. 2003). As for humanitarian transfers targeting refugees, very few studies actually look at the effects of CTs on employment, which instead tend to focus on food insecurity, health or consumption outcomes (Baird et al. 2018, 11). One study that examines the impacts of humanitarian transfers on employment outcomes takes place in MENA and is covered in the Chapter 4 of this study, finding that humanitarian transfers to Syrian refugees in Lebanon modestly decreased days worked (Lehmann and Masterson 2014). However, much more—and more rigorous—evidence is needed in order to provide a more definite assessment of the impacts of transfers for refugees on employment outcomes.

Cash transfers and education

When analysing the impact of cash transfers on YPTW, it is equally important to understand the effectiveness of UCTs and CCTs at promoting schooling among young people, given that increased schooling attainment is associated with better transitions to work. CCTs that are made conditional based on school attendance are a particularly important and popular type of social protection that is increasingly being adopted in developing countries. Although a detailed account of the impacts of UCTs and CCTs on educational outcomes is beyond the scope of the present work, key results are discussed from studies that analyse and systematically review this literature (Bastagli et al. 2016, Molina Milan et al. 2016, Baird et al. 2014).

In their comprehensive review, Baird et al. (2014) analyse data from 75 reports on CCTs (most common), UCTs, and experiments comparing the effects of UCTs and CCTs on educational outcomes. In addition to distinguishing between CCTs and UCTs, they also disaggregate CCTs into programmes with (a) some conditions and minimal monitoring, and (b) explicit conditions that are monitored and enforced. The review finds that both CCTs and UCTs improve the

odds among children from the poorest population of being enrolled and attending school compared to non-recipients. The effect sizes for enrolment and attendance are larger for CCTs compared to UCTs; however, these differences are not statistically significant. **However, the authors find a much clearer pattern in terms of enforceability, whereby programmes that are explicitly conditional, monitor compliance and penalise non-compliance have substantively stronger effects (60 per cent more) in terms of enrolment. Moreover, in addition to positive results in terms of school attendance and enrolment, a consistent finding among rigorous impact evaluations of CCTs is that they substantially decrease child labour (Molina Millan et al. 2016).**

However, unlike attendance and enrolment, the evidence on the effectiveness of CT programmes on learning achievement is mixed (Bastagli et al. 2016). While some studies find modest positive impacts of CCTs on learning in Nicaragua (Barham et al. 2018) and Malawi (Baird et al. 2011), others from Mexico (Behrman, Parker and Todd 2009), Cambodia (Filmer and Schady 2014) and Morocco (Benhassine et al. 2015) find no positive impacts on learning. Taken together, these results signify that improvements in attendance and enrolment do not necessarily lead to learning. These results have significant policy implications in terms of CCT design. If the primary goal of CCTs is to promote learning among children and young people, policymakers might consider designing CCTs with conditionalities that are linked to learning outcomes, instead of just attendance or enrolment. While this may incentivise students to focus on learning, such programmes can negatively affect and penalise students with educational deficits or from poorer and more vulnerable backgrounds. Finding solutions to balance the anti-poverty and the learning components of CTs is therefore essential.

In addition to conditionality designs, two considerations are of particular importance. First, it is crucial to understand the context in which CCTs are more likely to be successful in promoting learning, as CCTs are sometimes viewed as silver bullets. Reimers et al. (2006) note that most of the evidence related to CCTs pertains to primary education; therefore, it is inappropriate to extrapolate findings from the literature to possible effects at secondary and tertiary educational levels, especially since there are more reasons to be concerned with the cumulative effects of deficient education preparation when thinking about education achievements at higher levels of schooling. Hence, it is largely untenable to expect demand-side interventions to be beneficial for students with poor prior academic preparation (ibid., 12). The important issue that must be highlighted is that for CTs to have a lasting impact of learning and not just attendance, greater efforts need to be allocated to improve the quality of education and teaching. Although studies showing that CTs increase school attendance is a positive result, learning is the purpose of schooling and so the possibility that some children attending school—whether they are CT beneficiaries or not—might not be learning is a serious concern. The mixed findings emphasise the need to seriously address the issue of quantity and quality of education services, and how this interacts with the provision of CTs (Molina Millan et al. 2016).

2.3 Integrating youth employment programmes within social protection systems

Thus far, this review has looked at the empirical evidence on the impact of social protection programmes on employment outcomes, with a particular focus on youth. However, beyond this empirical literature, there is growing evidence suggesting that the quality of implementation, and the right combination of programmes, matter just as much to successfully building social protection frameworks that promote transitions to work. This section looks at the evidence regarding policy implementation, including case studies of recent reforms that enhance social protection systems, with special attention to steps to include young people in these frameworks. This review focuses separately on information and experiences from developed and developing countries.

2.3.1 Lessons from developed countries

The first step towards making social protection systems work for young people is to make sure activation programmes and principles are successfully introduced as part of social protection policy. Looking into the implementation of ALMPs in OECD countries, Martin (2014) finds that countries in which activation principles were ineffectively implemented were

generally found to be disappointing in terms of employment outcomes,³⁸ as many countries merely pay lip service to activation principles. Although the design and ways in which ALMPs are implemented can vary across countries, there is growing evidence from OECD countries that the most effective programme sequence for unemployed individuals is to start with job-search services with counselling and monitoring, given that these services tend to be less expensive and are more likely to achieve positive effects in the short term; and later move on to training programmes, which are more expensive but yield positive effects in the medium to long term due to acquisition of new skills and human capital (Kluve 2014: 8). It should be clear, though, that these lessons are also applicable to developing countries.

There is also a growing body of evidence that finds that the combination and successful integration of different programmes has very significant impacts on overall effectiveness. Pignatti and Van Belle (2018) conduct a macro-analysis looking at the impact of spending in ALMPs and PLMPs on unemployment. They find, in the case of developed countries, that ALMPs have a positive impact on labour markets (i.e. lower unemployment and increased employment), while PLMPs do not show any negative effect. However, they find that the interaction between interventions is crucial as the effect of spending on either of the two policies is more favourable the more is spent on the other. In particular, they find that spending in PLMPs can have positive labour market effects if sufficient amounts are spent in active interventions. In line with this result, Martin (2014) finds that OECD countries that successfully implemented activation strategies are generally the same that were able to successfully integrate training programmes within UI frameworks. Successful case studies vary from countries where benefit systems are generous and conditionality is stricter (Switzerland, Norway, Finland) to examples of countries where activation programmes have been relatively successful despite benefits not being very generous (Japan and the UK).

A central policy concern in developed countries is finding ways to integrate unemployed groups, especially the youth and disadvantaged groups, into contributory social protection schemes. While ALMPs and non-contributory schemes are widely available to registered job-seekers regardless of age in developed countries, finding ways to integrate young people with little to no work experience in UI schemes can be difficult. On the one hand, extending UI to first-time job seekers can help improve the income security of young people. On the other, it can be expensive and risky to extend income support to individuals who have not contributed to UI schemes in the past, especially considering that young people are more likely to work in informal jobs and under non-standard contracts. Finding ways to integrate young workers with little to no work experience is therefore a challenge. Indeed, only 20 out of 201 countries provide unemployment benefits for first-time job seekers (ILO 2014). OECD countries, on average, set the eligibility for unemployment benefits at a minimum of 10 months of contribution, although this length varies across countries. In recent years, several high-income countries including Austria, Portugal and Slovenia have extended access to existing unemployment benefits or established new schemes to first-time job seekers (UNDESA 2018). Voluntary unemployment insurance schemes for informal and 'gig' (independent, on-call and temporary) workers have been introduced in Nordic countries. Although these programmes provide an interesting option for young people, there are important concerns about their financial sustainability in the long run (OECD 2018).

2.3.2 Lessons from developing countries

Although activation policies have a longer history and tend to be more integrated in social protection frameworks in high-income countries, the policies are increasingly being adopted in developing countries. Governments in low- and middle-income countries have begun to embrace policy shifts that combine ALMPs with social assistance and other measures primarily introduced to alleviate poverty, as integrated approaches are gradually becoming a key component of labour market policy in emerging and developing economies (ILO 2019, 4).

In the context of developing countries, there is no single formula or combination of policies that exists to improve social protection systems and/or promote better transitions to work. Reforms are largely context-specific, and depend on chosen policy (e.g., contributory or non-contributory), economic and social setting (especially the size of the informal economy in a given country), and interactions with existing policies and institutions. However, two of the

main objectives of any social protection system should be to **(i) provide sufficient income support to individuals facing vulnerabilities, especially during shocks and times in need**; and **(ii) to provide individuals with training and services to promote skill-acquisition and transitions to decent work** (ILO 2019). Therefore, any successful integrated social protection framework must include anti-poverty and social insurance elements, but also promotive components that improve productivity and human capital. Interventions that are able to successfully strike a balance between these different components are much more likely to lead to successful labour market outcomes than programmes that focus on either social assistance or ALMPs

Recent examples of programmes from developing countries that successfully combine both income assistance and promotive tools are analysed in a recent report by the ILO on promoting pathways to work (ILO 2019). The report focuses in detail on two recent case studies from Mauritius and Uruguay. Uruguay introduced a CCT programme targeting the most vulnerable households during a time of crisis. A public works programme was simultaneously introduced but only on a voluntary, self-selection basis. Meanwhile, Mauritius adopted a structural programme that combined income support (UI benefits) in combination with ALMPs (training, job search assistance, and start-up support) to facilitate transitions out of unemployment. The benefits were offered both to those who had previously been in formal employment and those who had been informally employed. Even though the programmes were very different in nature, they both demonstrated that combining income support mechanisms with activation policies can lead to stronger and more successful outcomes. They also provide examples of careful policy design, as the programmes took steps to make sure administrative capacity, financing solutions, programme design (targeting and programme integration), and support from relevant stakeholders were areas that were all prioritised. These reforms are particularly relevant to our study, given that both these interventions have had success in reaching out to vulnerable and low-income households in times of crisis (Uruguay), and in opening access to UI benefits to workers previously operating informally, which can significantly benefit young people by making it easier to integrate social protection systems (Mauritius).

Crucially, the successful integration of young people into social protection systems depends on strong programme integration and administrative capacity. A key takeaway from the literature is that social protection programmes work best for young people when they are linked to other social policies that promote participation in the labour market and build skills that are in demand (UNDESA 2018). This means creating systems where different programmes are coordinated from childhood to avoid gaps in social protection frameworks along the life cycle. Such frameworks require investments in state capacity, particularly in terms of information collection and consolidated databases to better target vulnerable households, and at the same time avoid overlapping different benefits. Technological advances can play an important role in implementing social protection programmes in developing countries and can ultimately lead to more efficient administration.

In addition to the issue of integrating income support programmes and activation policies, the expansion of social insurance and contributory schemes is extremely important in guaranteeing adequate support for the working population, and along the life cycle. While growing in importance, social insurance programmes often remain limited to workers in the formal economy in the context of developing economies and are therefore less likely to cover young and vulnerable workers. Yet, social insurance and contributory schemes can provide important benefits to individuals during periods of unemployment and after retirement. Hence, making sure that vulnerable and marginalised individuals in the labour force are increasingly covered by such schemes can make a strong contribution to strengthening safety nets to those most in need, as well as enlarge the population groups that will pay into the contributory system, increasing financial sustainability.

As countries grow economically, contributory social protection schemes tend to increase in importance. Thus, the focus of social protection systems in emerging economies should be to gradually shift from non-contributory programmes (social assistance) to a dual system which includes both non-contributory and contributory programmes. However, the rise of a dual system raises questions on the interplay between social assistance—for which the main goal is to decrease poverty—and contributory schemes, which are primarily intended to smooth consumption rather

than prevent poverty. Finding a balance is a major issue among policymakers concerned with incentive compatibilities between contributory and non-contributory schemes (for a review, see Almeida et al. (2012)). Nonetheless, certain interventions may combine both contributory and non-contributory elements, as UI schemes can also be designed to include redistributive components for low-earning or disadvantaged beneficiaries, as discussed in Section 2.2.3.

While there is a general consensus on the desirability in expanding both contributory schemes and social insurance coverage in developing countries, there are many challenges involved, particularly when it comes to increasing coverage among younger and informal workers. A key challenge for policymakers lies in understanding the potential role of public tax-funded basic social security guarantees (basic income, pensions, basic health protection and child benefits), bearing in mind potential effects on the expansion of contributory schemes (Van Ginneken 2010). Due to issues of affordability and stronger incentives to contribute, contributory UI schemes that are linked to individuals (both worker and employer) contributions—instead of jobs contracts—can help promote access to insurance for workers who have traditionally been excluded from insurance coverage (Winkler et al. 2017).

Overall, there are different reasons why emerging economies would benefit from stronger UI schemes. In their review of social protection systems in LAC, Ribé et al. (2012) argue that anti-poverty transfers are likely to be insufficient to provide enough consumption smoothing to non-poor people. Therefore, developing countries should consider building social protection systems that integrate (i) **non-contributory schemes**, which are better equipped at attending to the needs of the most vulnerable; (ii) **contributory schemes**, which are more likely to guarantee greater coverage and adequacy; and finally (iii) **activation programmes**, which can support entry or re-entry into the labour market. **Solutions that successfully integrate multiple types of interventions are more likely to lead to more robust safety nets.** Making sure that these interventions are increasingly available to vulnerable and marginalised workers is an important challenge facing developing countries.

2.4 Summary and opportunities for social protection to promote YPTW

Chapter 2 has provided a comprehensive review of the empirical literature on the impacts of social protection policies on employment outcomes. Given the broad scope of studies and results, a summary of the key findings from the literature are presented below:

2.4.1 Evidence from developed countries

- **Training programmes** generally appear to have **no strong effect on employment in the short term, but** are associated with **positive medium- and long-term gains in employment.** This is consistent with the theory, as training improves human capital accumulation and leads to long-term gains in productivity. Impacts on employment however tend to be **modest** and there **is little evidence of cost-effectiveness.** There is also some indication that training programmes have **stronger impacts** among **women** and the **long-term unemployed**, but **weaker** among the **youth** and **older workers.**
- **Search and matching services, and wage subsidies** are found to have **positive impacts on employment in the short term, but not in the long term.** Lack of consistent evidence of long-term effects on wage subsidies is particularly concerning, given that these programmes tend to be **expensive.** Wage subsidy programmes are also likely to have **significant displacement effects** if programme beneficiaries and non-beneficiaries are competing for the same jobs. Evidence regarding impacts on the vulnerable population are mixed and inconclusive, although these programmes **can be useful for disadvantaged youth to gain on-the-job skills.** **Search and matching programmes are relatively inexpensive** to provide and are best adopted before other (more expensive) measures. However, these services also show **evidence of displacement effects**, which means that personalised and face-to-face services should especially **target low-income and disadvantaged jobseekers.**

- **Public work programmes (PWPs)**—or direct job creation programmes—are the less common type of ALMP in developed countries. Evidence from the literature finds that they have **no positive impact on employment**. In fact, some studies find evidence of **negative impacts on employment**, most likely due to employers placing little value on experience gained in PWPs, or because these programmes having little to no skill-building element.
- Evidence on the impact of **PLMPs** is **mixed** and **depends on the outcomes surveyed**. Although unemployment spells and the **unemployment rate tend to increase with the level and duration** of benefits, unemployment benefits can significantly **boost the welfare** of individual workers. The evidence also finds a trade-off between the unemployment spells and the quality of work found, as **more generous benefits** provide workers with **additional flexibility** to search for jobs and, thus, eventually lead to **better job matches**.
- There is little evidence available on the **impacts of cash transfers** on employment outcomes. Surveys of the literature have found that in most cases the effects of UCTs **on labour supply are either nil or small**. However, impacts of transfer programmes largely **depend on the size of the transfer**, and how the transfer is **financed**.
- Turning to lessons on the **implementation** of social protection programmes, countries in which **activation principles were ineffectively implemented** were generally found to be **disappointing** in terms of **employment outcomes**. The most effective programme sequence for unemployed individuals is to (i) **start with job-search services with counselling and monitoring**, given that these services tend to be less expensive to provide and are more likely to achieve positive effects in the short term; and later (ii) **move on to training programmes which are more expensive**, but yield positive effects in the medium to long term due to acquisition of new skills and human capital.
- Evidence also finds that the **combination** and **successful integration** of different programmes has **very significant impacts on overall effectiveness**. Moreover, a common challenge in developed countries with high levels of youth unemployment is findings ways to integrate young unemployed workers into contributory social protection schemes. A rising number of high-income countries have **extended access to unemployment benefits** or established new schemes to **first-time job seekers**. **Voluntary unemployment insurance** schemes can also provide an interesting option for young people, although there are **strong concerns** regarding their **financial sustainability**.

2.4.2 Evidence from developing countries

- Several observations were made about how social protection interventions differ, or might differ, in developing countries. First, ALMPs are more likely to take on an **anti-poverty dimension** in addition to an activation one in less developed countries. This is particularly so in the case of PWPs and livelihood programmes. Second, **displacement effects of ALMPs are potentially stronger in developing countries**, this is true if ALMPs are targeted at jobs that are highly competitive, and in contexts where there is high youth unemployment. Third, certain forms of social protection are in practice either **less common**, or else **limited to workers in the formal sector**. This is especially true for UI programmes. Fourth, ALMPs (e.g., training programmes and search services) are less likely to be **integrated into broader social protection frameworks**. Nonetheless, there is increasing evidence from developing countries that this trend is changing. Finally, **training programmes** in developing countries tend to be **more targeted** at specific groups or individuals in developing countries, such as **disadvantaged youths**, although there are significant differences across programmes and regions.
- The evidence on training programmes in developing countries analysed separately the impacts of technical and vocational training (TVET), and entrepreneurial skills training. Evidence on **TVET programmes** finds **positive benefits** in terms of **formal employment, earnings, and human capital formation**. As with developed

countries, however, impacts tend to be **modest**, while training is **rarely cost-effective**. TVET should focus on **teaching skills** that are **valued**, building **partnerships** with the **private sector**, and **targeting disadvantaged groups, especially women and youth**. Entrepreneurial training is found to have positive impacts on **business skills** and **business creation**. However, there is **little evidence** of impacts on **employment**. Interventions that combine financing with entrepreneurial training are more likely to lead to skill acquisition. There is also some evidence of **positive impacts** on **youth**. Finally, **interventions** that **reduce gender discrimination** can have strong impacts on **improving female entrepreneurship** and **increase earnings**.

- As in the case of developed countries, there is **little evidence** that **wage subsidies** lead to **long-term employment**, while **displacement effects** are a **strong concern**. However, wage subsidies could be **useful in three cases**. First, **during large and temporary shocks**, as wage subsidies can have smoothing effects for households during a recession. Second, they can be useful as a **form of social protection**, by creating **temporary employment** conditions in **economically and politically fragile contexts**. Finally, they can play a role by **providing on-the-job training** and **work experience**. While the empirical evidence of this is limited, wage subsidies targeting disadvantaged groups, such as **first-time job seekers, women in underrepresented professions**, or workers who have experienced **long periods of unemployment or inactivity**, could be particularly beneficial.
- Impacts of **search and matching services** also tend to find **little evidence of impacts on employment**, unless interventions are linked to a (large) increase in new job opportunities. Similar to wage subsidy programmes, potential **displacement effects** mean that personalised services should be prioritised based on **need** and **vulnerability**. Services that **assess capabilities** can nonetheless be valuable, particularly in contexts where educational systems might not be as effective in signalling skills and ability.
- Evidence from PWPs in developing countries finds that these programmes can have **significant impacts** in the short term on **food security, well-being**, and, if implemented at a large enough scale, **private sector wages**. Impacts among **women** can also be **substantial**. Nonetheless, outcomes largely depend on **programme design**. PWPs show **no clear effect on long-term outcomes**, while there is **no consistent evidence** that these programmes can **increase social cohesion or reduce violence and conflict**. More evidence is needed to properly assess PWPs.
- Evidence of the effects of PLMPs is **limited**, as studies exploring the impacts of UI on employment are less common in developing countries. The results are, however, similar to those from developed countries, as UI benefits are found to **increase the length of unemployment spells**, but also **increase the welfare of recipients**. Developing countries that wish to introduce or expand UI schemes must carefully examine economic conditions and take programme design into account.
- The impacts of **CTs on employment** depend strongly on **conditionality** and the **purpose** of the transfer. The review shows that transfers with an **explicit job focus**—including CTs for job search assistance or business start-up—tend to **increase work** and **earnings** among adults. Meanwhile, CTs that are made **without an explicit employment focus** (e.g., CCTs, UCTs, and remittances) tend to result in **little to no change** in adult labour outcomes, which is a **positive result** and **contrary to the assumption that cash support disincentivises employment**. Lastly, transfers to the elderly and international refugees can reduce work among beneficiaries, although the evidence is scant and more evidence is needed to support this finding.
- **Both conditional and unconditional CTs** improve the odds among children from the poorest populations of being **enrolled, attending school**, and **decreasing child labour**. Programmes with **greater enforceability** have **substantially larger effects** on enrolment rates. However, the evidence on **learning achievement** is **mixed**. Positive impacts on attendance but lower impacts on learning emphasise the need to **seriously address the issue of quantity and quality of education services**, and how this interacts with the provision of CTs.

- Governments in low- and middle-income countries have begun to **embrace policy shifts** that **combine ALMPs with anti-poverty programmes**. Recent case studies from Uruguay and Mauritius are examples of programmes that successfully combine both income assistance and promotive tools in a more inclusive manner, leading to more successful employment outcomes. Successfully integrating young people into social protection frameworks also depends on **investments** and **improvements** in **administrative and institutional capacity**. Social protection programmes work best for young people when they are integrated with other social policies, and when links are created along the life cycle.

3. EMPIRICAL DIAGNOSIS OF YPTW IN MENA

3.1 Description of datasets

Chapter 3 proves of a descriptive analysis of YPTW using both macro-level data from official sources, such as ILO Key Indicators of the Labour Market (KILM) as well as the World Bank Databank and from micro datasets on labour market outcomes (for a more detailed description of all data sets used, see Annex II). The primary microdata source chosen for the analysis is the ILO SWT Surveys (SWTS). These surveys have multiple advantages, as they: cover exclusively youth (15-24) and young adults (25-29);³⁹ have surveys for 5 MENA countries (Egypt, Jordan, Lebanon, the State of Palestine,⁴⁰ and Tunisia); contain detailed questions on educational and labour outcomes, as well as information concerning job-search; are a relatively recent data source (surveys conducted between 2012 and 2015); and are made publicly available and easily downloadable upon request from the ILO website.⁴¹

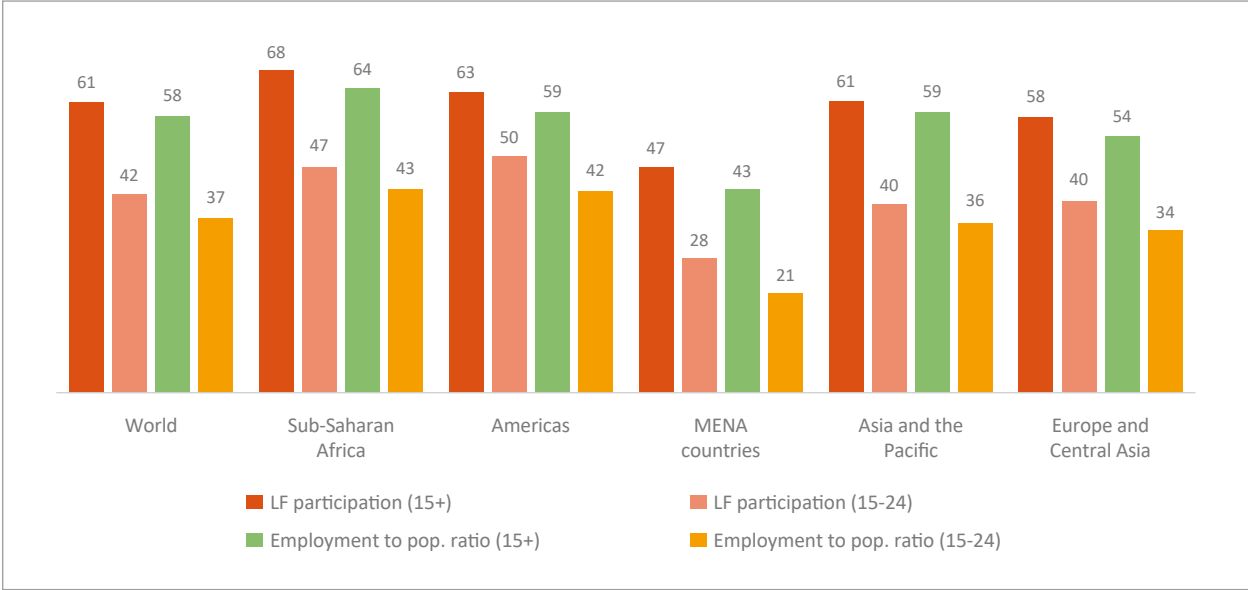
This chapter presents three types of indicators: (i) macro and socio-economic context of MENA compared to other regions in the world with a focus on labour market, economic, demographic and educational outcomes; (ii) descriptive information of the characteristics of young people in selected MENA countries, and (iii) relationships between socio-demographic characteristics—in terms of age, gender, geographic area, and level of education—and labour market status, focusing on transitions into decent and/or stable work, as well as employment in the public sector.

3.2 Macroeconomic and labour market indicators in MENA—regional trends and global comparisons

3.2.1 Labour markets

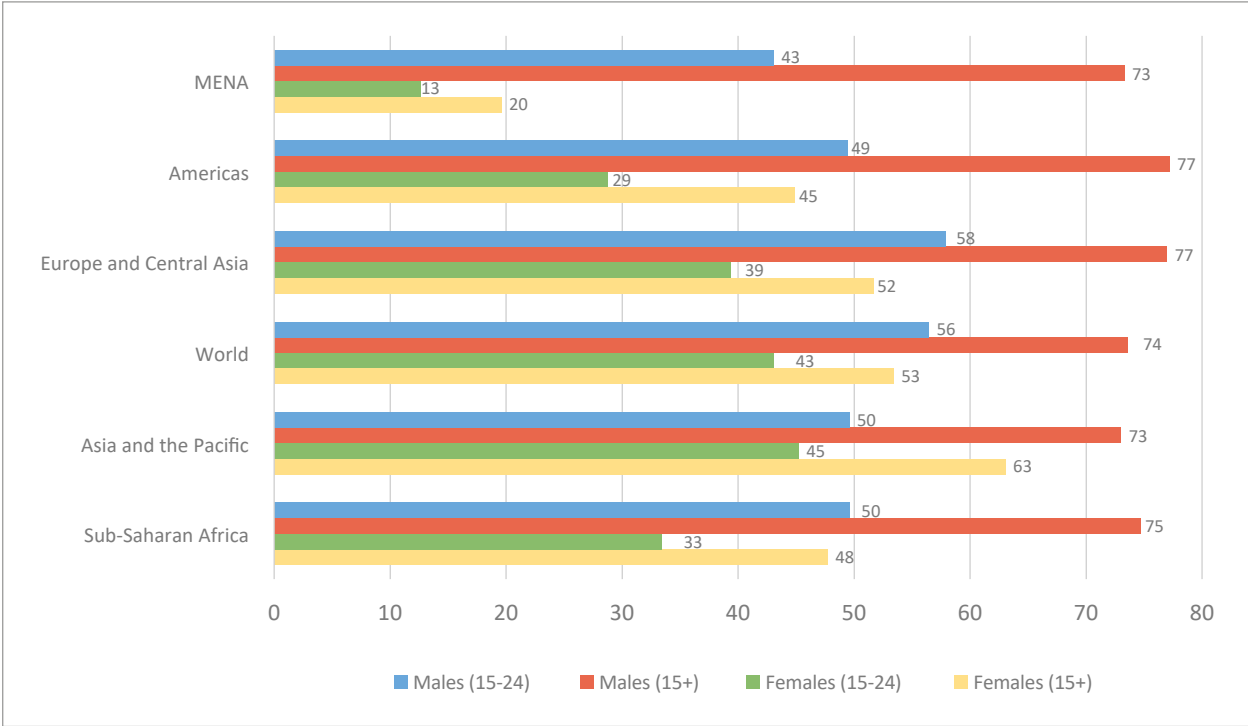
A look into labour market statistics in the region confirms that MENA is characterised by low levels of labour force participation (LFP) and high levels of youth unemployment, particularly among young women. Figure 6 presents LFP rates and employment to population ratios across world regions for individuals aged 15 and older, and for the youth defined as those between 15 and 24 years of age. It shows that MENA countries have the lowest LFP rates and employment to population ratios in the World, a result largely driven by very low female LFP. The LFP rate among the 15+ population in MENA is 14 percentage points lower than the world average (47 vs. 61 per cent), and the gap is similar for youths (28 vs. 42 per cent). Similar results are shown for employment-to-population ratios, as the percentage point gap among the 15+ group (58 vs. 43 per cent) is similar to that for youths (37 vs. 21 per cent). LFP statistics also show significant gaps when it comes to gender. Figure 7 shows LFP estimates across world regions as in Figure 6, and the data is also disaggregated by age and gender. Although the world average female (15+) LFP is around 53 per cent, the average for MENA is much lower at 20 per cent. The LFP for women 15 to 24 is also impressively low (13 per cent vs. world average of 43 per cent). It is worth noting that although gender gaps exist across the world when it comes unemployment and LFP, Figure 7 highlights how these gaps are significantly larger in MENA compared to other developed and developing regions.

Figure 6. Labour force participation rates and employment-to-population ratios for youth (15-24) and 15+ population



Source: ILO Global and Regional Indicators, modelled Nov. 2018.

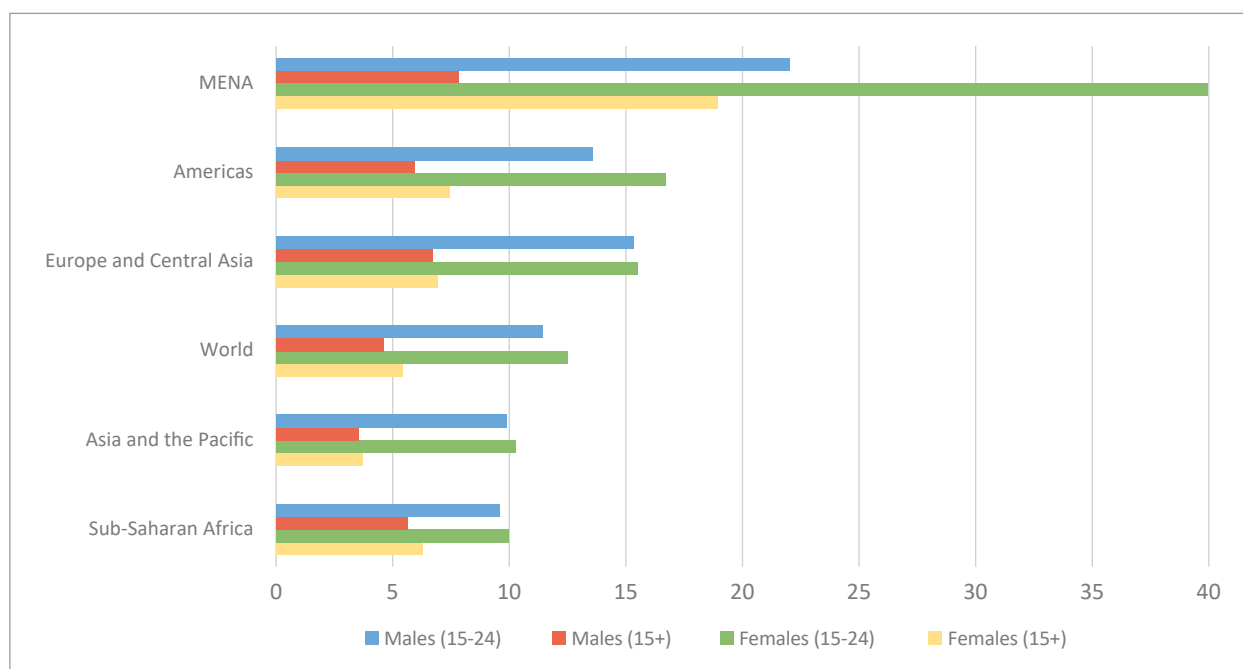
Figure 7. Labour force participation (percentage) among the youth (15-24) and 15+ population



Source: ILO Global and Regional Indicators (modelled July 2018). 2019 estimates.

Figure 8 compares unemployment rate across world regions and age groups, showing high rates of unemployment, and especially youth (15-24) unemployment. According to ILO estimates for 2019, youth unemployment among women, which averages 13 per cent worldwide, is a staggering 40 per cent in MENA.

Figure 8. Unemployment rates (percentage) among youth (15-24) and 15+ population

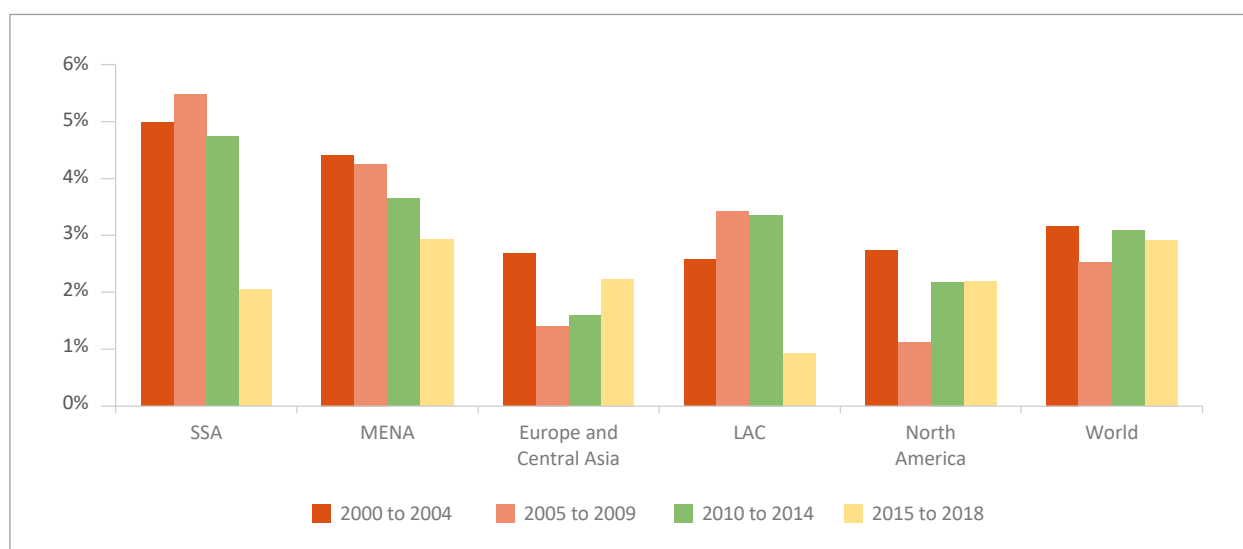


Source: ILO Global and Regional Indicators (modelled Nov. 2018). 2019 estimates.

3.2.2 Economic growth

Figure 9 shows average GDP growth across world regions between 2000 and 2018 over 5-year periods. Although average growth in MENA has generally been slightly higher than the world average, over the latest period (2015-18) the growth rates have been identical at 2.9 per cent. The Figure also shows how growth rates in MENA have steadily declined from 2000 to 2018, while the world average has kept roughly steady, with the exception of the period between 2005 and 2009 due to the global financial crisis.

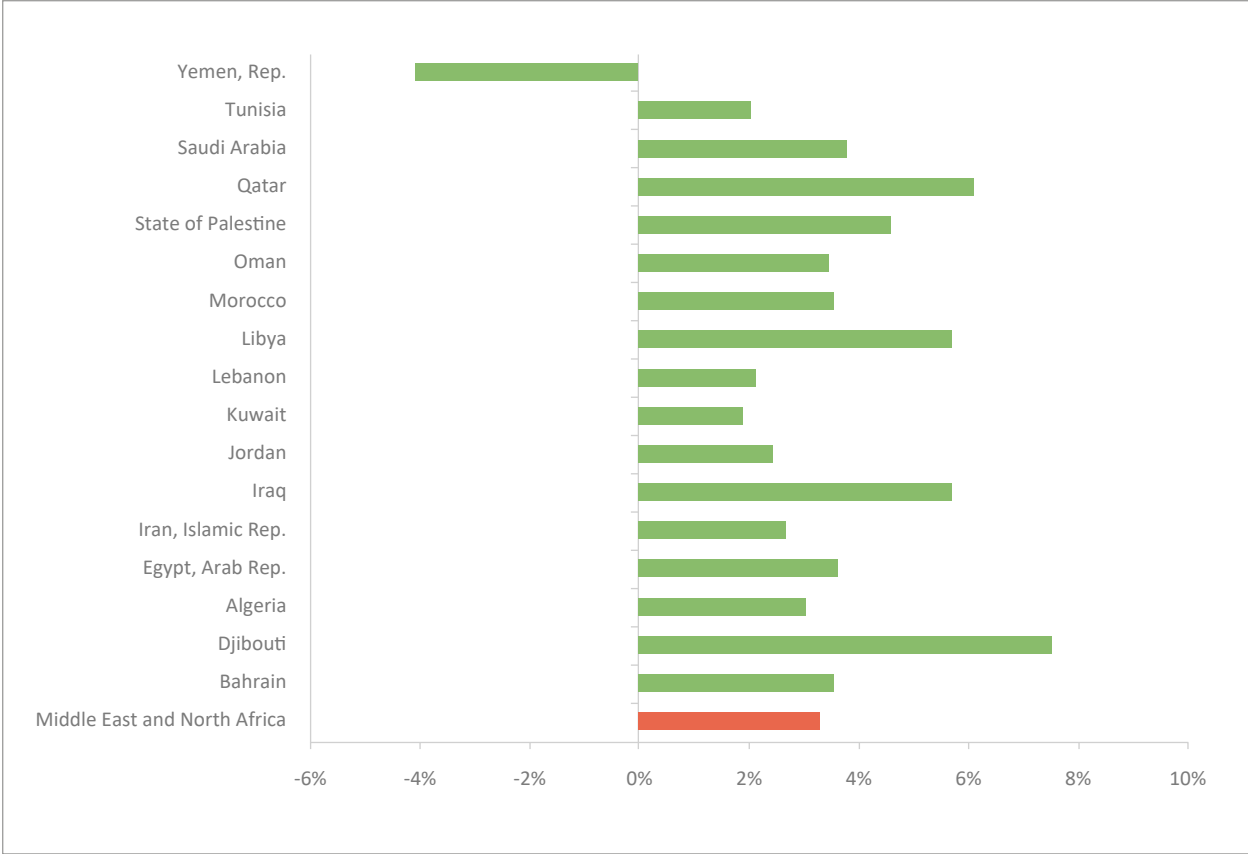
Figure 9. Average GDP growth (percentage) across world regions, 2000-2018



Source: World Bank Database. Authors' elaboration.

Economic growth across MENA countries is fairly heterogeneous. Over the 2010-2018 period, Iraq, Qatar, Libya and Djibouti experienced an average GDP growth rates of above 5 per cent. Conversely, Tunisia, Lebanon, Kuwait, Jordan and Iran saw growth rates closer to, or below, 2 per cent. It is striking how despite recent and ongoing conflicts, Iraq and Libya have experienced average growth of about 6 per cent per year. On the other hand, Yemen has over the seen an average 4 per cent decrease in its GDP due to the ongoing crisis.

Figure 10. Average GDP growth (percentage) across MENA countries, 2010 to 2018



Source: World Bank. Authors' elaboration. Data on growth was unavailable for Algeria and Syria.

3.2.3 Demographic trends

Knowledge of current and future demographic trends is essential to understand upcoming challenges regarding providing quality employment opportunities for young people in MENA. Figures 11 and 12 are taken from UNICEF's *MENA Generation 2030 Report*. Figure 11 highlights how the region has entered a period of exceptionally low dependency ratios (i.e. low share of the non-working age population). This economically beneficial situation is expected to last until around 2050, after which dependency ratios will start to rise again due to the aging population.

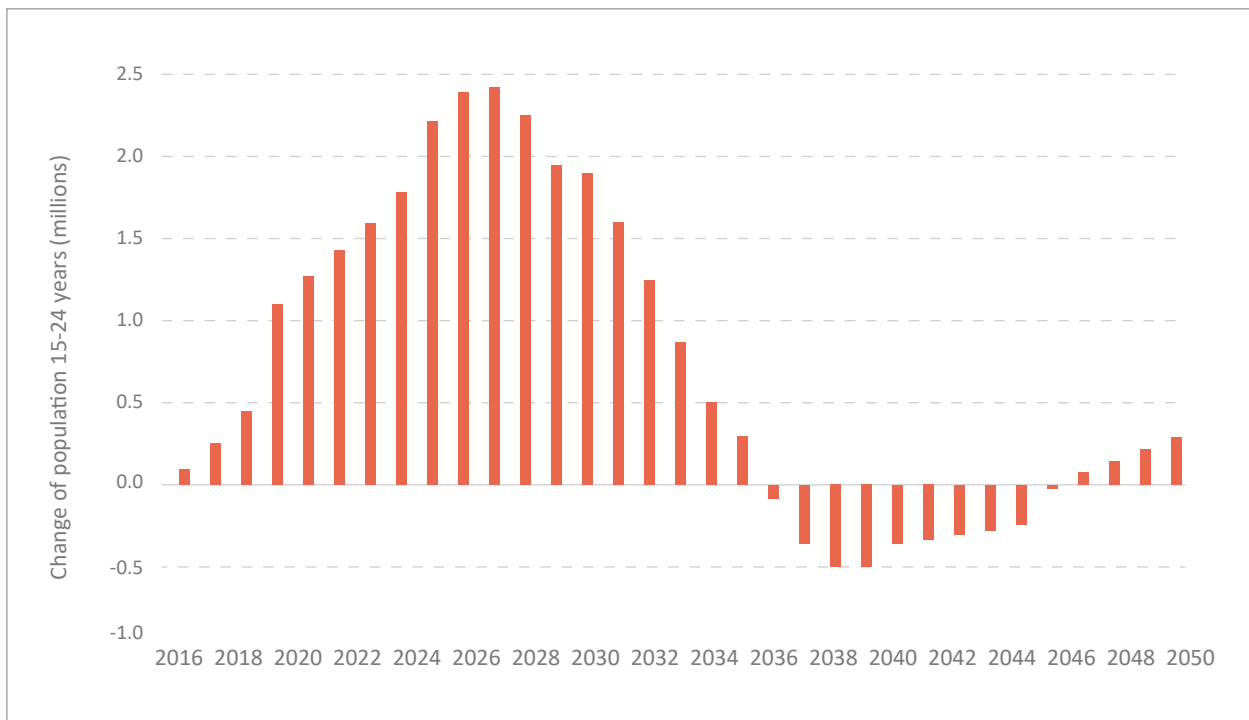
In line with these trends, the number of youths among the total population is already increasing. Figure 12 shows the estimated annual increase in the youth population in MENA between 2016 and 2050. The number of 15 to 24 year-olds is expected to increase until 2034, with a peak of approximately 2.4 million new youths per year between 2024 and 2026. After 2034, the total youth population is expected to decline (due to the aging population) and then eventually stabilise, with a slight increase, around 2050. This boom in the near future of young people will bring about many challenges in terms of education policy and jobs in the region. The UNICEF Generation 2030 Reports emphasises that the mounting issues therefore need to be a prioritised by decisionmakers in MENA.

Figure 11. Composition of the total dependency ratio (child dependency ratio and old-age dependency ratio) for the MENA region, 1950-2100



Source: UNICEF (2019), Generation 2030 Report, Figure 8. Analysis based on UNDESA, Population Division, World Population Prospects: The 2017 Revision (UN WPP), United Nations, New York, 2017.

Figure 12. Annual increase in youth population (15-24) in MENA, 2015-2050

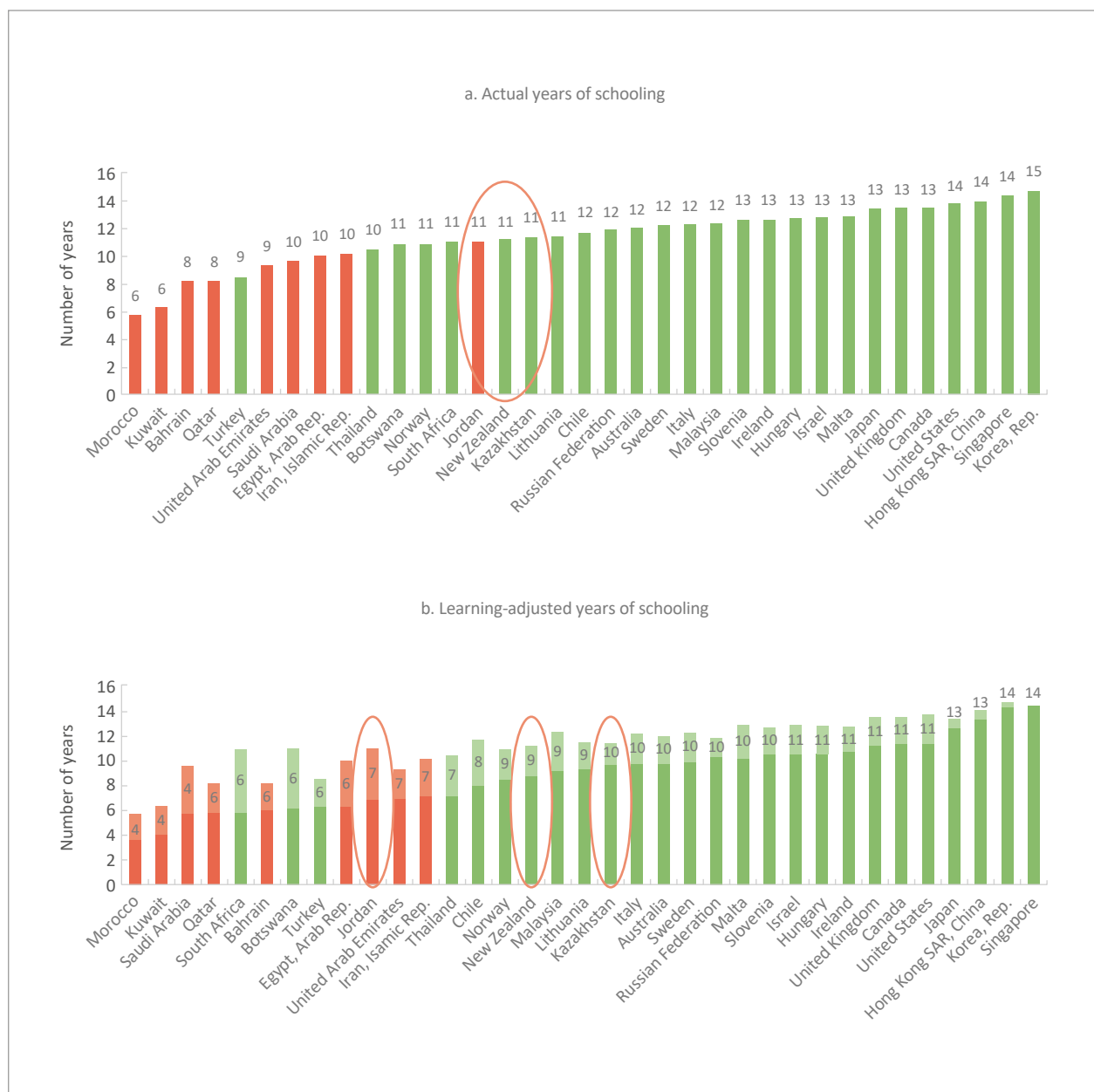


Source: UNICEF (2019) Generation 2030 Report, Figure 12.

3.2.4 Education

Many important challenges remain in delivering quality education in an equitable manner to children and youth in MENA. The report *Rethinking Inequality in Arab Countries* by UNESCWA (2019) shows that improvements have been made in terms of educational attainment, particularly at the primary level. However, important inequalities of educational outcomes and opportunity remain prevalent, particularly at secondary and tertiary education levels. These results are concerning, since especially achievement at the lower secondary educational level (12 to 15 years old) is necessary to obtain the foundational skills for finding work with decent wages (UNESCO 2013). Further analysis using disaggregation techniques found that education of household head and household wealth are the most enduring key determinants in explaining inequalities of both opportunity and outcome (UNESCWA 2019, 105).

Figure 13. Actual years of schooling and learning-adjusted years of schooling among young adults (25-29) in selected countries

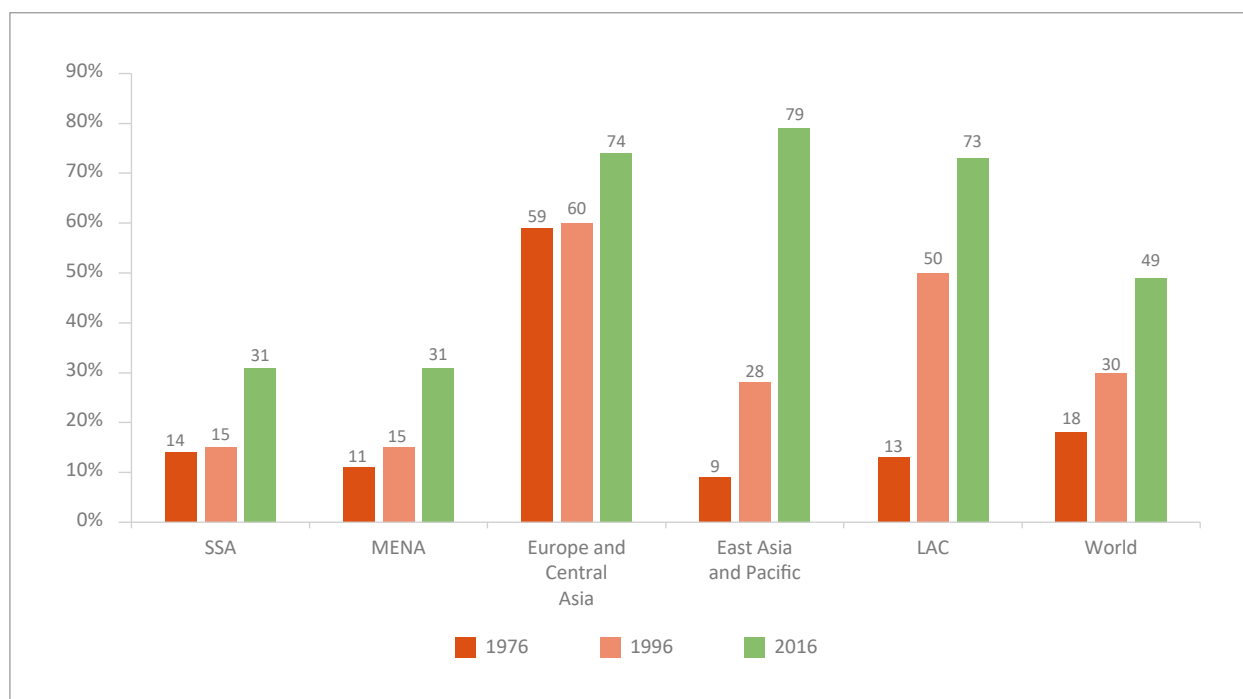


Source: World Bank (2018).

The quality of education and learning outcomes among students remains an important concern when considering educational outcomes in MENA. Despite significant improvements in terms of attendance in the last decades, improvements in the quality of learning in MENA have lagged in terms of writing, reading ability and math scores. Figure 13, taken from the World Bank's *Expectations and Aspirations Report* (2018) on the state of education in MENA, shows that schooling has overall increased across MENA, with panel A showing that several countries have reached an average that is close to a full cycle of primary and secondary education (12 years in total). However, when the number of actual years of schooling is adjusted for learning (panel B), the number of *effective* years of schooling in MENA is on average 2.9 years less than the number of actual years of schooling.⁴² In other words, the poor quality of education in MENA means that students, on average, lose approximately three years of education. Comparing the results between the two panels shows that the difference between years of schooling and learning-adjusted years of schooling shifts from 11 to 7 years in Jordan, from 10 to 6 years in Egypt, and from 6 to 4 years in Morocco.

Another important yet often under discussed aspect of education policy in pre-primary enrolment. There is broad evidence that investing in early childhood development is a key determinant of educational success later in life (World Bank 2018, 16-7). However, MENA has not invested sufficiently in early childhood development, the result being that most children begin school unprepared to learn. As Figure 14 shows, gross enrolment ratios in pre-primary education in 2016 was just 31 per cent, which is lower than in many other regions, and with significant differences between countries. Furthermore, most children enrolled in pre-primary education (71 per cent) are done so privately, as these services are rarely offered publicly.

Figure 14. Pre-primary enrolment across world regions over time



Source: Data from World Bank (2018).

3.3 Educational outcomes and the labour market

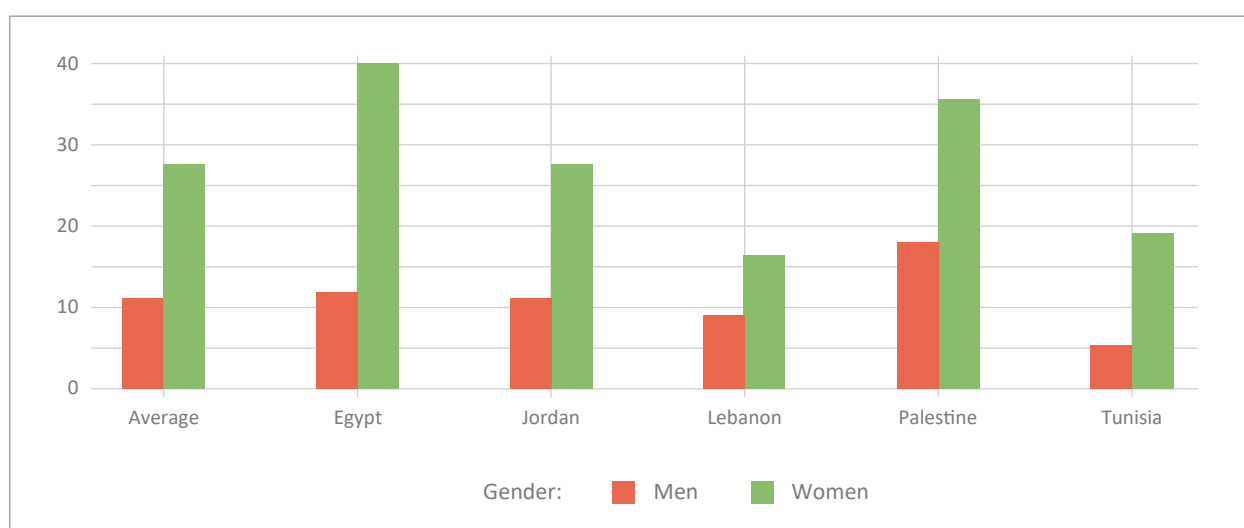
While the previous Section looked at regional and macro-level data from official sources, the next Sections use the ILO SWTS as primary data source.

3.3.1 Background characteristics

The analysis initially uses the whole survey to review general characteristics for both youth and young adults. This section presents figures highlighting some of the key trends across the data. However, full summary statistics on population characteristics can be found in Table A of Annex III.

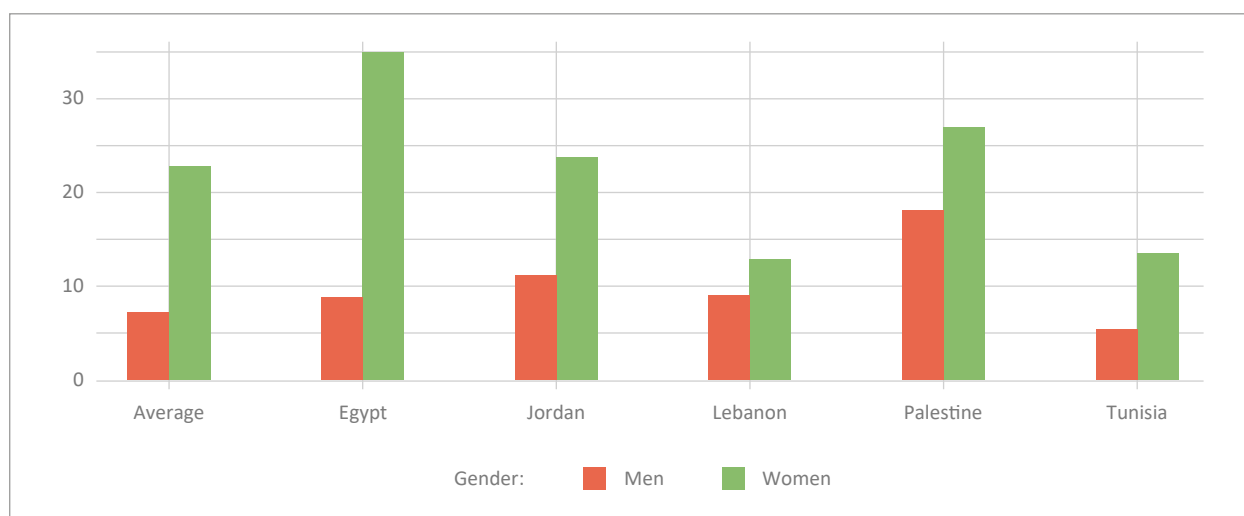
Figure 15 reports percentages of the population (15-29 years old) either engaged to be married or married, according to gender. Across countries, women were more likely to be married or engaged, with an average of 27 per cent for women, and almost 11 per cent for men. The highest percentage of married women between 15 and 29 years old was found in Egypt (40 per cent). Similar results were found regarding the likelihood of having children (Figure 16), with Egyptian women having the highest probability among the five countries surveyed (35 per cent) and Lebanese women having the lowest (approximately 16 per cent).

Figure 15. Percentage of youth and young adults (15-29) engaged or married, by gender



Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013). Country weights.

Figure 16: Percentage of youth and young adults (15-29) with children, by gender

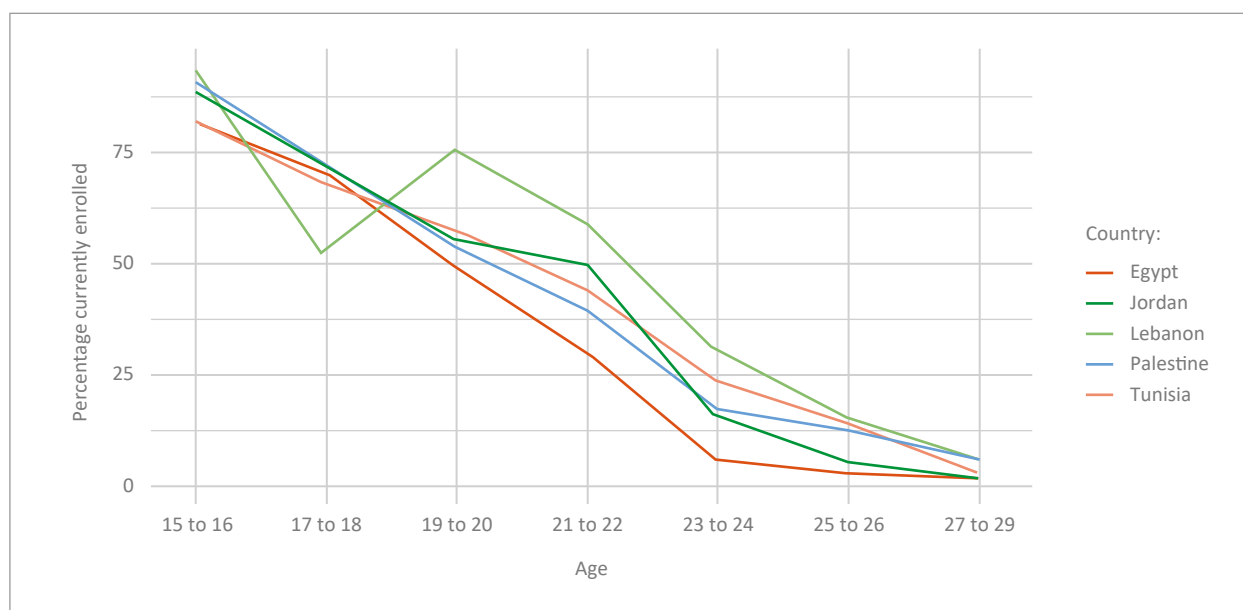


Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013). Country weights.

3.3.2 Educational outcomes

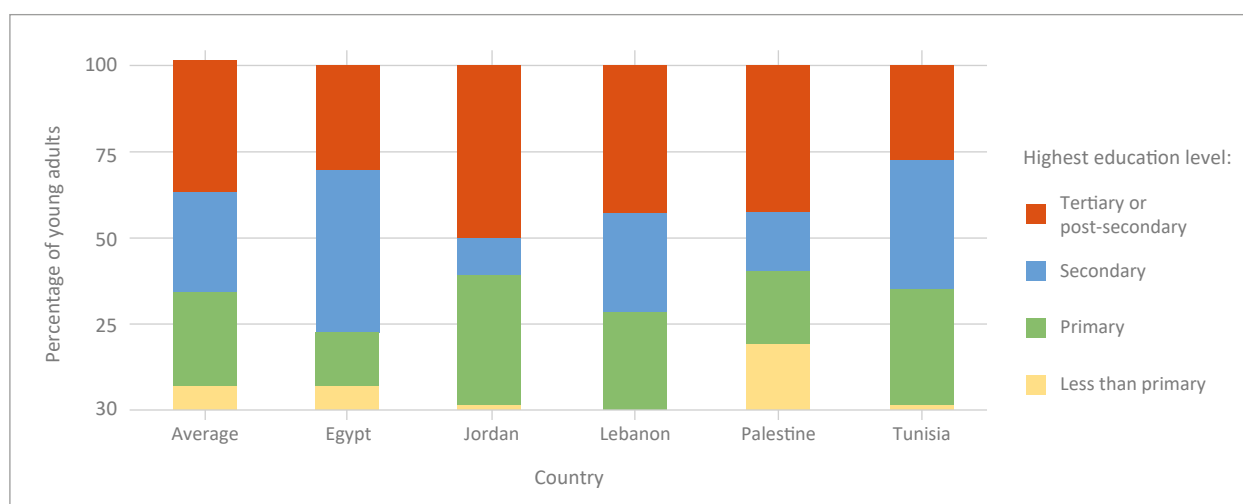
Table B in Annex III contains detailed summary statistics on youth and young adult educational outcomes from the SWTS. Data from Table B shows that a large share of youth and young adults were currently studying at the time of the survey, with rates varying from 37 per cent in Egypt to almost 54 per cent in Lebanon. When presenting educational statistics, the data chosen focuses on young adults (25-29 years old), since most individuals have finished their schooling by then. As can be seen in Figure 17, the share of young people attending school drops significantly around the 25 to 26 threshold across the five countries surveyed.

Figure 17. Percentage of the population currently enrolled in school or training, by age



Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013). Country weights.

Figure 18. Level of educational attainment among young adults (25-29), non-students

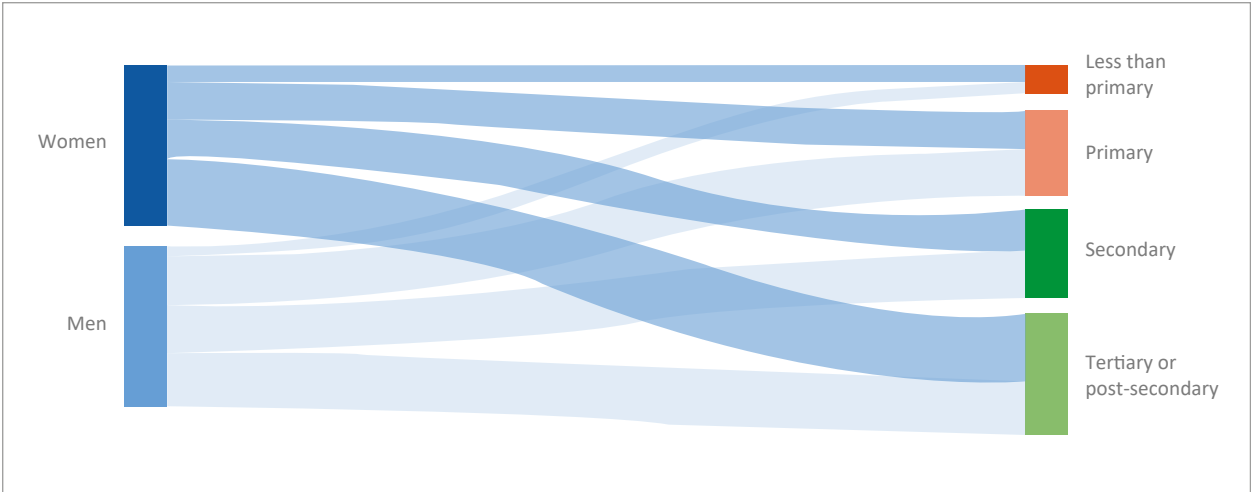


Note: To summarise the results, secondary general" and "secondary vocational" were grouped as "secondary"; while "post-secondary vocational" and "tertiary" make up "tertiary or post-secondary". Country weights.

Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

Figure 18 shows educational attainment for young adults currently not studying. Based on the average of the five countries surveyed, a considerable share of young adults (37.4 per cent) has attained post-secondary education. Egypt and Tunisia are the countries with the lowest post-secondary attainment (26.6 per cent or less), while Jordan is the country with the highest share (49.4 per cent). The graph also shows significant shares of young adults with less than primary education in Egypt (18.4 per cent) and the State of Palestine (19.3 per cent).

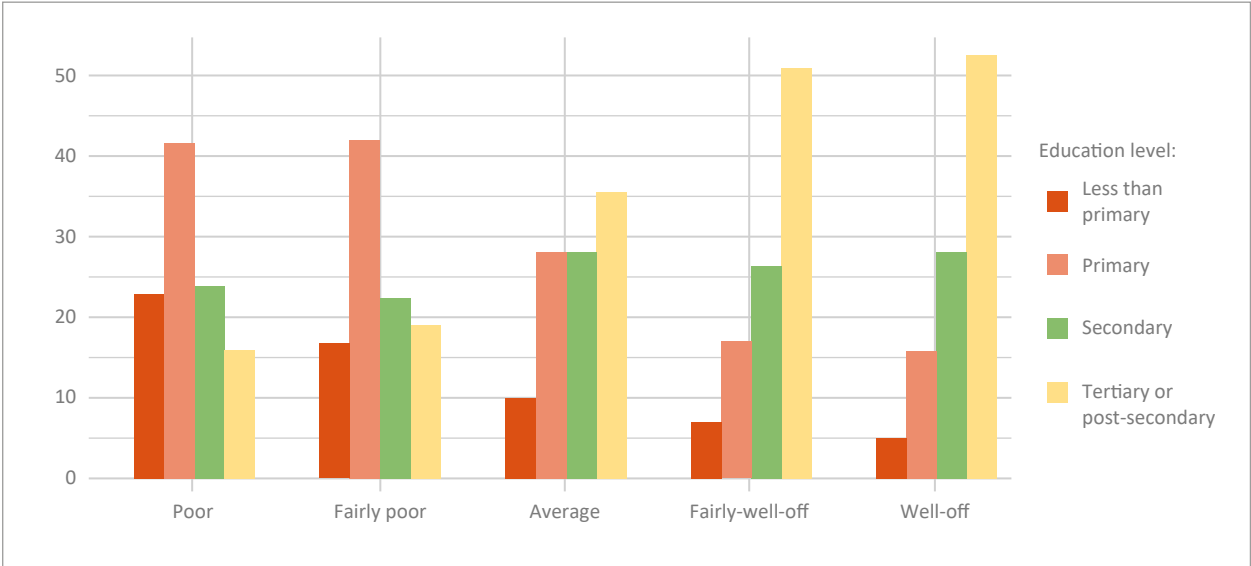
Figure 19. Flowchart between gender and level of educational attainment



Note: Country weights and cross-country averages. The sample includes young adults (25-29) not currently studying. “Secondary general” and “secondary vocational” were grouped as “secondary”, while “post-secondary vocational” and “tertiary” make up “tertiary or post-secondary”. Link sizes proportional to the average percentage on source groups.

Source: Authors’ elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

Figure 20. Educational attainment among young adult (25-29) non-students, by self-assessed family situation



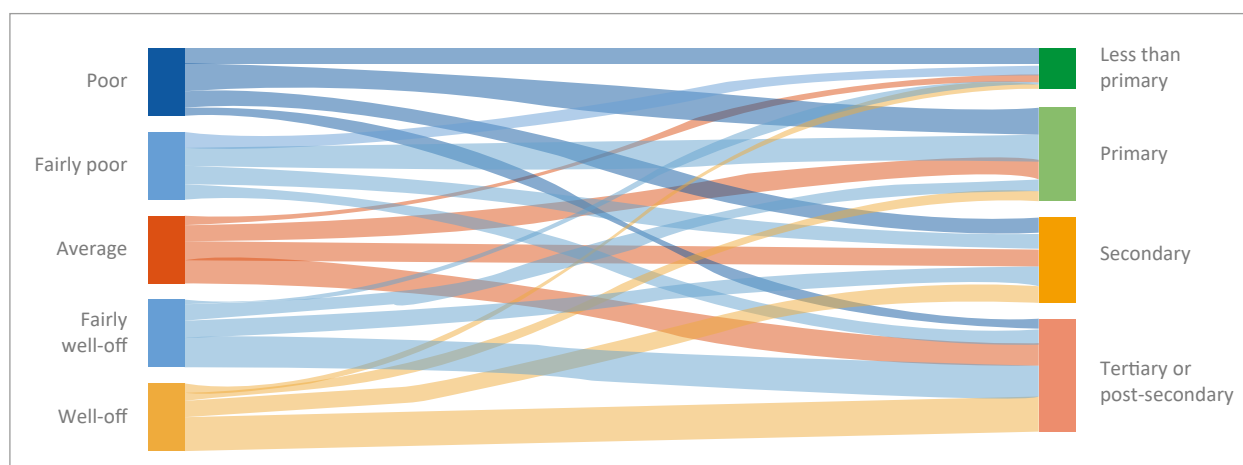
Note: To summarise the results, “secondary general” and “secondary vocational” were grouped as “secondary”, while “post-secondary vocational” and “tertiary” make up “tertiary or post-secondary”. Country weights and cross-country averages.

Source: Authors’ elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

We do not find large gender gaps when it comes to educational attainment. However, women are slightly more likely to have less than primary education than men (9.8 per cent for women vs. 8.2 per cent for men). Conversely, women are more likely than men to have attained a post-secondary level of education (41 vs. 34.3 per cent), which is most likely explained by men being more likely to drop out earlier to start working. These statistics are reflected in Figure 19, which is a flowchart of the relationship between gender and educational attainment.

Family (economic) background is, however, very much correlated with school attainment levels. Figure 20 shows how, on average, 5 per cent of young adults from well-off families have less than primary education, while the percentage for respondents from self-reportedly poor families is approximately 22 per cent. Similarly, post-secondary attainment levels are 15.9 per cent among poor and 52.4 per cent among well-off families. The flowchart in Figure 21 confirms the strong association between socio-economic status and educational attainment, with a disproportionate share of poor and fairly poor individuals achieving less than primary and primary education.

Figure 21. Flowchart of self-assessed family situation and educational attainment



Note: Country weights and cross-country averages. The sample includes young adults (25-29) not currently studying. To summarise the results, “secondary general” and “secondary vocational” were grouped as “secondary”; while “post-secondary vocational” and “tertiary” make up “tertiary or post-secondary”. Link sizes proportional to the average percentage on source groups.

Source: Authors’ elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

3.4 Labour market outcomes

This section analyses labour market (LM) status for youth and young adults from the ILO SWTS. LM status categories can be described as:

- **Employees:** employed as wage and salaried workers.
- **Self-employed:** includes the following categories:
 - **Own-account workers:** individuals working on their own account, without employing one or more workers;
 - **(Unpaid) family worker:** individuals working without payment in a business operated by a related person living in the same household;
 - **Employers:** individuals working on their own account, or with partners, engaging one or more persons as employees.

- **Unemployed (strict definition):** includes people who meet all of the following conditions:
 - a. not working in any of the *employed* categories mentioned above;
 - b. actively searching for a job, or taking action to start own business;
 - c. available to start working within two weeks following the reference week.

- **Inactive or outside the labour force:** includes individuals who are neither employed nor unemployed, i.e. the individual does not have a job and did not meet at least one of the *unemployed* conditions above (2 or 3). For example, if one doesn't have a job and is not looking for a job, he/she is classified as 'inactive'. It should be noted that individuals, mostly women, doing unpaid (care) work fall in this category.

Additionally, the following concepts are defined among labour market outcomes to qualify quality of work:

- **Stable employment:** occurs when an employee works under a written contract (i) of unlimited duration, (ii) with a specified duration over 12 months, or (iii) under an oral agreement with the expectation of the job lasting more than 12 months.

- **Written contract:** asked to people who declare they work as employee.

- **Decent working time:** a person works in a job with decent working time, either as employee or self-employed, if she/he works 48 hours per week or less.

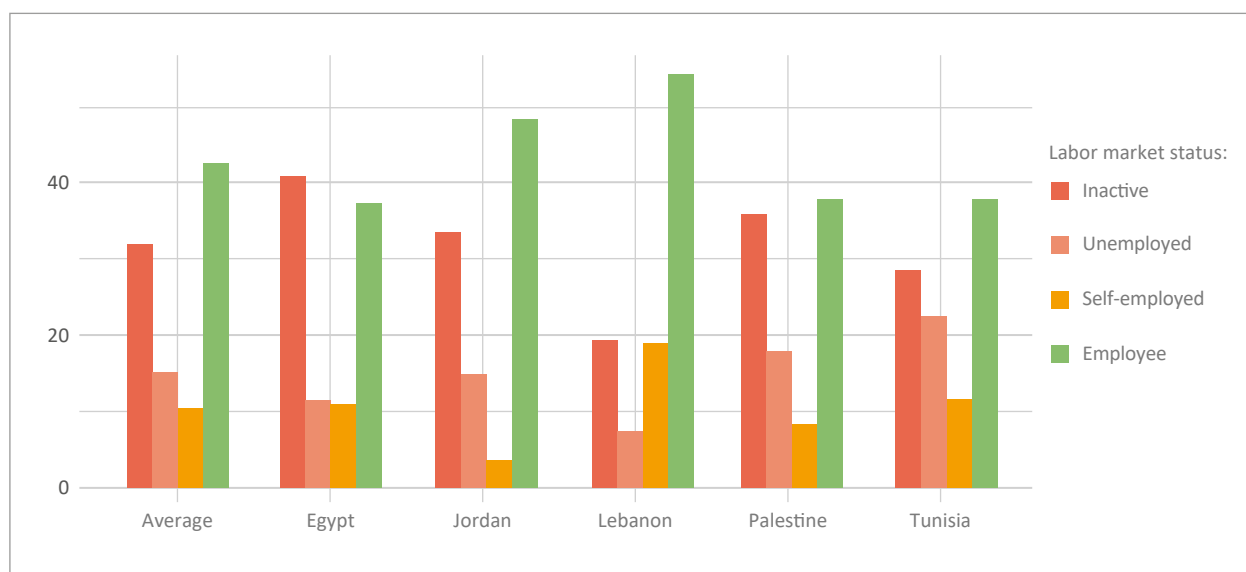
Labour market status

The data and figures presented in this section covers youth (15-24) and young adults (25-29) that are *not exclusively studying*. It therefore includes information on youth and young adults that are (i) active in the labour market (including students with jobs), or (ii) inactive and not currently studying. Figure 22 shows that even after removing youth and young adults that are exclusively studying from the sample, a considerable proportion of youth and young adults were inactive at the time of the survey (31.9 per cent on average, varying from 19.3 per cent in LEB to 40.6 per cent in Egypt). In all countries, unemployment (15.1 per cent, on average) is much less frequent than inactivity, showing that unemployment statistics alone provide an incomplete picture of labour markets in MENA.

Unsurprisingly, there are significant differences found in terms of LM status according to gender. The flowchart in Figure 23 shows that women are much more likely to be inactive (59.4 per cent) than men (less than 10 per cent) in the labour market. Much of this gap, it should be noted, can be explained by gender roles and more time spent by women doing unpaid work than men. The unemployment rate—when taking inactivity into account—is similar across men and women.

Figure 24 shows LM status according to location (urban/rural) across the countries surveyed. Rates of inactivity show more notable differences according to location in Egypt (45.1 per cent and 33.2 per cent for rural and urban areas, respectively) and Tunisia (33.3 per cent and 24.9 per cent). This trend is reversed in the State of Palestine, as inactivity is higher in urban (37.8 per cent) than rural (27.2 per cent) areas. In all countries except Lebanon, the unemployment rate for youth and young adults is higher in urban areas.

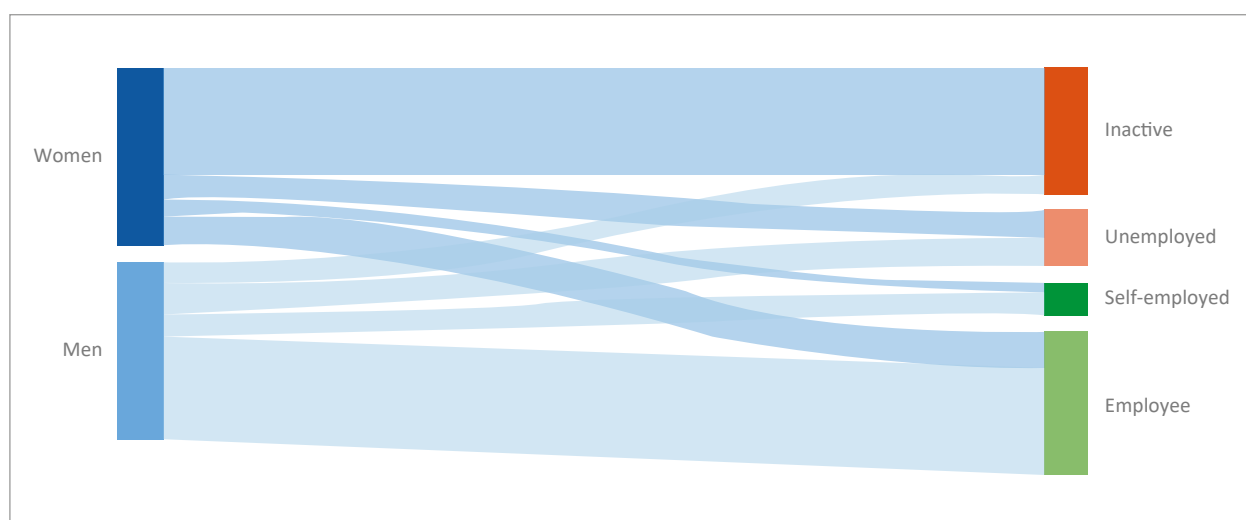
Figure 22. Labour market status among non-student youth and young adults



Note: The sample excludes youth and young adults exclusively studying. Country weights.

Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); TUN (2013).

Figure 23. Flowchart of relationship between gender and labour market status

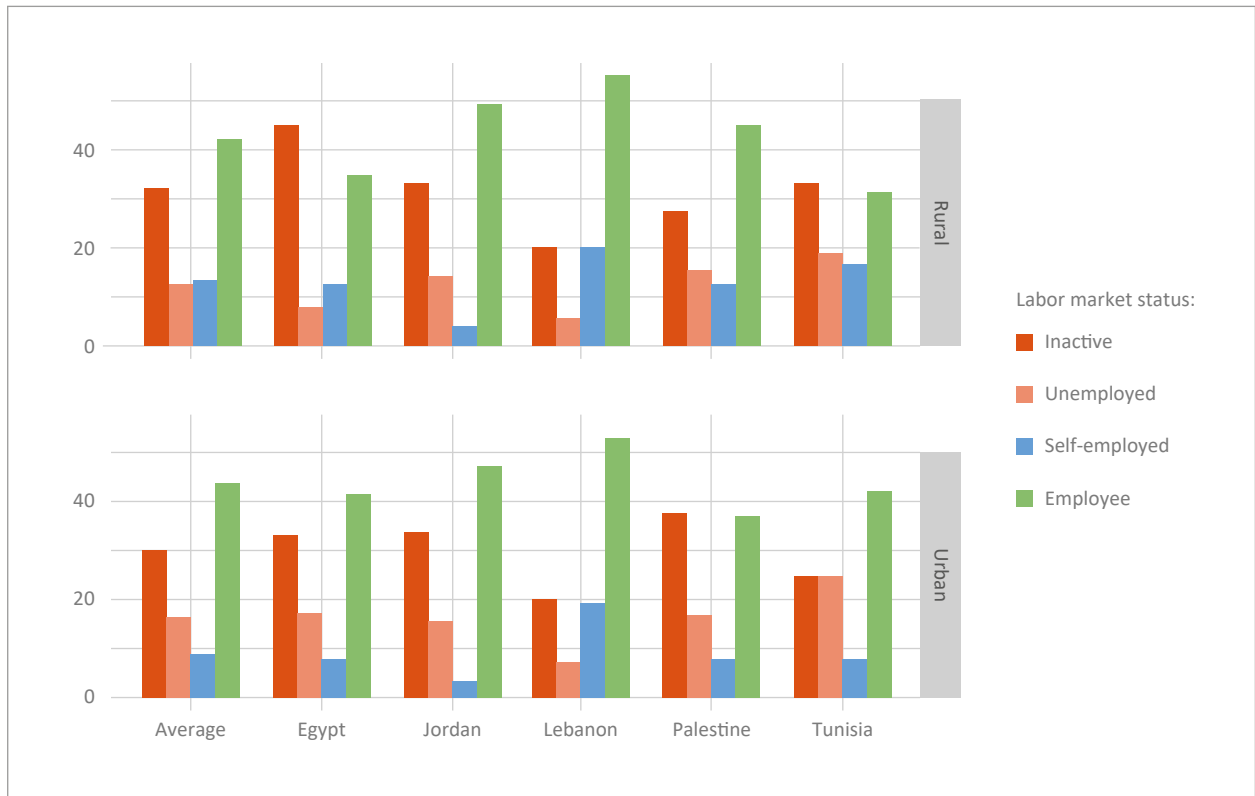


Note: The sample excludes youth and young adults exclusively studying (i.e. students that are also active in the labour market are included). Link sizes proportional to the average percentage on source groups. Country weights and cross-country averages.

Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

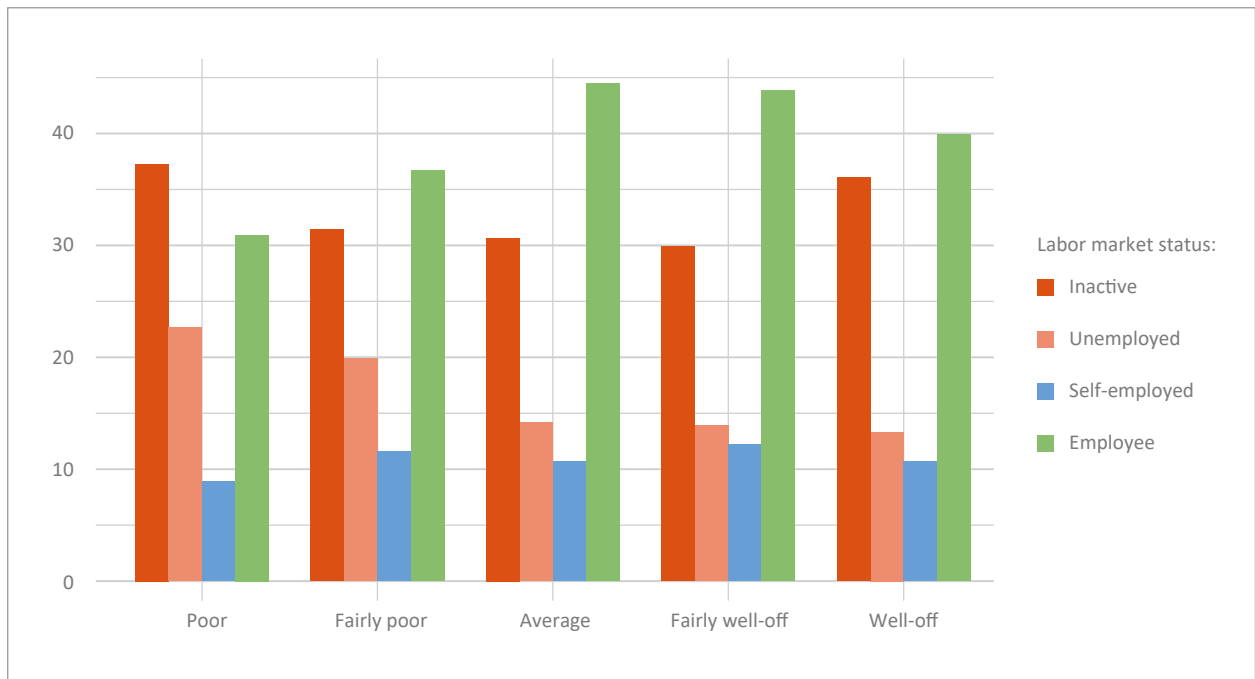
Figure 25 also presents data on LM status, only disaggregated by self-assessed family (economic) situation. There seems to be a tendency that as one's family situation improves, inactivity decreases until the 'fairly well-off' group (from 37.4 to 29.8 per cent, on average), but with youth and young adults from the 'well-off' group presenting a slightly higher likelihood of inactivity (36.1 per cent).⁴³ Disaggregated data across countries finds that this trend in inactivity is clearer in Tunisia and Lebanon. Meanwhile, the opposite occurs in Egypt, as inactivity is higher in the 'intermediate' income categories. In most countries—except for Jordan, where it is higher among individuals from poorer backgrounds—inactivity, on average, is as frequent among 'well-off' families as it is in 'poor' families. These trends are highlighted in Figure 26.

Figure 24. Labour market status among non-student youth and young adults, by location (urban/rural)



Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

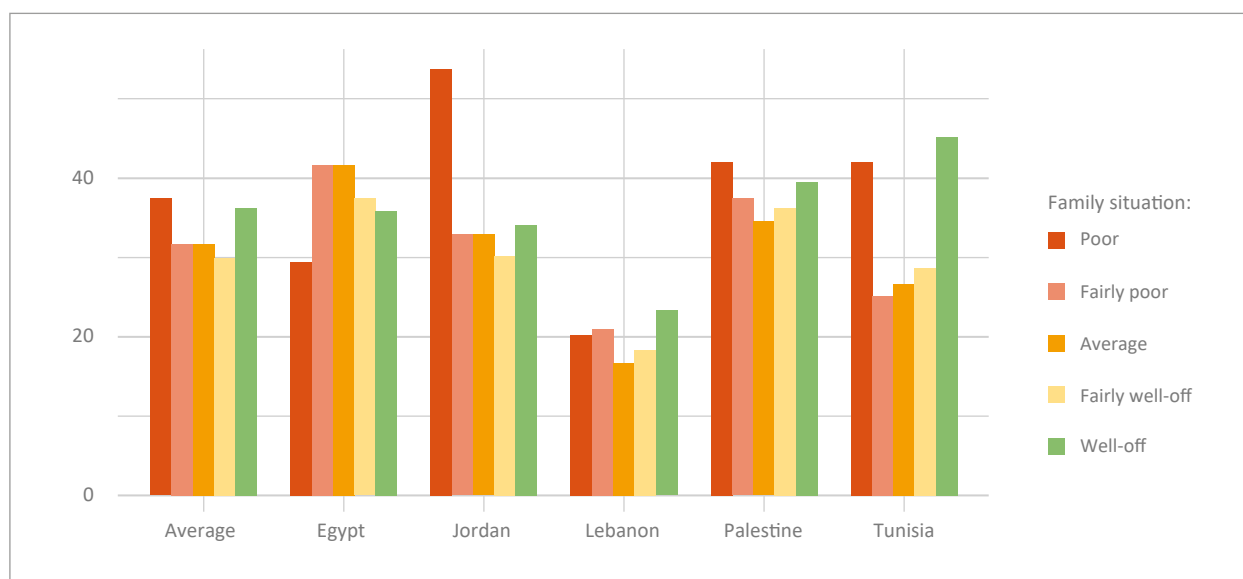
Figure 25. Labour market status among non-student youth and young adults, by family situation



Note: Country weights and cross-country averages.

Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

Figure 26. Non-student youth and young adults that are inactive, by family situation

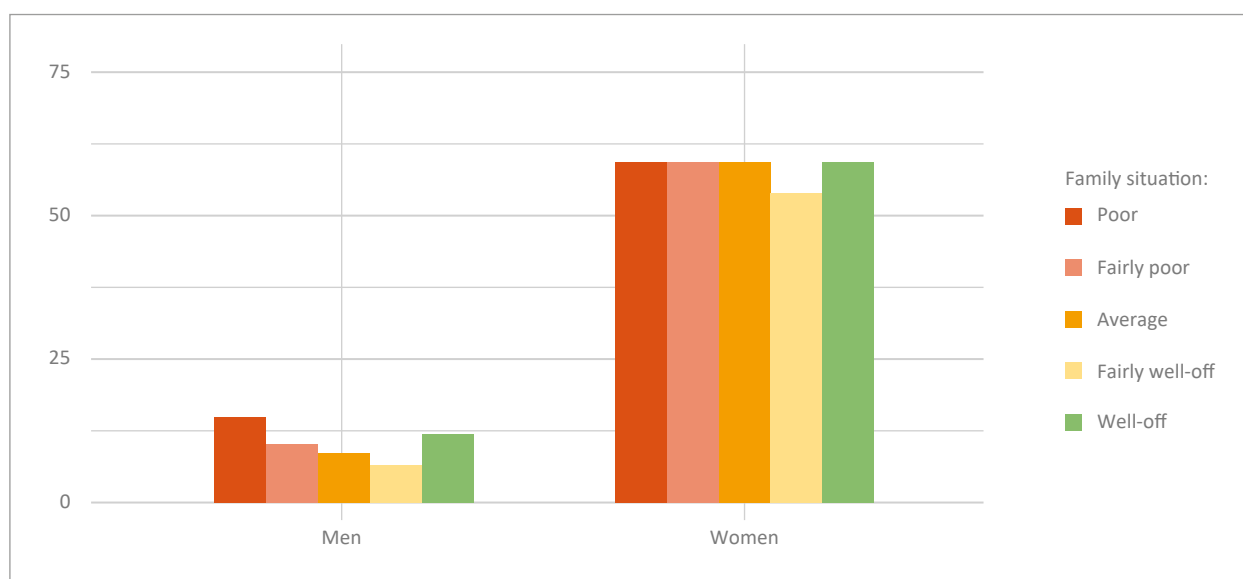


Note: Country weights.

Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

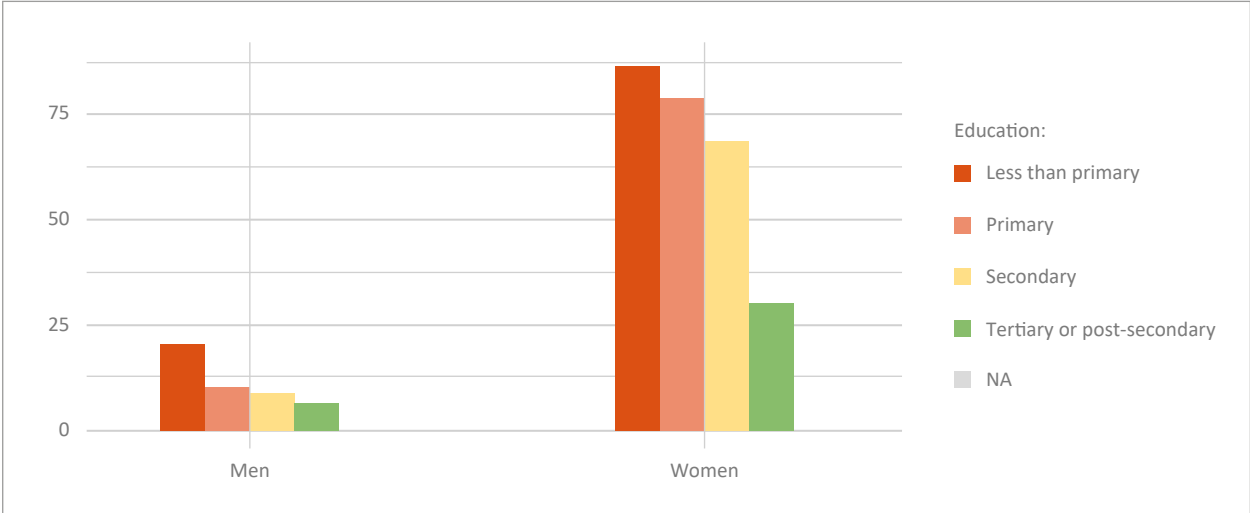
Figure 27 shows the inactivity of youth and young adults across countries, disaggregated by self-reported family situation and separated according to gender. First, it is worth highlighting the large gap between male and female inactivity, regardless of family socio-economic situation. Second, inactivity rates for men show a decreasing trend up to the 'fairly well-off' group, then increase again for the 'well-off' group. Higher inactivity for young men from poorer backgrounds could be explained by either greater barriers entering the labour market for poorer groups, and/or greater contribution in the provision of household (for example, care) work. Meanwhile, (slightly) higher inactivity among men from better-off backgrounds is most likely explained by 'voluntary inactivity', as particularly well-off individuals can afford to not search for work. Third, the Figure shows a constant inactivity rate for women regardless of family background.

Figure 27. Inactivity and self-assessed family situation, by gender



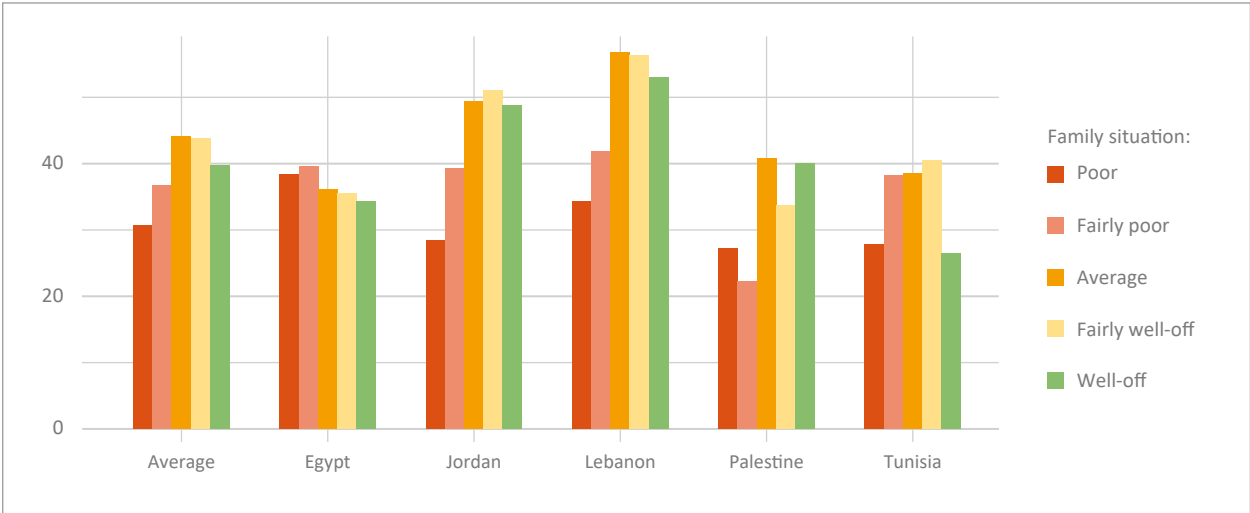
Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

Figure 28. Inactivity and educational attainment, by gender



Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

Figure 29. Employment among non-student youth and young adults, by family situation



Note: Country weights.

Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

Figure 28 is very similar to Figure 27, only instead of disaggregating inactivity by family situation, the data is disaggregated by educational attainment. There is a clear decreasing trend for both genders as educational attainment increases. There is a particularly important drop in inactivity for women with tertiary or post-secondary education (compared to secondary education). This shows that women in MENA with secondary education or less are largely inactive in the labour market, engaging instead in household work (such as chores or unpaid care).

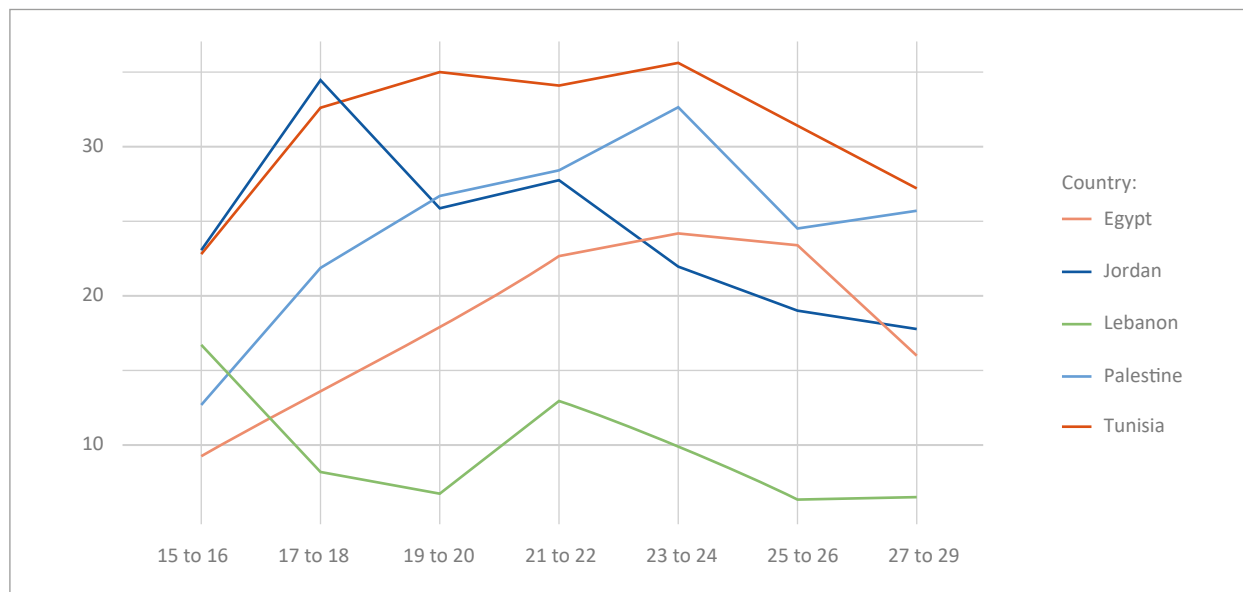
Similar to inactivity, there are equally interesting findings regarding the employed population. Figure 29 shows how the percentage of employed youth and young adults increases according to family situation up to 'fairly well-off', at which point it slightly decreases among the 'well-off' category. This decrease is largely driven by the results from Tunisia, in which the decline in employee status among individuals from 'well-off' backgrounds is offset by a rise in inactivity. These findings show therefore a positive correlation between self-assessed family background and employment status, except for Tunisia.

Unemployment

The unemployment rate (u) expresses the number of unemployed persons as a percentage of the total number of active persons in the labour force (employed and unemployed):⁴⁴

$$u_r = \frac{\text{unemployed}}{\text{unemployed} + \text{employed}}$$

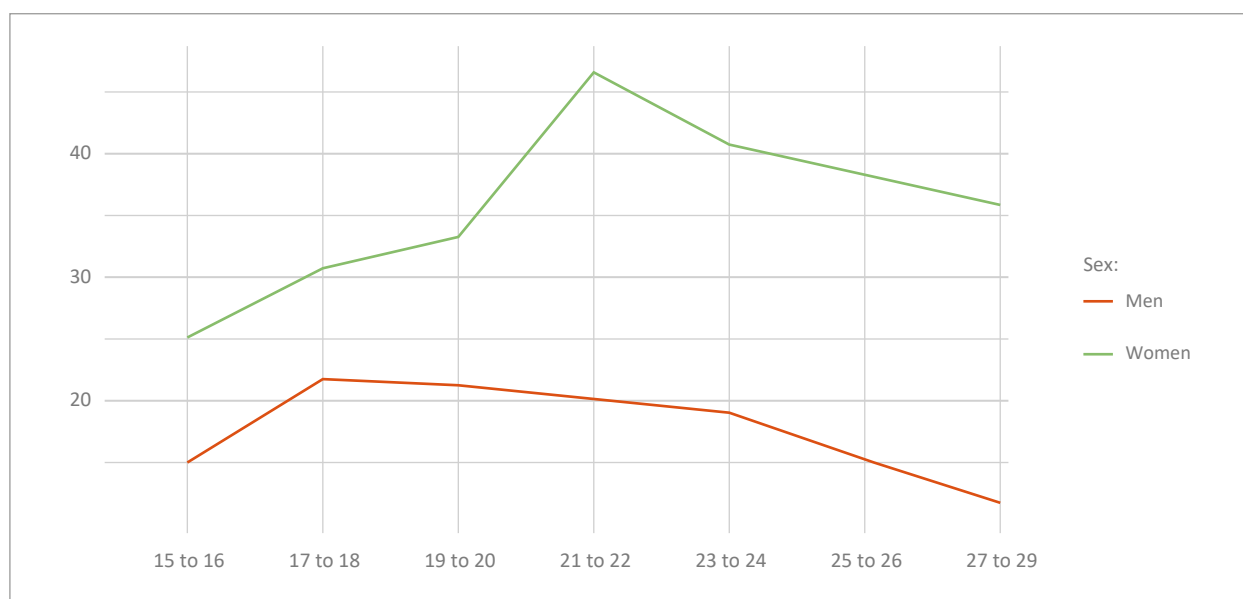
Figure 30. Unemployment among youth and young adults, by age and country



Note: Country weights.

Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

Figure 31. Unemployment among youth and young adults, by age and gender



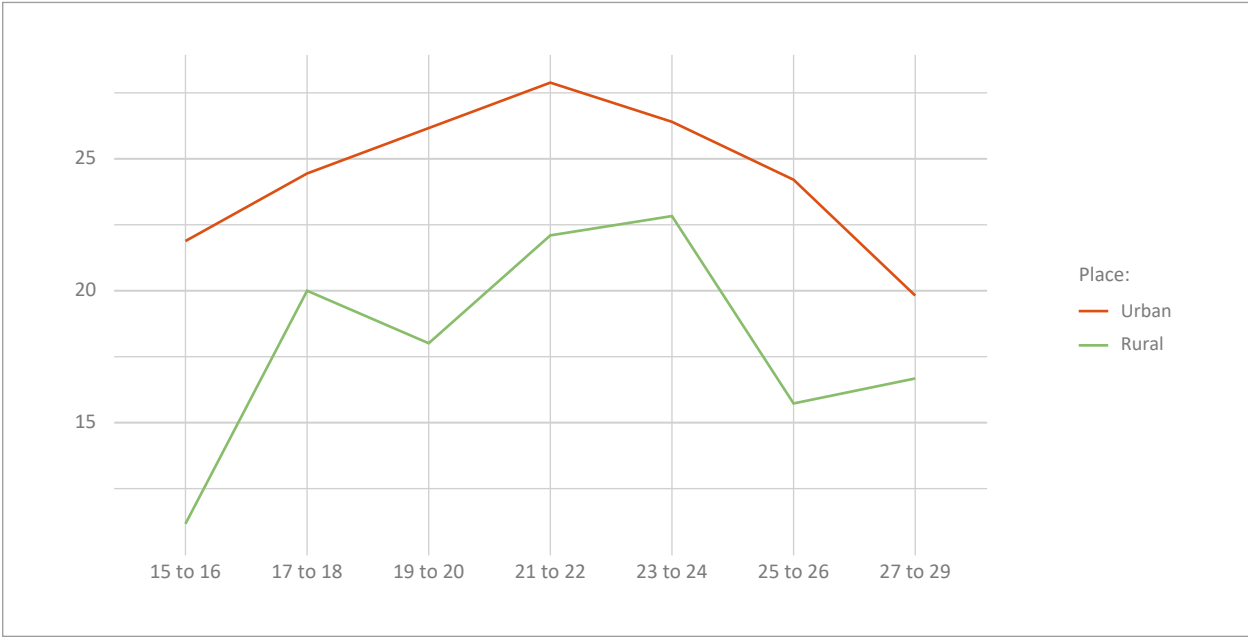
Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

Figure 30 shows that that unemployment rates vary substantially across the five countries surveyed. Tunisia exhibits the largest average unemployment rate (over 30 per cent), while the rate is much lower in Lebanon, at around 10 per cent. The Figure does not show very clear trends over time, however unemployment tends to reach a peak between the ages of 21 and 22 (likely due to the entry of university graduates in the labour market), and tend to decrease among young adults, although this interpretation is not always as completely clear (see State of Palestine for a counter example).

Unemployment rates show different trends for women and men. Across all ages, the unemployment rate is clearly higher for women than men (Figure 31). It also shows that unemployment for men peaks at 17-18 years old at about 22 per cent, but then gradually decreases. Conversely, the rate for women peaks at about 46 per cent for the 21-22 age group before decreasing. The rise in female unemployment at 21-22 years old is most likely explained by the surge of university female graduates entering the labour market.

The peak in unemployment at 21-22 is also observed particularly among youth living in urban areas (Figure 32). However, this trend is less clear for rural areas. Figure 32 stands out for showing how unemployment rates are higher in urban areas, potentially due to the ability of urban dwellers to wait—or afford to wait—for better job opportunities to arise.

Figure 32. Unemployment among youth and young adults, by age and location (rural/urban)



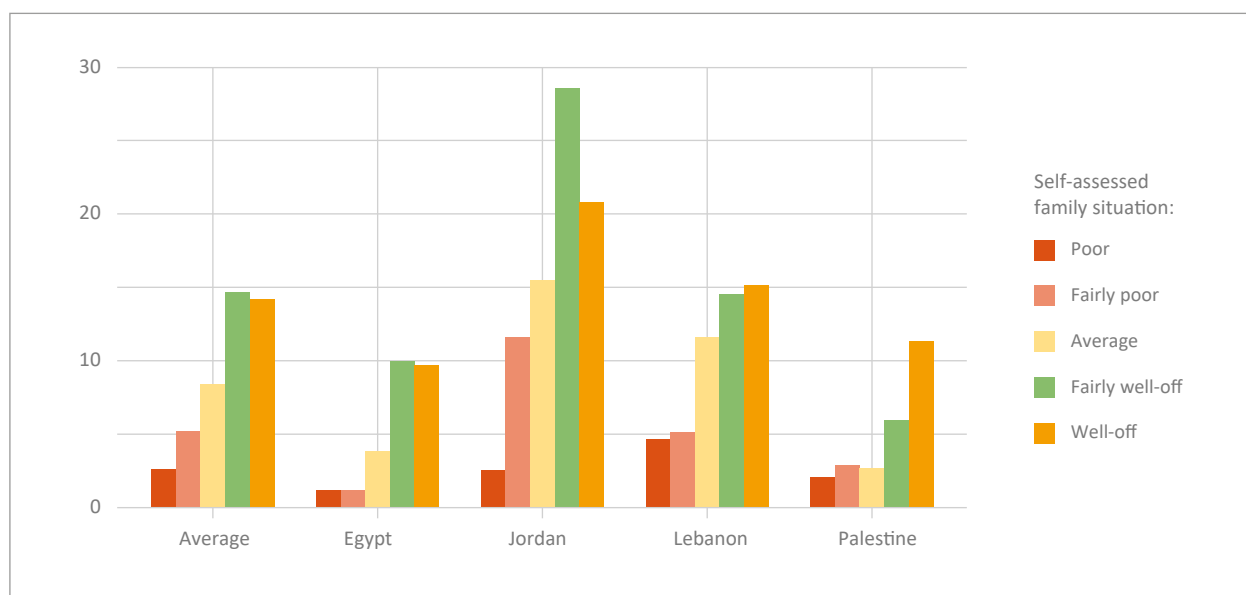
Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

Public sector employment

Another outcome included in our empirical diagnosis is public sector employment. These are jobs that are generally considered to be desirable for young graduates, given that they tend to provide stability and decent working conditions.

The study starts by looking at the likelihood of being employed in the public sector according to family background and educational attainment. Unfortunately, this outcome could not be observed for Tunisia (2013). Figure 33 shows that, on average, youth and young adults coming from 'well-off' family backgrounds are much more likely to be employed in a public sector than individuals from 'poor' backgrounds (14.3 vs. 2.7 per cent, respectively). Similar trends can be observed across the MENA countries surveyed, although respondents from 'fairly well-off' backgrounds show similar or even higher likelihoods of working in the public sector, as found, for instance, in the case of Jordan.

Figure 33. Public sector employment among non-student youth and young adults, by family situation

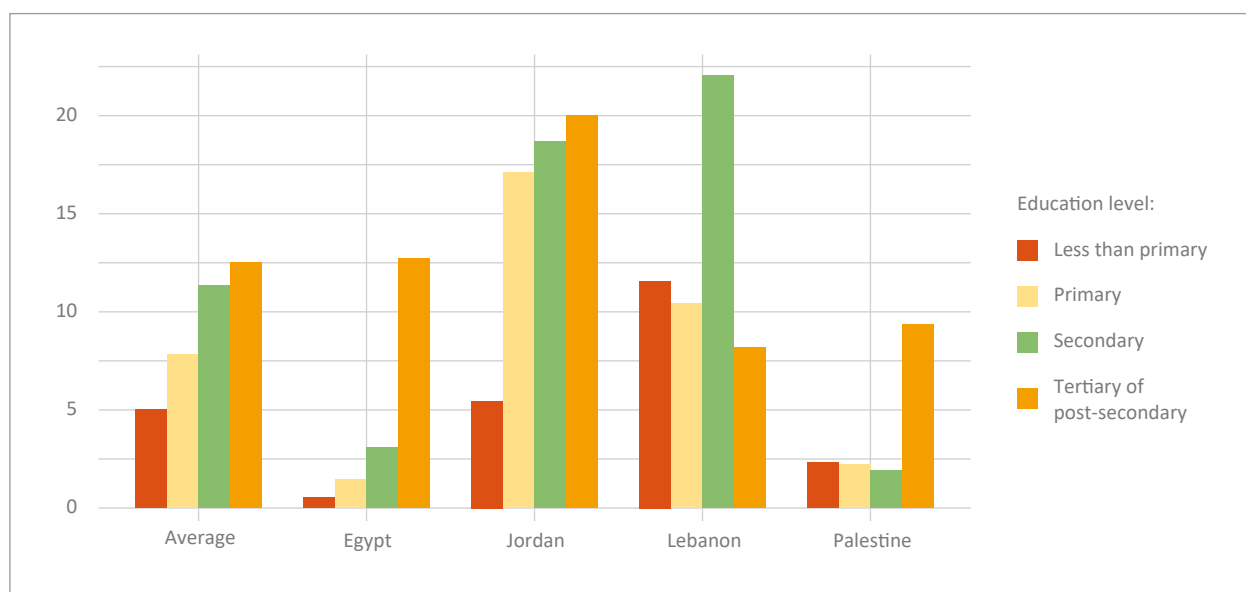


Note: SWTS for TUN (2013) could not include information on public sector employment. Country weights.

Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015).

Figure 34 shows the relationship between educational attainment and working in the public sector. Although there is on average a general trend in which higher educational attainment is associated with higher likelihood of working in the public sector, there are interesting differences across the countries surveyed. For instance, in Lebanon, the share of respondents with secondary-level education working in the public sector is much higher than the tertiary category. Among the four countries surveyed, Lebanon and Jordan stand out for educational attainment not being a pre-condition for public sector employment,⁴⁵ while the opposite is true for Egypt and the State of Palestine.

Figure 34. Public sector employment among non-student youth and young adults, by educational attainment



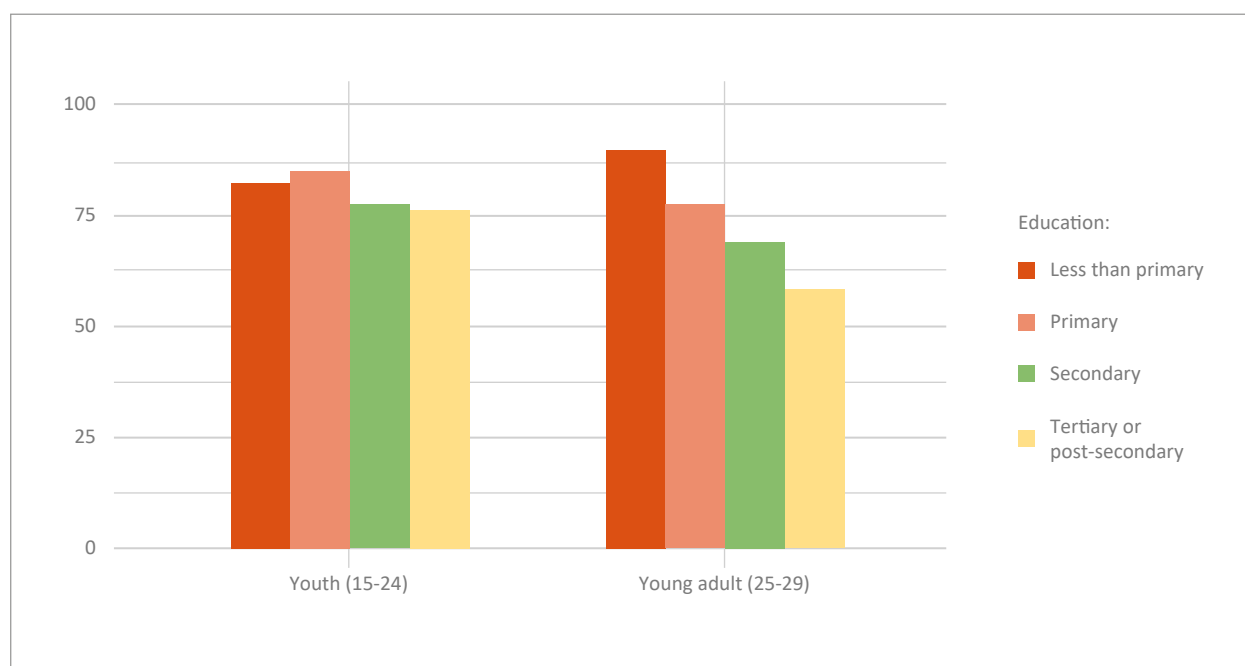
Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015). Note: SWTS for TUN (2013) could not include information on public sector employment. Country weights.

Informal employment

This sub-section focuses on employment in the formal and informal sectors of the economy. Drawing on the methodology used by Dimova, Elder and Stephan (2016), which follows the guidelines of the 17th International Conference of Labour Statisticians, informal workers are defined according to one of the following employment categories:

- Category A: paid employees in “informal jobs”; i.e. jobs without social security entitlement, paid annual leave or paid sick leave;
- Category B: paid employees in an unregistered enterprise with size classification below five employees;
- Category C: own-account workers in an unregistered enterprise with size classification below five employees;
- Category D: employers in an unregistered enterprise with size classification below five employees; and
- Category E: contributing family workers.

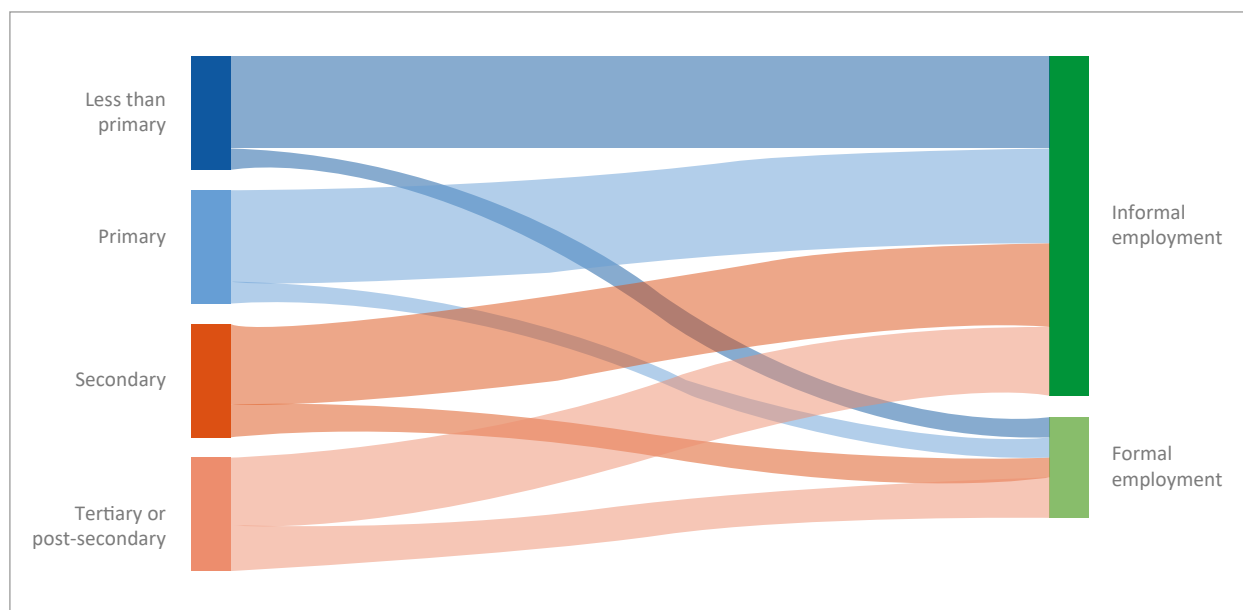
Figure 35. Informal employment among youth and young adults, by educational attainment



Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015), and TUN (2013).

Based on these definitions, Figure 35 presents the rate of informal employment disaggregated by highest level of educational attainment and age categories across the five MENA countries analysed. Unsurprisingly, informal employment tends to be higher among youth and young adults with lower educational attainment. Informal employment also tends to be greater among youths than young adults, with the minor exception of young adults with less than primary education. This relationship is also shown as a flowchart in Figure 36.

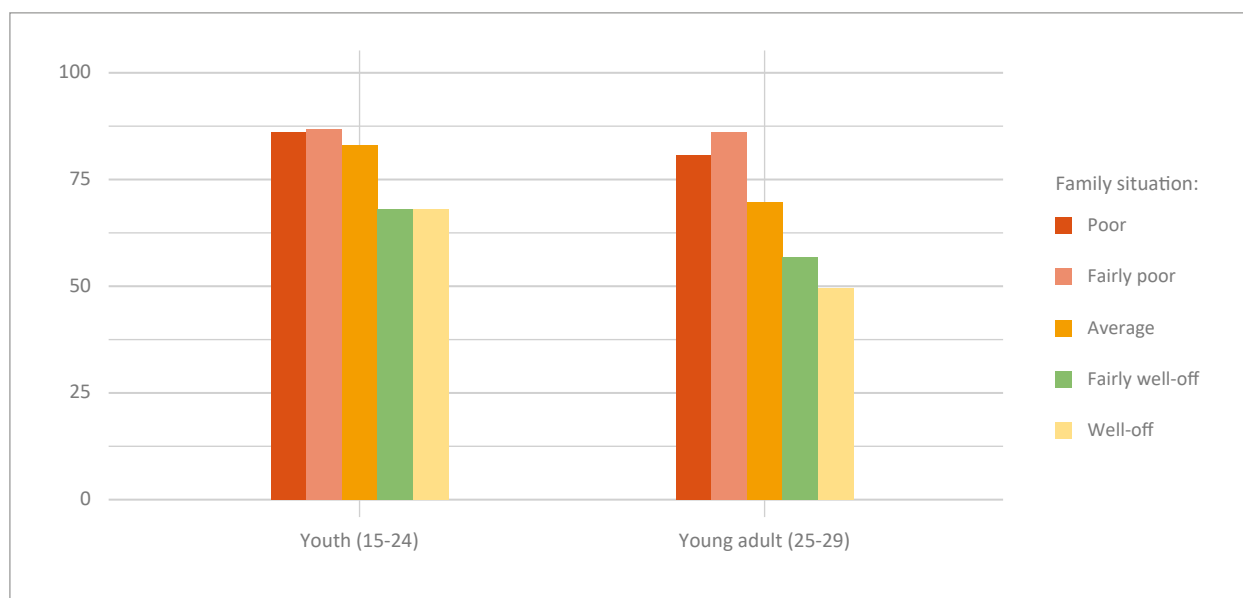
Figure 36. Flowchart of educational attainment and informal employment



Note: The sample includes young adults (25-29) not currently studying. “Secondary general” and “secondary vocational” were grouped as “secondary,” while “post-secondary vocational” and “tertiary” make up “tertiary or post-secondary.” Link sizes proportional to the average percentage on source groups.

Source: Authors’ elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

Figure 37. Informal employment among youth and young adults, by family situation

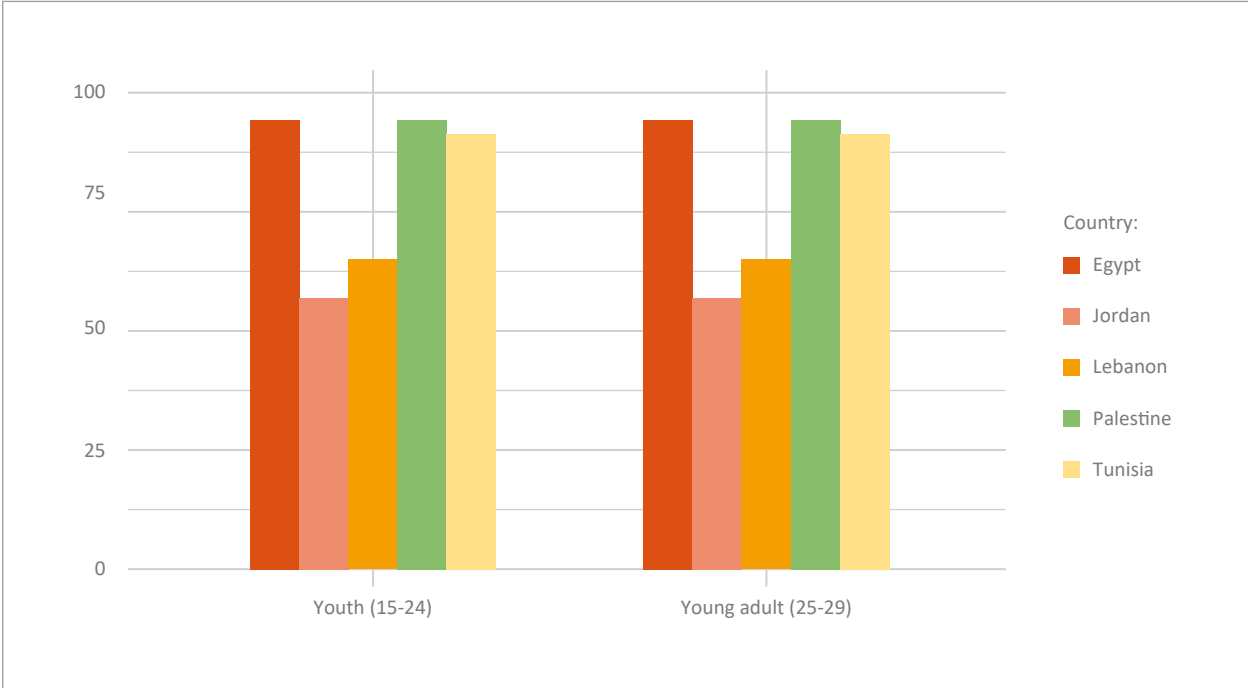


Source: Authors’ elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015), and TUN (2013).

Figure 37 shows a similar trend in informal employment as Figure 36 when disaggregated by self-assessed family situation, as individuals from better off backgrounds are more likely to be employed in formal working arrangements. For instance, the data for young adults shows that the average rate of informal employment for individuals from fairly poor backgrounds is 87 per cent, while the value for young adults from well-off backgrounds is 49 per cent.

Informal employment also shows significant differences across countries. While more than 90 per cent of youth that are employed in Egypt and the State of Palestine work in informal arrangements, informal employment among youths is approximately 55 per cent in Jordan and 64 per cent in Lebanon (Figure 38). Figure 38 also shows that informal employment tends to decrease among the young adult group. However, informality across countries clearly matters, as there is clear persistence within some countries when comparing informality rates for youths and young adults.

Figure 38. Informal employment among youth and young adults, by country



Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015). and TUN (2013). Country weights.

Quality of employment

Besides focusing on LM status, unemployment and public sector and informal employment, the analysis includes measurements on the quality of employment. To do so, a categorical variable—'job quality'—is created, inspired by criteria developed by the ILO to measure Decent Work,⁴⁶ composed of the following categories:

1. **Stable, written, decent employment with social security:** people employed in a stable job under a written contract, working decent hours (between 20 and 48 per week) and covered by social security;
2. **Stable, written, and decent employment:** people employed in a stable job, under a written contract, and working decent hours;
3. **Stable and decent employment:** people employed in a stable job and working decent hours, but without a written contract;
4. **Stable (only) employment:** people employed in a stable job, but working either less than 20 (underemployed) or more than 48 hours per week *and* without written contract;

5. **Unstable employment:** people working in a ‘non-stable’ job, regardless of the existence of a written contract or decent work hours per week. All self-employed people are included in this category; and

6. **Inactive and Unemployed:** as defined in the previous section.

Table 1 shows, across countries, the percentage of non-student youth and young adults that are hired in (i) stable employment, (ii) stable and decent employment, (iii) stable and decent employment with a written contract, and (iv) stable and decent employment with a written contract and covered by social security. The Table also differentiates for each category between all employment and excluding public sector employment, to understand the extent of quality jobs in the private sector. There are considerable differences across countries: while 50 per cent of people in Lebanon have a stable job (i.e. with at least an oral agreement of 12 months or more), only 16 per cent of young people in Egypt worked in a stable arrangement. Factoring in the impact of the public sector can also be significant. For instance, while 21.9 of people in Jordan worked in a stable and decent job with a written contract and social security, the percentage decreased to 10.2 per cent after excluding public sector employment. The impact of the public sector seems to be particularly strong in the cases of Jordan and Egypt, but less so in Lebanon and the State of Palestine.

Table 1. Job conditions among youth and young adults, proportion of working people

Country	Stable only		Stable and decent		Stable, decent and written contract		Stable, decent, written contract & social security	
	Full	Excl. public sector	Full	Excl. public sector	Full	Excl. public sector	Full	Excl. public sector
Egypt	16.3	13.0	9.6	7.4	5.5	2.3	2.0	0.4
Jordan	45.3	33.8	28.7	18.4	23.3	10.7	21.9	10.2
Lebanon	50.2	43.0	25.4	26.9	17.2	16.1	13.5	13.4
Palestine	33.1	30.6	17.0	18.1	5.7	3.3	0.4	0.4
Tunisia	28.7	-	18.3	-	8.6	-	4.7	-

Note: Data for public sector employment unavailable for Tunisia.

Source: Authors' elaboration based on the ILO SWTS: EGY (2014); JOR (2015); LEB (2014-15); PSE (2015); and TUN (2013).

3.5 Labour market outcomes: Inference and econometric models

This section goes beyond correlations and descriptive statistics. It uses econometric techniques to study YPTW and look at how individual characteristics from the data (described earlier in the study) are associated with selected LM outcomes. The use of regression techniques can, to some extent, control for the effects of other characteristic, although any interpretation should be treated with caution.

The main goal is to assess how individual characteristics (age, gender, location, self-assessed family situation, educational attainment, and parents' educational attainment) influence the probability of youth and young adults (non-students) to be:

- Working in the **public sector** (Tables 2 and 3);
- Working in a **stable job and with decent working hours** (i.e. between 20 and 48 hours per week) (Tables 4 and 5).

Details of the modelling techniques used in Tables 2-5 are described in Annex IV. Average marginal effects are used to estimate the impact of the different characteristics on the selected outcomes. To estimate marginal effects with categorical variables, certain values must be set as benchmarks to be able to compare with other values. For instance, the coefficient for 'Urban' in Tables 2 and 3 can be interpreted as the **difference in the probability of being employed in the public sector, compared to rural inhabitants, while controlling for other factors.**

Tables 2 and 4 combine the data from the different SWTS into one dataset (note: public sector information is unavailable for Tunisia). Country dummies to control for variations at the country level are also included. Five models were used for each outcome, with each model differing from the previous one by the insertion of one or more variables. To help assess the precision of the models as more information is included, the R² coefficient is reported at the bottom of the tables:

- **Model 1:** age + geographic area;
- **Model 2:** age + geographic area + married/unmarried with gender;
- **Model 3:** Model 2 + family situation;
- **Model 4:** Model 3 + individual education attainment;
- **Model 5:** Model 4 + parents' education attainment.

Tables 3 and 5 included all the control variables (as in Model 5). However, instead of pooling the data across countries, regressions are run for each country separately to check for differences across countries.

Public sector employment

There are many findings from Table 2 that are worth discussing. Most of the outcomes concerning public sector employment are somewhat unsurprising: the likelihood of working in public sector increases with age (between 0.7 and 0.9 percentage points, on average, per extra year); the likelihood is also higher for people living in urban areas than for people in rural areas (between 1.5 and 2 percentage points); both married women (-6 percentage points) and unmarried women (-4.5 percentage points) are less likely than unmarried men to work in the public sector than married men (however, there is no difference between married and unmarried men).

Furthermore, differences in family backgrounds are significant determinants to public sector employment: compared to the 'average' respondent, youths and young adults from poorer backgrounds are less likely to be publicly employed, while better-off respondents are significantly more likely to work in the public sector. The same observation can be found with respect to education, as respondents with 'no education' were less likely to be employed than respondents with 'primary', and conversely, those with 'secondary' and 'post-secondary' education were more likely to work for the public sector. Table 2 shows no clear evidence of parental background having an impact on public sector employment, although parental education most likely affects the other individual characteristics included in the table.

Table 3 includes the same variables as used for model 5 in Table 2, only this time separate regressions are run for each country. Overall, the results are fairly consistent across countries, although significance levels vary among countries. However, an important difference is observed with respect to location, as urban dwellers are found to be *less* likely to work in the public sector than rural inhabitants in Lebanon and the State of Palestine (the opposite being true for Jordan). As mentioned in Section 3.2, upon closer inspection of the data, the prevalence of public sector

employees in rural areas in Lebanon was driven by people working in the armed forces and in “education, or human health and social work,” with both categories having slightly more respondents living in rural areas. Meanwhile in the State of Palestine, the prevalence of public sector workers in rural area is driven mainly by people in the armed forces and working as “plant and machine operators and assemblers.”

Table 2. Probability of working in the public sector (full SWTS sample, except Tunisia), using marginal effects

Covariates	Model 1	Model 2	Model 3	Model 4	Model 5
Age (years)	0.009***	0.009***	0.008***	0.007***	0.007***
Place: rural	Ref.	Ref.	Ref.	Ref.	Ref.
Place: urban	0.019***	0.018***	0.015***	0.014***	0.014***
Unmarried man	Ref.	Ref.	Ref.	Ref.	Ref.
Married woman		-0.064***	-0.062***	-0.058***	-0.057***
Unmarried woman		-0.045***	-0.043***	-0.043***	-0.043***
Married man		0.002	0.002	0.007	0.008
Status: poor			-0.033***	-0.029***	-0.028***
Status: fairly poor			-0.026***	-0.021***	-0.021***
Status: average	Ref.	Ref.	Ref.	Ref.	Ref.
Status: fairly well-off			0.035***	0.031***	0.031***
Status: well-off			0.027***	0.022***	0.022***
No education				-0.032***	-0.03***
Primary	Ref.	Ref.	Ref.	Ref.	Ref.
Secondary				0.012*	0.012*
Tertiary post-sec				0.018***	0.02***
Father: no education					-0.005
Father: primary education	Ref.	Ref.	Ref.	Ref.	Ref.
Father: secondary or tertiary education					0.01*
Mother: no education					-0.004
Mother: primary education	Ref.	Ref.	Ref.	Ref.	Ref.
Mother: secondary or tertiary education					-0.016***
Country dummies	Yes	Yes	Yes	Yes	Yes
Pseudo R-squared	0.141	0.192	0.208	0.217	0.222
N observations	9937	9936	9934	9892	9830

Note: *, **, *** denote statistical significance at 90%, 95%, and 99% confidence, respectively.

Table 3. Probability of working in the public sector (country-level), using marginal effects

Covariates	Egypt	Jordan	Lebanon	Palestine
Age (years)	0.004***	0.018***	0.006**	0.004***
Unmarried man	Ref.	Ref.	Ref.	Ref.
Married woman	-0.009*	-0.196***	-0.094***	-0.021***
Unmarried woman	0.003	-0.17***	-0.085***	-0.02***
Married man	0.006	0.032	-0.001	0.007
Place: rural	Ref.	Ref.	Ref.	Ref.
Place: urban	-0.001	0.13***	-0.053***	-0.016**
Status: poor	-0.008	-0.112***	-0.053*	0
Status: fairly poor	-0.008	-0.048*	-0.059***	-0.008
Status: average	Ref.	Ref.	Ref.	Ref.
Status: fairly well-off	0.01	0.091***	0.007	0.011
Status: well-off	0.003	0.046*	0.016	0.028*
No education	-0.014*	-0.118***	0.039	-0.005
Primary	Ref.	Ref.	Ref.	Ref.
Secondary	0.008	0.029	0.082***	-0.003
Tertiary post-sec	0.037*	0.068***	-0.011	0.013
Father: no education	0	0.033	-0.01	0.006
Father: primary education	Ref.	Ref.	Ref.	Ref.
Father: secondary or tertiary education	0.009	0.025	-0.009	0.016*
Mother: no education	-0.002	0.009	0.003	-0.003
Mother: primary education	Ref.	Ref.	Ref.	Ref.
Mother: secondary or tertiary education	0.001	-0.068***	-0.02	-0.005
Pseudo-R squared	0.186	0.187	0.261	0.159
N observations	3697	2382	1327	2424

Note: *, **, *** denote statistical significance at 90%, 95%, and 99% confidence, respectively.

Stable and decent employment

Table 4 shows the estimated marginal effects of the different variables on the probability of working in a stable job, with decent working hours. The results are comparable to, and largely in line with, those from Table 2. The coefficients for age, location and gender are all strong predictors of being employed in a stable and decent job. However, the results find that family background is not as strong a predictor for public employment. Meanwhile, having tertiary or post-secondary educational attainment is a strong predictor for stable and decent employment (7.5 percentage points more likely than respondents with primary education).⁴⁷

Table 4. Probability of working in stable and decent employment (full SWTS sample), marginal effects

Covariates	Model 1	Model 2	Model 3	Model 4	Model 5
Age (years)	0.009***	0.013***	0.012***	0.009***	0.01***
Place: rural	Ref.	Ref.	Ref.	Ref.	Ref.
Place: urban	0.031***	0.028***	0.024***	0.02**	0.02**
Unmarried man	Ref.	Ref.	Ref.	Ref.	Ref.
Married woman		-0.188***	-0.188***	-0.184***	-0.184***
Unmarried woman		-0.083***	-0.082***	-0.091***	-0.091***
Married man		0.008	0.009	0.023.	0.022.
Status: poor			-0.041**	-0.033*	-0.031.
Status: fairly poor			-0.036***	-0.028**	-0.026**
Status: average	Ref.	Ref.	Ref.	Ref.	Ref.
Status: fairly well-off			0.036**	0.025*	0.026*
Status: well-off			0.028*	0.019.	0.018
No education				-0.003	-0.003
Primary	Ref.	Ref.	Ref.	Ref.	Ref.
Secondary				0.002	0.001
Tertiary post-sec				0.077***	0.075***
Father: no education					0.002
Father: primary education	Ref.	Ref.	Ref.	Ref.	Ref.
Father: secondary or tertiary education					0.029**
Mother: no education					0.005
Mother: primary education	Ref.	Ref.	Ref.	Ref.	Ref.
Mother: secondary or tertiary education					-0.017.
Country dummies	Yes	Yes	Yes	Yes	Yes
Pseudo R-squared	0.058	0.117	0.122	0.133	0.141
N	11725	11724	11709	11662	11571

Note: *, **, *** denote statistical significance at 90%, 95%, and 99% confidence, respectively.

Table 5 looks at the probability of working in stable and decent employment at the country-level. The signs of the coefficients are largely in line with Table 4, though statistical significance of coefficients vary across countries. The coefficients from Table 5 are less consistently significant than for public sector employment in Table 3. These results suggest that it is more difficult to estimate the probability of working in a stable job with decent working hours than the probability of working in the public sector.

Table 5. Probability of working in a stable and decent employment (country-level), using marginal effects

Covariates	Egypt	Jordan	Lebanon	Palestine	Tunisia
Age (years)	0.006***	0.023***	0.01	0.009***	0.008**
Unmarried man	Ref.	Ref.	Ref.	Ref.	Ref.
Married woman	-0.097***	-0.302***	-0.155	-0.238***	-0.177***
Unmarried woman	-0.034***	-0.208***	-0.028	-0.136***	-0.069***
Married man	0.031.	0.028	-0.085	0.025	0.076
Place: rural	Ref.	Ref.	Ref.	Ref.	Ref.
Place: urban	0.002	0.057**	0.047	0.015	0.002
Status: poor	0.02	-0.147**	-0.061	-0.026	-0.034
Status: fairly poor	-0.002	-0.018	-0.031	-0.072***	-0.002
Status: average	Ref.	Ref.	Ref.	Ref.	Ref.
Status: fairly well-off	0.005	0.106***	0.005	-0.025	0.027
Status: well-off	0.017	0.042	0.051	-0.022	-0.07
No education	0.005	-0.055	-0.257***	-0.045*	-0.013
Primary	Ref.	Ref.	Ref.	Ref.	Ref.
Secondary	-0.008	0.075*	-0.016	0.003	0.002
Tertiary post-sec	0.05**	0.129***	0.182	0.016	-0.002
Father: no education	0.03.	-0.006	0.014	-0.036.	0.041.
Father: primary education	Ref.	Ref.	Ref.	Ref.	Ref.
Father: secondary or tertiary education	0.069*	0.078**	0.034	-0.018	0.018
Mother: no education	-0.002	0.003	-0.108	0.041.	-0.035
Mother: primary education	Ref.	Ref.	Ref.	Ref.	Ref.
Mother: secondary or tertiary education	-0.011	-0.058*	0.013	-0.036*	0.011
Pseudo-R squared	0.096	0.15	0.184	0.146	0.081
N	3697	2380	1320	2402	1772

Note: *, **, *** denote statistical significance at 90%, 95%, and 99% confidence, respectively.

4. LITERATURE REVIEW ON YOUNG PEOPLE'S TRANSITIONS TO WORK IN THE MENA REGION

This chapter reviews recent research about youth unemployment and YPTW in MENA. Key issues affecting YPTW in MENA are discussed, such as social and historical roots of recent political tensions, demographic trends, vulnerable groups in YPTW, the role family and social ties (or *Wasta*) as well as recent private sector developments and opportunities to promote employment. This chapter also provides an overview of social protection programmes for employment in MENA and their impact on youth employment and related outcomes, primarily based on peer-reviewed papers and recent working papers. The main focus is on ALMPs here, however, the review also covers other forms of social protection (such as CTs) and complimentary policies (for example, micro-credit) affecting labour outcomes.

4.1 Young people's transitions to work: Evidence from MENA countries

4.1.1 Social and historical roots of current tensions

Although descriptive information and statistics provide a strong basis to understand YPTW in MENA, a comprehensive understanding of the situation must also include and consider recent social and political tensions in the region. For instance, while it is interesting to know that higher educational attainment is correlated with better labour market outcomes, there is clear evidence that current tensions in MENA are to a large extent explained by high levels of graduate unemployment (Assaad 2013; Campante and Chor 2012). Therefore, education alone (at least in terms of attainment) is an insufficient tool to fix problems in the labour market.

To better understand current challenges in labour markets in the region, especially for middle-income and lower-middle-income countries, it is important to understand the social and historic roots of recent crises. Assaad (2013) describes how public sector employment has historically been used by governments in MENA as a lever to appease groups from upper classes and/or with higher levels of education, by providing quality jobs and generous benefits. This practice has in turn distorted incentives for private and public employment, which has contributed to an enduring legacy of labour market segregation, or 'dualism', in the region.

However, the recent boom of educated youths along with the declining role of the public sector in the economy has led to a crisis in the existing social contract. This interpretation is confirmed in the data: while MENA has the highest absolute intergenerational education mobility at the regional level in the world, it also has low intergenerational income mobility (Narayan et al. 2018). This sets MENA apart from many regions in the world: while educational attainment and income mobility are well correlated in most parts of the world, this is found not to be the case in MENA.

Three important and interrelated phenomena are worth mentioning when trying to understand this contradiction of higher educational outcomes and lower employment outcomes in the region. **The first phenomenon is that despite increased educational attainment (see also Chapter 3), the MENA region is characterised by low learning outcomes, and mismatches between the demand and supply of skills.** Regional education systems are focused on rote-learning and obtaining education certificates, rather than acquiring skills, and especially transferable skills, and/or life skills for continuous and life-long learning. Education systems should therefore strive to supply the skills and life skills demanded by the rapidly changing labour market (see WDR 2019, WEF 2017 and UNICEF 2017) to counteract the rise of graduate unemployment.

The second phenomenon is the role, or lack thereof, of the formal private sector. Although there is considerable variation across the region, formal employment opportunities outside of the public sector tend to be scarce and/or unattractive to skilled youths. This is another legacy of dualism in the region: an over-reliance on the public sectors and state-owned enterprises along with the acceptance of informal arrangements, have collectively crowded out the development of a sorely needed, strong private sector.

The third phenomenon pertains to YPTW for young women and what Assaad et al. (2018) describe as the “MENA paradox”: namely that, despite rapidly increasing educational attainment levels, unemployment has increased and/or labour participation has declined for young women due to the decreasing role of the public sector in absorbing labour. Although the MENA paradox impacts all youths, it affects young women in particular, given that educated young women are traditionally more likely to be hired in the public sector, compared to educated young men. Hence, a decreasing public sector comparatively affects the employment outlook for young women more than for young men. Gender-based exclusions in the private sector therefore need to be confronted to avoid low labour force participation and high female youth unemployment—inducing young women to have to choose between waiting for marriage and the traditional gender-roles of housewife and mother. These findings provide some initial indication that, to significantly improve employment outcomes for youths in MENA, important changes need to be made in the labour market to adapt to these mounting pressures.

4.1.2 Demographic trends and future challenges

Knowledge of current and future demographic trends in MENA is very important when thinking about, and devising, education and labour policy in the region. According to UNICEF’s *MENA Generation 2030 Report*, the region’s population is expected to double in size during the first half of the 21st century. As explained in Chapter 3, the region is currently in the middle of a period of exceptionally low dependency ratios (i.e. low share of the non-working age population), while the total youth population (15-24 years old) is expected to keep rising until 2034.

This boom in the near future of young people and low dependency ratios can prove to be either a gift or curse, depending on the ability of States and the private sector to both invest substantially in human capital to create a skilled workforce, and create a dynamic private sector that provides enough decent and sustainable employment opportunities (ILO 2017). The demographic dividends that the MENA region is currently going through provides an enormous opportunity to invest in young people and their futures. As argued in the *MENA Generation 2030 Report*, “MENA countries should actively pursue this opportunity to reap the demographic dividend, both for the intrinsic value of realising the rights of children, adolescents and youth and as an investment in future economic growth and stability” (UNICEF 2019, 25).

However, should these challenges not be met, the region risks experiencing more social and political unrest, along with mass migration of young people (especially educated and skilled youth and young adults). Migration and forced displacement (due to conflict, for example) are and will continue to be important challenges to the region. There are approximately 41 million international migrants, almost 10 million refugees, and over 14 million internally displaced people in MENA⁴⁸ (UNICEF 2019, 26). The *Generation MENA 2030* report highlights that the impacts of inflows of economic migrants and refugees are concentrated in specific countries in MENA, namely the oil-producing Gulf countries (in the case of economic migrants), and in Jordan, Iran, Lebanon and Sudan (in the case of international refugees). Both regional and global solutions need to be explored to address present and future challenges related to migration and forced displacement, and providing economic opportunities remains an integral part of the challenge.

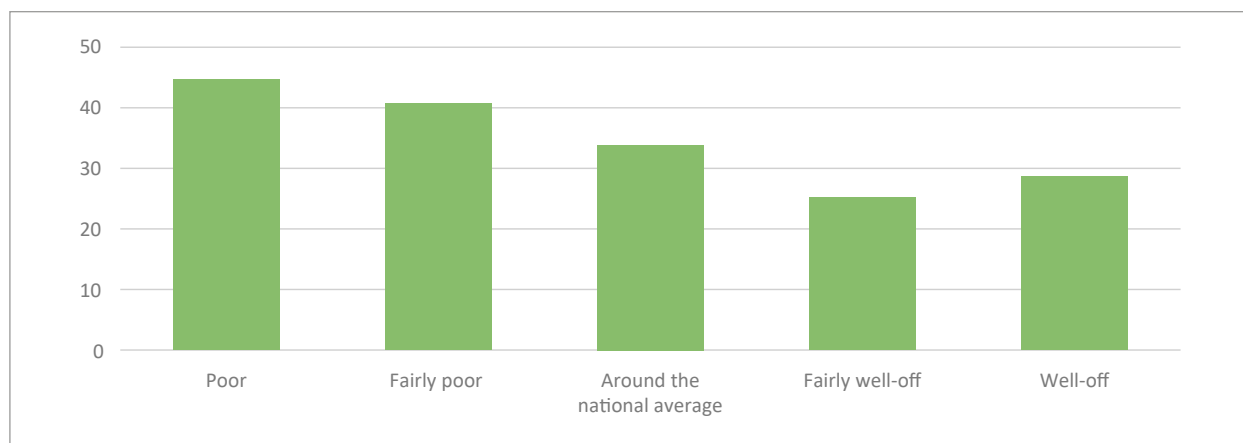
4.1.3 Vulnerability and YPTW

The empirical diagnosis in Chapter 3 highlighted some of the main challenges and situations using available regional and micro-data. Findings include the important differences in outcomes across genders, with women being less likely to participate in the labour market, but also the importance of educational attainment, family socio-economic background, age, and living in an urban area as strong correlates with labour market and decent employment outcomes.

The elaboration of the empirical diagnosis was influenced by previous research from the ILO’s Work4Youth Publication Series, particularly the studies on school-to-work transitions in MENA, which also used the ILO SWTS data.⁴⁹ Figure 39, taken from Dimova, Elder and Stephan (2016) shows the percentage of NEETs among youth and young

adults (aged 15-29) for five MENA countries, according to self-reported economic background. Although the rate of NEETs is high for each quintile, it shows that the percentage of NEETs is higher among the youth from poorer family backgrounds, showing that the poorer youth in MENA, on average, lack clearer transitions into the labour market.⁵⁰

Figure 39. Percentage of NEETs among youth population by economic background

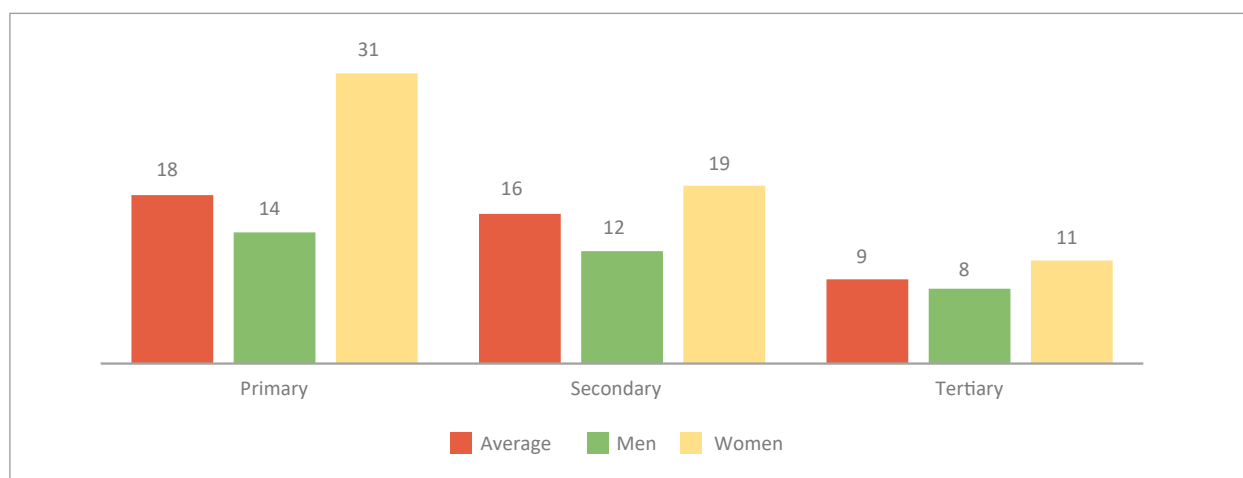


Note: Values are based on data from EGY, JOR, LEB, PSE, and TUN. Household income/economic situation is based on self-assessment.

Source: Dimova, Elder and Stephan (2016).

The ILO's SWTS reports also show how transitions into satisfactory employment are generally shorter for youth with higher levels of educational attainment. Figure 40 illustrates how average transition periods for young people with tertiary education into satisfactory employment is considerably shorter than for young people with primary educational levels (9 vs. 18 months, on average). The figure also shows that young women take longer on average to transition to stable or satisfactory employment than men with similar levels of education. Perhaps most strikingly, women with primary education take on average 31 months—almost three years—to transition into satisfactory employment.

Figure 40. Transition periods (months) from graduation to stable and/or satisfactory employment, by gender and level of educational attainment



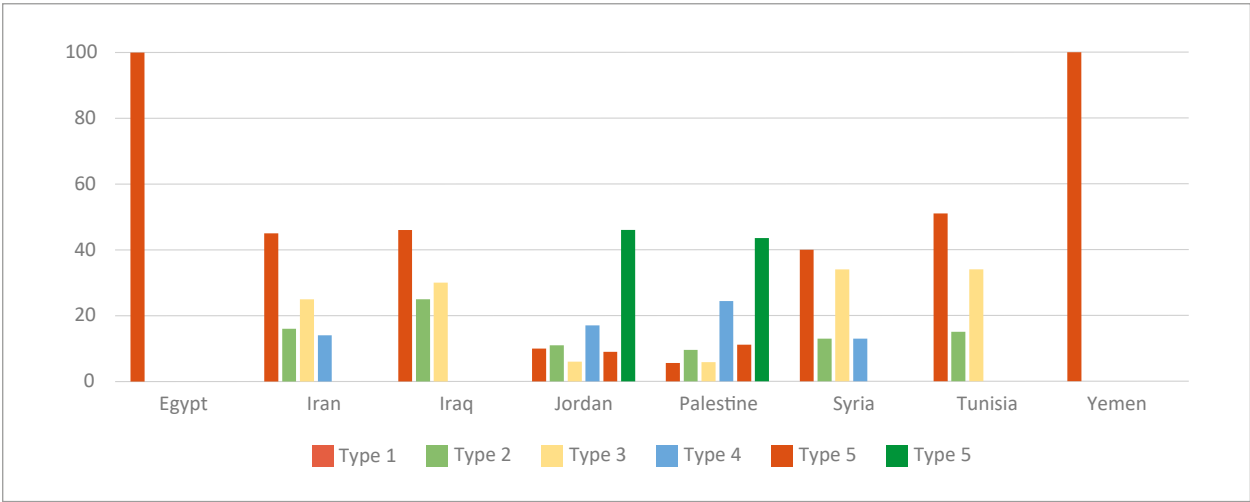
Note: Values are averages taken from ILO SWTS from EGY, JOR, LEB, and PSE. Values represent average duration (months) from school graduation to first stable and/or satisfactory job.

Source: Dimova, Elder and Stephan (2016).

Recent studies from MENA have also focused on trends in poverty and vulnerability among young people and during transitions to work. In a review of multi-dimensional poverty trends in Egypt, Jordan, Iraq and Tunisia, Ozdamar and Giovanis (2019) found significant poverty reductions among young women over time, and yet women's poverty remains higher in terms of employment opportunities, showing that discrimination, social norms and gender roles are still preventing women from accessing the labour force. Another important finding is that despite higher overall poverty in rural areas, there are signs that the balance is shifting, as increasing urban poverty was observed, especially with respect to employment dimensions of poverty. Other factors, such as political and military conflicts—notably in the case of Iraq—have significantly contributed to increased poverty and deteriorations in well-being due to interruptions in economic activity; forced migration and displacement; deteriorations in personal security, safety and in health. Policies and initiatives that contribute to the reduction of conflicts, violence and displacement in the region can contribute immensely to promote economic growth and provide safety for MENA citizens.

Turning to the issue of vulnerable young people in education, Assaad, Hendy and Salehi-Isfahani (2019) explore inequality of opportunity in educational outcomes in 8 MENA countries. Interestingly, the description of the 10 per cent most vulnerable households according to expenditure at the country level differs significantly across MENA, as can be seen in Figure 41. For example, 100 per cent of households from the poorest decile in Egypt live in rural areas and are born to parents without any schooling (Type 1). Meanwhile, among young people living in the poorest decile of households in Jordan, only 10 per cent is Type 1, while 46 per cent live in urban areas with either both parents having a primary education, or one illiterate parent and another with a secondary education (Type 6). These results confirm that there is a considerable level of heterogeneity across countries when it comes to identifying the most vulnerable groups and illustrate how narrow definitions of vulnerability are most likely unreliable in a region where many groups are marginalised and face challenges when transitioning into the labour market.

Figure 41. Household characteristics of the poorest deciles across 8 MENA countries



Note: type 1 = rural and both parents with no certificate; type 2 = urban and both no certificate; type 3 = rural and 1 no certificate & 1 < secondary; type 4 = urban and 1 no certificate & 1 < secondary; type 5 = rural and both Ps < secondary OR 1 illiterate & 1 secondary; type 6 = urban and both Ps < secondary OR 1 illiterate & 1 secondary.

Source: Assaad, Hendy and Salehi-Isfahani (2019)

4.1.4 Family and social ties in YPTW

Another factor that is often mentioned in trajectories to work in MENA is the important role of family and social ties (also known in Arabic as *Wasta*), when it comes to finding and securing a job. Although dynamics such as *Wasta* are difficult to measure empirically, different studies from MENA have explored this issue. Wahba and Zenou (2005)

examine the impact of social networks in obtaining a job in Egypt. They find that, among people who were employed, living in more densely populated areas, hence with a larger social network, was positively correlated with having found their job through social ties (but only up to a certain threshold, after which probability decreases). These effects were stronger among the uneducated, meaning that people with lower educational backgrounds were more likely to rely on informal (social) networks to obtain information on job openings than more educated workers, who tended to rely on a combination of formal and informal methods.

Furthermore, new research by Assaad and Krafft (2017) and Assaad, Krafft and Salemi (2019) provide some insight on these dynamics in MENA countries by looking at the impact of parental educational attainment on YPTW. In their 2019 study, Assaad et al. examine the evolution of initial labour market outcomes among school leavers by education and socioeconomic status (measured by parental educational attainment) in Egypt, Jordan and Tunisia. They find evidence that jobs are increasingly allocated according to socioeconomic status in Egypt and Tunisia, although the evidence is less clear in Jordan.

Some interesting differences were found across the countries observed by Assaad and co-authors: Longer transitions to work, with substantial delays in obtaining the first job remained a challenge in Tunisia; while in Egypt, young people transitioned relatively quickly to their first—often informal—job; lastly, in Jordan, the ‘waitthood’ phenomenon has been declining due to increased opportunities in both the public and private sectors.⁵¹ These results show that rigorous analysis on YPTW in MENA must consider dynamics that are common throughout the region (such as *Wasta*), but also explore country-level dynamics to appropriately account for different circumstances.

4.1.5 Evidence from studies exploring job creation and labour markets

Empirical studies exploring private sector development and the demand-side of the labour market in MENA range in scope from case studies of specific sectors of the economy, to analyses of job creation across industries and countries. These studies are generally useful for policymakers, as they tend to provide information on areas of the economy that are more productive, or that might be more likely to hire individuals with specific characteristics.

Aly et al. (2017) contribute by exploring job creation from firm data from seven MENA countries. The authors find that to promote job creation, governments would benefit from focusing on **supporting new and young firms that are medium to large-sized, and with existing investments in research and development**. They also find that firms that invest in research and development or in new methods of production are associated with higher job creation. These results paint an interesting picture of the private sector in MENA that can provide clues for government policies aimed at reducing unemployment. In a similar study for Egypt, Nazier (2018) analyses firm characteristics and sectors of the economy that are more likely to hire women. One of the key findings from her study is that female employment is more prominent (i) in micro and small firms, (ii) among firms that export, and (iii) in high-tech industries. Thus, **promoting openness and integration into global markets, especially for labour-intensive industries, can improve job creation for women, as can the promotion of microenterprises and start-ups**. Finally, the study argues that more attention should be given to high-technology industries that have the strongest associations with female employment.⁵²

One of the most heavily discussed topics in MENA is the **role of entrepreneurs and self-employed young people** in promoting employment. It is often argued that the skilled youth in MENA prioritise stability and public sector jobs, and therefore choose not to engage in entrepreneurial activity. Therefore, promoting and encouraging entrepreneurial culture can play a key role in lowering unemployment. Krafft and Rizk (2018) explore the issue of entrepreneurship and self-employment in MENA by exploring survey data from Egypt, Jordan and Tunisia on entrepreneurial activity. They find that entrepreneurs, and especially the employers who are relatively more successful entrepreneurs, are essentially the opposite of the unemployed: the average entrepreneur is

older and less educated, while a large segment of the unemployed consists highly-educated new entrants. Entrepreneurship does not generally lead to higher earnings and includes fewer benefits. Krafft and Rizk conclude that promoting entrepreneurship is not only unlikely to be successful in reducing unemployment, but also, if it is successful, may even be harmful to youth. These results provide interesting descriptive information on entrepreneurs and the self-employed. However, this does not exclude the **possibility of entrepreneurship programmes having a significant role in promoting youth employment in MENA**. If anything, it means that **additional steps need to be taken to make it easier and incentivise young people to start their own businesses or engage in own-account work**. This can be done by providing **social protection coverage, fiscal incentives** and better **financial inclusion for SMEs**, thus making entrepreneurship and self-employment more attractive solutions to young people (IMF 2019).

Another crucial matter related to private sector growth is finding ways to **incentivise formality and promote firm growth** in the economy. Assaad et al. (2018) find that **the informal sector has been the main driver of job growth in Egypt over the past 20 years** and has replaced the agricultural sector as the main labour-absorbing role in the economy. While there is a strong rationale for reform, evidence of what is effective is extremely important. For instance, the **existing evidence of job-growth promoting policies in Egypt**, consisting mostly of flexible labour regulations, **points that these have had limited effects on employment** (Assaad et al. 2018, 6). Therefore, policymakers must carefully consider both international experiences and different country contexts when considering policy proposals. Focused on the issue of productivity, Rijkers et al. (2015) explore trends in private sector job creation in Tunisia between 1996 and 2010. They find that the economy was largely composed of small firms, and this was consistent over time despite GDP growth.⁵³ They observe **many obstacles to job growth**: small firms are the poorest performers in terms of job growth; meanwhile, the association between productivity, profitability and job creation is weak overall. They conclude that weak job creation in the economy is due in large part to a **lack of firm dynamism** (e.g. starting or expanding a business; investing in research and development; exporting goods and services). In general, **more research is needed, focusing on economic sectors that promote job creation, and notably for SMEs, which encompass the majority of jobs in the region**.

4.2 The role of social protection for YPTW in MENA

As discussed in Chapter 2, an important finding from social protection systems in developing countries is that contributory programmes are less common there than in developed countries, as they are usually linked to jobs in formal sectors of the economy. This also the case for MENA: due to the legacy of dualism and labour market segmentation in the region, social protection systems are also fragmented, often failing to reach the poorest and vulnerable sub-sections of the population. Broadly available contributory social insurance schemes, however, can be important tools to mitigate risks over the life cycle. Table 6 shows the most recent data available from ILOSTAT for the percentage of people above the national retirement age receiving a pension, and the percentage of active contributors towards an old-age pension according to the working-age population. There is significant variation across countries when it comes to both indicators. On the left-side of the table, Algeria (63.6 per cent) and Tunisia (54 per cent) were the countries with the highest percentage of people above the national retirement age receiving a pension, while Iran (17 per cent), Yemen (8.5 per cent) and Qatar (8.3 per cent) had the lowest pension coverage among the old-age population in the region. Perhaps unsurprisingly, the countries with the highest pension coverage amongst retirees are the same countries with the highest contribution to old-age pension schemes among the working-age population: Tunisia (41.4 per cent) and Algeria (37 per cent) were the countries with the highest percentage of active contributors towards pension schemes amongst the countries surveyed, while Qatar (3.3 per cent), Yemen (2.6 per cent) and Lebanon (0 per cent)⁵⁴ were the lowest. Strikingly, no countries from the table had a percentage of active contributors to an old age contributory scheme equal to or greater than 50 per cent, meaning that most of the population in MENA is at risk of being excluded from public (contributory) pension schemes.

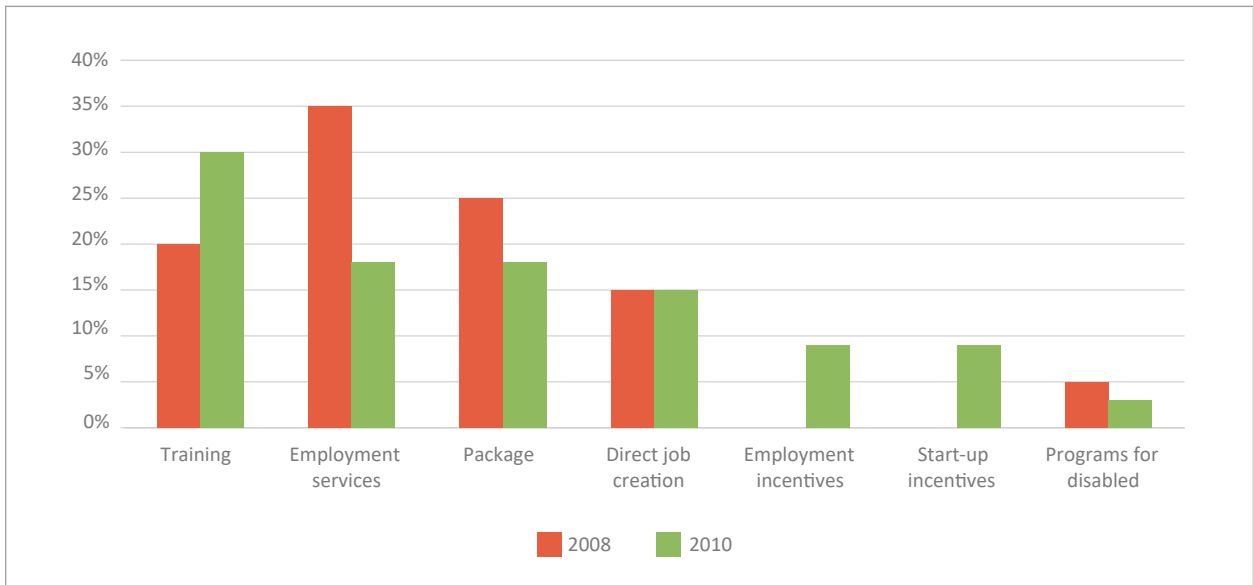
Table 6. Coverage and active contribution towards public pensions in MENA

Country	Persons above the national retirement age receiving a pension (%)	Scheme as a percentage of the working-age population (%)
Algeria	63.6 (2010)	37 (2007)
Bahrain	40.1 (2011)	10.5 (2007)
Egypt	37.5 (2015)	29 (2009)
Iran, I. R.	17 (2017)	-
Iraq	56.0 (2007)	19.8 (2009)
Jordan	42.2 (2010)	22.6 (2010)
Kuwait	-	12.9 (2010)
Lebanon	-	0 (2012)
Morocco	39.8 (2009)	15.6 (2011)
Oman	24.7 (2010)	8.7 (2011)
Qatar	8.3 (2018)	3.3 (2008)
Saudi Arabia	-	26.2 (2010)
State of Palestine	31.0 (2009)	-
Tunisia	54.0 (2017)	41.4 (2011)
Yemen	8.5 (2011)	2.6 (2011)

Source: Authors' elaboration. Data from ILOSTAT and ILO Social Security Inquiry Database (latest available year).

Focusing specifically on social protection to encourage YPTW, greater attention must inevitably be paid to the role of ALMPs. In MENA, the delivery of ALMPs is often fragmented, not only with respect to the number of programmes and institutions involved, but also with respect to the types of actors (public and non-public) that are in charge of providing ALMPs in the region. For instance, Tunisia and, to a lesser extent, Morocco provide ALMPs primarily through the public sector, while other countries (Lebanon, Egypt and Jordan) actively involve the private sector and non-governmental organisations in the provision of labour market services (Angel-Urdinola and Leon-Solano 2013, 5). Results from the Youth Employment Inventory (YEI)⁵⁵ found that the governments in Tunisia and Jordan were, respectively, responsible for 53 and 48 per cent of the employment initiatives—mainly ALMPs—implemented nationally (ILO 2015a, Taqueem Initiative 2018). Conversely, 18 per cent of employment initiatives in Egypt were implemented by the government (ILO 2015b). Results from the YEI also show considerable differences when it comes to the geographical scope of employment initiatives, as 52 per cent of programmes in Tunisia were implemented nationwide, compared to 36 per cent in Jordan and only 13 per cent in Egypt. The YEI findings also show some differences in targeting of employment initiatives among youth. Tunisia (71 per cent) and Jordan (65 per cent) were the countries with the larger share of programmes targeted at youth, while 47 per cent of programmes in Egypt targeted the youth.

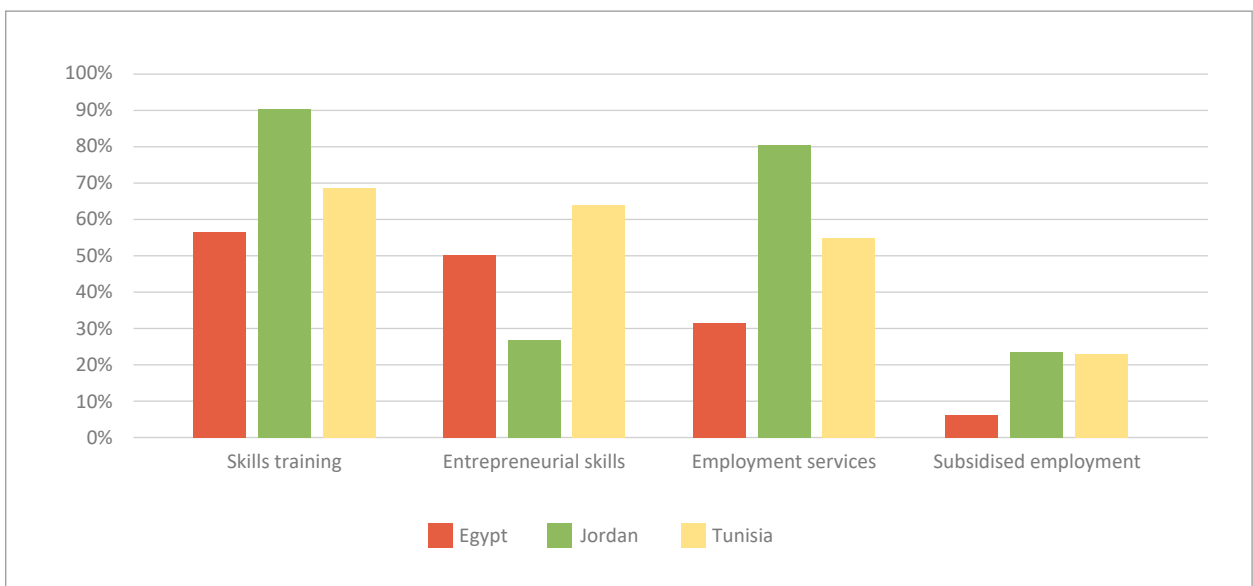
Figure 42. Inventory of publicly provided ALMPs in 7 MENA countries (2011)



Note: Countries included in the inventory are Jordan, Tunisia, Lebanon, Yemen, Syria, Morocco, and Egypt.

Source: Angel-Urdinola, Kuddo and Semlali (2012), based on MENA inventory of ALMPs, 2011.

Figure 43. Main categories of employment initiatives by government agencies in Egypt, Jordan and Tunisia



Source: Authors' elaboration using YEI datasets for Egypt (2013), Jordan (2016) and Tunisia (2014) provided by ILO.

The analysis turns to the types of employment initiatives that are most prominent in MENA countries. Figure 42 presents data from Angel-Urdinola, Kuddo and Semlali (2012) taken from an inventory of national ALMPs in seven MENA countries conducted by the World Bank in 2011, with estimates for both 2008 and 2010. In 2010, training programmes (30 per cent), employment services (18 per cent), and 'package'—which combine multiple interventions—programmes (18 per cent) were the most common types of ALMPs, followed by programmes for direct job creation (15 per cent), employment incentives (9 per cent) and start-up incentives (9 per cent). Programmes for disabled people were the least common type of ALMP, at 3 per cent. Training programmes

were the most common type of ALMP in the region, as in other parts of the world. It is worth noting that the share of training programmes increased by 10 percentage points just between 2008 and 2010, indicating an increased importance of these programmes over a relatively short period of time since the global financial crisis.

Data from the YEI shows that types of ALMPs can also vary across countries. Figure 43 presents YEI data for ongoing (at the time) programmes implemented by government agencies.⁵⁶ The programme mapping shows that skills training is the most common intervention across countries, with the combination of skills training and employment services being particularly popular among government agencies in Jordan. Entrepreneurial skills are common in Tunisia (64 per cent) and in Egypt (50 per cent), but less so in Jordan (27 per cent). Subsidised employment, which consists of employment subsidies and public work programmes, constitute 23 per cent of interventions run by government agencies in Jordan and Tunisia, but only 7 per cent (1 out of 16) in Egypt.

Due to weak documentation and lack of standardised data across the region, it is difficult to obtain accurate estimates on expenditure of ALMPs for MENA countries. One of the main findings from the literature is that the fiscal space for ALMPs is still quite small, although new efforts from national governments have increased in recent years.⁵⁷ Available data from 2010-11 finds the Tunisia spent 0.8 per cent of GDP on ALMPs, Morocco spent 0.1 per cent, and Lebanon spent 0.04 per cent. As a reference, across the European Union, approximately 0.5 per cent of EU-27 GDP was spent on ALMPs in 2009 (Kuddo 2012). Based on this data, Barsoum (2018) estimates that the EU spends, on average, between 5 and 10 times more on ALMPs (as a percentage of GDP) than individual MENA countries. Moreover, when considering spending on ALMPs as a percentage of GDP and taking into consideration youth unemployment rates, Barsoum finds that spending in the EU per percentage point of youth unemployment (or per unemployed youth) is at least 30 times greater in the EU than in MENA (ibid., 50). Therefore, low spending on ALMPs in MENA contrasts strongly with the level of political and economic urgency that the issue of youth unemployment represents to the region.

4.3 Literature review on the impacts of social protection programmes on employment and social outcomes in MENA

After providing some background on the state of social protection and particularly ALMPs in MENA, the analysis turns to the existing evidence on the effectiveness of social protection programmes in promoting work in the region. To do so, a literature review was conducted examining articles from peer-reviewed journals, and working papers from relevant authors or institutions, from the last decade focusing on the impacts of social protection programmes (mainly ALMPs) on employment and related social outcomes in MENA countries.

Given the difficulty in estimating the impact of policy interventions on employment outcomes,⁵⁸ the main focus is on studies using either quasi-experimental or experimental techniques to estimate the effect of policy on economic and labour outcomes. Although different and more qualitative methods can also be used to assess the impact of social protection programmes on employment, it is useful to gather the existing quantitative knowledge and evidence, especially at the micro-level, to understand the main challenges before promoting the expansion of the programmes at the local, regional or national levels.

The summary findings for these studies are compiled in Table 7, which contains the following information: **authors of the study; empirical methodology adopted; intervention or programme type; outcomes measured; and key results.** The review covers 15 studies, from Algeria (1), Egypt (4), Iran (1), Jordan (5), Lebanon (1), Morocco (1), Tunisia (1) and Yemen (1). Most of the studies covered (10) focus on some type of ALMP, though there are also studies looking at macro-insurance in Egypt, microfinance in Morocco, CTs for refugees in both Jordan and Lebanon, and universal CTs in Iran. Although the studies sometimes differ in their empirical approaches, the results obtained are interesting and provide a useful benchmark for the assessment of potential social protection for YPTW in MENA.

Table 7. Studies on the impact of social protection and complementary policies on employment outcomes in MENA

Authors & study	Country	Methodology	Intervention or programme	Outcome(s) measured	Key results
Souag and Assaad (2017)	Algeria	Differences-in-Differences (DiD) with repeated cross-section	Combination of ALMPs—Action Plan for Promoting Employment and Combating Unemployment	Informal employment (proxied by number of workers in companies with more than 5 workers)	The Plan contributed to reducing informality, but with heterogeneous effects. Namely, it reduced informality for employees in establishments of 10+ workers but had no significant effects on informality in enterprises of 5-9 workers. Furthermore, when restricted to new entrants only, no statistically significant effects were found.
Elsayed, Hempel and Roushdy (2018)	Egypt	Randomised Experiment—Individual-level (732)	Job Training (soft skills and on-the-job), Counselling, and Matching Service—NGO Initiative	Labour market (employment, income, work hours) and other outcomes (satisfaction, happiness, desire to migrate, etc.)	LM outcomes: Positive effects on employment (12 percentage points), slight increase in working time (especially among women), and women experienced a 15-percentage point increase in employment (men experienced no change). No changes in wealth found during follow-up. No clear impacts on non-labour market outcomes. Counselling had no apparent impact on outcomes.
Elsayed, Hempel and Roushdy (2018)	Egypt	Randomised—Individual-level (1011), 80% women (mostly skilled)	Job Training, Counselling and Capital Assistance (between 56.30 and 112.60 USD)—Part of Egypt's MSMEDA	Same as above	LM outcomes: Positive effects on employment (45 percentage points), working time (8 hours more per week on average) and monthly income (55 per cent increase) compared to the control group. LM outcomes: Some evidence that the impacts were stronger for women. Women in treatment groups were approx. 24% more likely to declare that they will decide for themselves how their income would be spent. Counselling had no apparent impact on outcomes. Results from both studies suggest that ALMPs can play an important role in facilitating YPTW.
Elsayed and Roushdy (2017)	Egypt	DiD for women across treated and control villages	Vocational business and life skills training for women in rural Egypt	Employment outcomes, decision-making, gender equality, spillover effects	Intervention increased the likelihood of women engaging in income-generating activities, driven by an increase in self-employment. Women also became more likely to have future business aspirations. However, intra-household decision-making and gender equality attitudes were not affected. The results mask heterogeneous effects in terms of background and initial levels of social empowerment. No evidence of positive spillover effects within treated villages. Experiment provided insurance through Egypt's largest microfinance organisation after the Jan 2011 revolution. Demand for insurance was high, with a take-up rate of 36.7%.
Groh and McKenzie (2016)	Egypt	Randomised Experiment—ITT and LATE—at microenterprise-level	Macro-insurance against macro-economic and political shocks for microenterprises (MEs)	Probability to take out loan, impact on investments	However, purchasing insurance did not affect whether a business takes a new loan, the size of the loan, or how they invest the loan. MEs mainly invested in inventories and raw materials, rather than irreversible investments like equipment → MEs not inhibited by risk. Military takeover dampened demand for insurance in follow-up → highlights the challenges of trust in generating new insurance markets.



Authors & study	Country	Methodology	Intervention or programme	Outcome(s) measured	Key results
Salehi-Isfahani and Mostafavi-Dehzoeei (2018)	Iran	DiD and Fixed Effects using Panel Data at the individual level	Universal Cash Transfer to Households	Employment (labour force participation and working hours)	No evidence that cash transfers reduced labour supply, in terms of hours worked or labour force participation. Positive effects on the labour supply of women and self-employed men. Some indication that such programmes can reduce the labour supply of younger workers.
Groh, Krishnan, McKenzie and Vishwanath (2016a)	Jordan	Randomised Experiment —ITT Estimates — individual-level	Wage Subsidy delivered to female community college graduates	Employment (during and after the programme)	The wage voucher led to a 38-p.p. increase in employment in the short-run, but the average effect is much smaller and no longer statistically significant after the voucher expired. Extra job experience gained as a result of the wage subsidy does not provide a stepping stone to new jobs for these recent graduates. Lack of lasting employment effects potentially due to productivity levels not rising above a binding minimum wage.
Groh, Krishnan, McKenzie and Vishwanath (2016b)	Jordan	Randomised —ITT Estimates — individual-level	Soft Skills Training for female community college graduates	Employment	Despite the programme being twice as long than the average in the region, and taught by a well-regarded provider, soft skills training did not have any significant effect on employment in three follow-up surveys. Expectations from academic audiences and policymakers greatly exceeded the outcomes.
Groh, McKenzie, Shammout and Vishwanath (2015)	Jordan	Randomised Experiment —ITT Estimates — individual-level	Job-Matching Service	Job Offer, Employment	Despite over 1,000 matches, youth rejected interviews in 28% of cases. When a job offer was received, they rejected this offer or quickly quit the job 83 per cent of the time. Results suggest voluntary unemployment arises from preferences over non-wage job attributes.
Groh, McKenzie and Vishwanath (2015)	Jordan	Matching function	Labour Market Screening and Matching Service for unemployed youths with tertiary education	Employment (determinants)	Testing among youths focused on mental ability, English skills, soft skills, Excel ability, and personality traits. Measures have predictive power for subsequent employment and for earnings conditional on employment, even after including controls. Psychometric testing therefore offers the potential to reduce information asymmetries that result in labour market matching frictions.
Hagen-Zanker, Ulrichs and Holmes (2018)	Jordan	Descriptive Statistics/Correlations based on self-reported data	UNHCR Cash Transfers for Refugees from Syria living in urban areas (per HH: JOD80-155 p.m. ≈ USD110-220)	Employment, Mental Health, Expenditure	No significant impact on employment, mainly due to the small value of the CT. However, almost all beneficiaries use CT to pay rent, which reduces stress and anxiety. Effects are important but depend on continuation of CT support. To move beyond the short-term, assistance must align better with national interventions and a broader enabling policy environment, including refugees' right to work.



Authors & study	Country	Methodology	Intervention or programme	Outcome(s) measured	Key results
Lehmann and Masterson (2014)	Lebanon	Discontinuity Design -Comparison between recipient and non-recipient households	UNHCR CTs worth USD575 over a 5-month period—targeting HHs living above 500m of altitude to help cope with winter months—87,700 beneficiaries	Consumption, Well-Being, Employment, Schooling and Child Labour	Value of the CT was too low to guarantee all beneficiaries to keep warm. While HH used CTs to increase spending on heating, main use of expenditure was to satisfy other basic needs, such as food and water. The programme slightly decreased adult employment, although overall employment among adult refugees was very low. Transfers increased access to school and reduces child labour. The programme also increased mutual support between beneficiaries and community members and decreased intra-household tensions. The programme was found to have a significant multiplier effects on the local economy, as each dollar spent generated 2.13 additional dollars.
Crépon, Devoto, Duflo and Parienté (2011)	Morocco	Randomised Experiment across Villages – ITT Estimates – individual-level among bank members	Al Amana Programme— Access to Microcredit in Rural Areas—Loans between 124 to 1,855 USD.	Employment Activity, Expenditure and Consumption, Business Practices	Access to credit increased significantly → main effect was to expand the scale of existing self-employment activities of households, for both non-livestock agriculture and livestock activities. Little or no effect on average consumption as well as on other outcomes such as health, education, etc. However, treatment effects are heterogeneous depending on whether the households had an existing self-employment activity at baseline: HHs with a pre-existing activity save and borrow to expand their activities. While HHs without a pre-existing activity increase expenditure, and no effects on business outcomes are observed.
Premand, Brodmann, Almeida, Grun and Barouni (2016)	Tunisia	Randomised Experiment—ITT & TOT Estimates— individual-level	Entrepreneurship Education and Training among University Graduates Wage Subsidy for Youth Internships (50% of costs) —aimed at new graduates from universities & technical schools	LM Outcomes; Aspirations and Personality Employment, Earnings	The entrepreneurship track led to a small increase in self-employment, but overall employment rates remained unchanged. Although business skills improved, effects on personality and entrepreneurial traits were mixed. However, the programme increased graduates' aspirations towards the future. Oversupply of grads in science, engineering, technology, and mathematics, but undersupply of grads in marketing and business. Internship resulted in almost a doubling of work experience and a 73% increase in income. Follow-up study found recipients had better employment outcomes than the control group 5 months after. Part 2 of the intervention cancelled due to outbreak of civil conflict.
McKenzie, Assaf and Cusolito (2016)	Yemen	Randomised Experiment—ITT Estimate— individual-level			

In Egypt, Elsayed, Hempel and Roushdy (2018) use experimental designs⁵⁹ to estimate the impact of training programmes in the context of a recent reform that saw the introduction of the Emergency Employment Investment Project (EEIP), a project administered by the newly established Micro, Small and Medium Enterprise Development Agency (MSMEDA).⁶⁰ Their study evaluates two interventions: the first being a combination of job training (soft skills and on-the-job), counselling, and a matching service; and the second a combination of job training with counselling and capital assistance (between USD56.30 and USD112.60). Both interventions had significant impacts on employment status, especially among women. These results are largely consistent with the positive results from a previous study by Elsayed and Roushdy (2017), which examined the effects of both vocational (business) and life skills training for women's employment in rural Egypt. The results from the 2018 study also found that the interventions that included capital assistance had more significant effects on employment and income than the intervention without capital assistance. Additionally, women involved in the intervention with capital assistance were 24 per cent more likely than the control group to declare that they will decide for themselves how their income would be spent. Beyond the results obtained, the study is of further interest since it was conducted to inform the introduction of the larger programme: the EEIP. This is significant, as one of the main critiques of studies (or experiments) assessing the effectiveness of ALMPs or interventions to improve employment outcomes is that these studies are abstract and removed from actual policy concerns. Conversely, existing programmes are often introduced and scaled-up without adequately assessing whether they are effective or not. This study provides an example of how to integrate rigorous programme assessment into actual policy design.

Most studies assessing the effectiveness of ALMPs vary according to programme/intervention type, as well as according to results obtained. Groh et al. (2016b), conducting an experiment in Jordan, found no significant impact of soft skills training for female graduates from community colleges, despite the programme lasting twice as long than the average programme in the region, and taught by a well-regarded provider. In two other studies from Jordan, Groh, McKenzie, Shammout and Vishwanath (2015) and Groh, McKenzie and Vishwanath (2015) look at the effectiveness of job-matching services and impact labour market assessments among unemployed university graduates in Amman. In the second study, the authors found that psychometric testing youths on skills and soft skills through labour market assessments had predictive power for subsequent employment and for earnings conditional on employment, even after including controls. Hence, psychometric testing offers the potential to reduce information asymmetries that result in labour market matching frictions, whenever these might arise. However, the first study assessing the impact of job-matching services was found to be largely unsuccessful due to educated job candidates being often unwilling to take up, or continue after an initial period, the jobs that were offered during the matching process. In their conclusion, the authors argue that to improve employment conditions, steps need to be taken to increase the supply of quality jobs in the labour market, but also re-calibrate exceedingly high job expectations among young unemployed graduates.

Two studies from the review analyse the impacts of wage subsidies on employment. Groh et al. (2016a) explore the impacts of a wage subsidy programme among female community college graduates in Amman. Crucially, the wage subsidy did not require firms to formally register young workers. Although a strong and positive impact (33 percentage points) on employment was found during the subsidy period, the programme has no significant long-term impact on employment in follow-up studies. Moreover, the authors find evidence suggesting that positive outcomes for wage subsidy recipients came at the expense of non-recipients, as the control group ended up with a lower employment rate compared to previous graduate cohorts, and evidence from surveys indicates that the control group was competing for the same positions as the treatment group. Therefore, the programme had most likely very little net benefit on employment even during the subsidy period.

However not all studies find similar results. In a study exploring the effects of a wage subsidy programme for youth internships in Yemen, McKenzie et al. (2016) find that internships resulted in almost a doubling of work experience and a 73 per cent increase in income. Moreover, a follow-up study found recipients had better employment outcomes than the control group 5 months later. Unfortunately, the outbreak of conflict in 2015 prevented further follow-ups from being conducted, and any improvements in terms of job opportunities created have most likely been heavily affected since. The authors also note, as it is the case with most experiments, and particularly for wage subsidies, that it is unclear what the effects of these programmes would be if upscaled.

Other studies on the effectiveness of ALMPs in MENA include studies from Souag and Assaad (2017), who find some evidence using survey data from Algeria that a national programme to promote employment through labour market intermediation and reducing the cost to formality led to an increase in formal employment, measured by the number of firms with 10 or more workers hired. However, no significant impacts on employment were found among smaller firms. Using a more experimental design, Premand et al. (2016) found that entrepreneurship education among university graduates in Tunisia had a relatively small positive impact on self-employment, although business skills and graduates' aspirations both improved.

Two studies exploring the impact of insurance and financial tools to improve employment and investment are also included in Table 7. Groh and McKenzie (2016) use an experimental design to measure the impact of a macro-insurance programme in Egypt for microenterprises (MEs) after the January 2011 uprising. Although the percentage of MEs taking up insurance was high (36.7 per cent), purchasing insurance did not affect whether a business takes up a new loan, the size of the loan, or how they invest the loan. Instead, MEs mainly invested in inventories and raw materials, rather than irreversible investments like equipment. Later, the military takeover dampened demand for insurance during follow-up, further highlighting the challenges of trust in generating new insurance markets. In another study, Crépon et al. (2011) investigate the expansion of a micro-insurance programme in rural Morocco using an experimental design, by comparing MEs in villages where the programme was introduced to MEs where it was not. The policy was found to expand the scale of existing self-employment activities of households, for both non-livestock agriculture and livestock activities, although little or no effect on average consumption as well as on health or education was found. The authors also found heterogeneous effects depending on whether the households had an existing self-employment activity or not: those with a pre-existing activity saved and borrowed to expand their activities; however, those without increased their expenditure, but no effects on business outcomes were observed.

Moreover, Salehi-Isfahani and Mostafavi-Dehzoeei (2018) explored the impact on labour supply of a comprehensive reform in Iran to introduce universal CTs to households. Contrary to the common belief that unconditional CTs *reduce* incentives to work, the study found no evidence that cash transfers reduced labour supply, whether in terms of hours worked or labour force participation. Instead, it found positive effects on employment of women and self-employed men, and some indication that the programme reduced the labour supply of younger workers. This latter finding is not necessarily a drawback, notably if it prevents young people from taking up precarious jobs and/or suspending their education.

Finally, the review explores two studies analysing the impacts of humanitarian assistance for international refugees. Lehmann and Masterson (2014) explore the impact of a USD575 humanitarian CT delivered to 87,700 Syrian refugees living in Lebanon between November 2013 and March 2014 (5 months). The transfers were provided as part of a programme delivered on behalf of UNHCR and partners and was delivered to households living above 500 metres of altitude to help cope with the winter. Programme beneficiaries were predominantly (highly) vulnerable households.⁶¹ The study finds that **transfers slightly decreased the number of hours worked in the last 4 weeks** by 13 per cent (from 3.1 to 2.7 days), although employment rates were extremely low originally, as 77.4 per cent of adult beneficiaries had not engaged in any employment activities in the previous 4 weeks, while the 23 per cent of adults that engaged in work did so, on average, 11.7 days in the last four weeks. These **results show how scarce employment opportunities are for refugees in Lebanon**. The report also found that the transfers both increased school attendance among children (39 per cent in treatment group compared to 33 per cent in the control group) and decreased child labour (4 per cent compared to 10 per cent). In different study also exploring the impacts of transfers on refugees, Hagen-Zanker, Ulrichs and Holmes (2018) study the socio-economic impacts of CTs for Syrian refugees living in urban Jordan. They find **no impacts on employment** (mainly due to the small value of the CT), however, almost all beneficiaries used the CT to pay rent, which **reduced stress and anxiety** among respondents. In their conclusion, the authors note that in order to move beyond short-term dynamics, **assistance must align better with national interventions and a broader enabling policy environment**, including refugees' right to work.

It is difficult to summarise the findings from Table 7, mainly because the studies included: (i) cover different types of programmes (TVET programmes, wage subsidies, CTs, micro-credit programmes, etc.), (ii) utilise different types of

data and research designs (small samples or larger samples; both experimental and quasi-experimental designs), (iii) are conducted in very different contexts (from fragile states to middle-income countries, and between urban and rural areas), (iv) target different socio-economic groups (ranging from women in rural areas with little education to unemployed university graduates), and (v) vary significantly in terms of the indicators analysed. Despite these differences across studies, there are **some tentative conclusions that can be drawn from this initial review**:

First, **heterogeneous impacts of training programmes** on labour market outcomes were found in studies from MENA: soft skills training—generally considered in the literature as an important and cost-effective intervention—was found to have little impact on employment for female graduates in Jordan. Meanwhile, an intervention in Tunisia to promote entrepreneurial education among graduates found mixed results, as self-employment and aspirations improved, although overall employment rates did not change. On the other end of the spectrum, vocational business training for rural women in Egypt was found to have significant impacts on income generating activities, and bundled interventions composed of job training, counselling and cash assistance were found to have very significant impacts on income and employment during a pilot study in Egypt. These results provide some indication that (i) programmes targeting more marginalised groups potentially have greater returns, and (ii) programmes composed of different interventions are more likely to be successful than stand-alone programmes.

Second, **humanitarian CTs for migrants can play an important role in reducing risk and vulnerability among beneficiaries**, as found in the cases of Syrian refugees in Jordan and in Lebanon. Evidence from Lebanon finds that CTs for refugees had a slight impact in reducing hours worked among beneficiaries, although employment among adult refugees was overall very low in the first place. Turning to the evidence on UCTs, a study from Iran finds no evidence that unconditional transfers decrease adult labour supply. These studies provide a benchmark from which the impacts of CTs and UCTs on YPTW in MENA can be assessed. This literature on the impacts of CTs on employment outcomes in both developed and developing countries is further analysed and discussed in Chapter 2.

Third, **screening and matching services can reduce search frictions between job seekers and employers**; however, this does not guarantee that seekers will take on the jobs offered: the two studies in Jordan on labour market screenings and job-matching services were somewhat successful, as they respectfully reduced information asymmetries and created matches between university graduates and employers. However, once the matches were made, the graduates largely either rejected the interview, or rejected the job offer during the interview, or else quit soon after accepting the job. These results confirm that there is still a considerable gap between aspirations of young university graduates and jobs available in the labour market.

Fourth, the **evidence concerning the effectiveness of wage subsidy programmes is mixed**. Although the study from Jordan found that the positive effects of a wage subsidy programme targeting young female graduates were only transitory and came at the expense of non-beneficiaries, the study in Yemen found some evidence that wage subsidies for internships had lasting positive impacts on employment. More information is needed to assess wage subsidies, bearing in mind that impacts will most likely differ depending programme targeting and conditions in the labour market.

Finally, **conflict and political instability strongly jeopardise potential benefits**, as well as the ability to administer and evaluate social protection programmes. In the case of Egypt, the military takeover was found to have a dampening effect on demand for insurance, which highlights the challenges of generating trust in insurance markets in politically-unstable situations. And in the study from Yemen, as previously mentioned, any positive impacts in terms of job opportunities created with the introduction of wage subsidies for internships are most likely lost since the outbreak of civil conflict in 2015. To conclude, social protection programmes require a certain degree of political and social stability to stand a chance at being successful.

To conclude, no matter how difficult to synthesise, these studies do provide a basis and roadmap for future policy and studies on social protection programmes to promote YPTW in MENA. They also reveal important knowledge gaps for policy in the region, as more data and research is particularly needed to assess the potential impacts of:

TVET programmes; public work programmes (especially in rural areas); macro effects of wage subsidies; CCTs and UCTs, especially among vulnerable groups and refugees; and, more generally, of social protection programmes in poor and fragile contexts.

5. POLICY RECOMMENDATIONS

This study has reviewed a broad range of information concerning factors impacting YPTW in MENA, as well as potential roles of social protection to promote decent employment among young people. Based on the findings from Chapters 1 to 4 and the country case studies (Annex I), this chapter provides recommendations for policymakers on how to improve YPTW in the MENA region. Recommendations are divided into the three following categories: (i) identifying (the right) programmes to promote employment; (ii) strengthening the mandate of social protection, particularly labour market programmes, in MENA; and (iii) reinforcing the TVET, E-TVET, and general educational systems.

Before going through the different recommendations from the report, it must be emphasised that social protection programmes alone are an insufficient policy instrument to promote employment on a macro level. Thus, new and complimentary policies must be implemented to help promote job growth. Such economic reforms might include: simplifying tax payments; removing unnecessary regulations for firm creation; promoting female labour force participation; supporting SMEs; and tackling corruption across spheres which hinder economic activity. Another crucial area for improvement is the demand side of the labour market, which includes business development strategies for job creation, and improved human resource capacity for decent work, especially for enterprises to attract and retain the talents they need to grow. Promoting firm dynamism and innovation is a challenge for many MENA countries, and involves developing a critical and more complex knowledge of the state of strategic economic sectors, including those with higher rates of job growth and the potential to provide inclusive and sustainable employment opportunities in the future.

Using evidence-based results and best practices to identify what works with ALMPs for YPTW

Understand the purposes of different ALMPs, recognise which labour market barriers they are more likely to address, and identify potential beneficiaries. In practice, ALMPs will only be effective if interventions address specific employability issues. For instance, search and matching services are unlikely to lead to work for jobseekers with severe skill deficits. Conversely, training programmes can be a waste of time and resources if jobseekers already have skills in demand, and simply need guidance or better information on available opportunities. Considering the high levels of unemployment among university graduates in the MENA region, this step is particularly relevant. Ensuring that the right type of ALMP is diagnosed is important to maximise the efficiency of ALMPs. The design and sequencing of activation policies can equally impact employment outcomes. Evidence from OECD countries shows that the most effective programme sequence for unemployed individuals is to first start with job-search services with counselling and monitoring, given that these services tend to be less expensive to provide and are more likely to achieve positive effects in the short term; and later move on to training programmes, which are more expensive, but yield positive effects in the medium to long term due to acquisition of new skills and human capital. This approach is an efficient way to structure ALMPs and should be considered more widely when planning reforms in MENA countries.

Prioritise the measurement and evaluation of labour market programmes in MENA. Common weaknesses in the design of ALMPs in MENA include lack of both documentation and rigorous independent impact evaluation on cost-effectiveness, which significantly jeopardise the potential to learn from these policies. Studies reviewing publicly provided ALMPs in MENA show that very few programmes include an impact evaluation component, and even fewer programmes include cost-benefit assessments. Results from the country case studies (Annex II) are compatible with this analysis, as governments tend to be keen to announce and inaugurate programmes to promote employment, although the actual impact of different policies tend to be of lesser interest. Few government studies or reports include

transparent information on programme (cost-)effectiveness. One exception from the country cases is Jordan's National Social Protection Strategy (2019-2025), which includes information on previous programmes, including pilots, with the purpose of promoting employment. The report highlights how previous attempts at introducing employment subsidy programmes were largely unsuccessful, due to high demand for the jobs in the first place, which led to displacement effects and little net job creation. In the future, policymakers in MENA need to adopt better and more critical Measurement and Evaluation frameworks to assess the outcomes of different programmes instead of relying simply on summary information that says little about the broader effectiveness of the programme.

Labour market programmes that target poor and vulnerable groups often show positive impacts and should be supported. Although policymakers often deal with trade-offs between efficiency and equity, the empirical literature on ALMPs finds that programmes such as training programmes and start-up initiatives have stronger positive impacts among poor and vulnerable individuals. Moreover, vocational and technical skills training that is customised for and targets women from disadvantaged, poor and rural backgrounds in developing countries is shown to have had strong impacts on earnings, including among stay-at-home women (Chapter 2). In situations where ALMPs have potential displacement effects, it can be argued that vulnerable and disadvantaged individuals should be prioritised and targeted first, to improve employment opportunities for those in greater need. Results from Chapter 4 show that almost half of ALMPs delivered by public employment agencies in MENA target high-skilled, unemployed individuals and have largely been developed in response to increasing levels of unemployment among youth with higher levels of education. Meanwhile, women tend to be widely underrepresented in these programmes. Guaranteeing that ALMPs are (also) tailored to the needs and capabilities of poor and vulnerable groups is an important challenge for the public provision of ALMPs.

Strengthening the mandate and synergies of social protection and labour market programmes in MENA

Increase spending on ALMPs and other policies to promote employment in MENA. Public spending by MENA countries on ALMPs should increase to account for rising youth unemployment. Comparisons find that EU countries spend between 5 and 10 times more on ALMPs (as a percentage of GDP) than MENA countries. However, after factoring in differences in the level of unemployment, data shows that spending on ALMPs per unemployed person in EU countries is on average at least 30 times greater than in MENA countries. Low levels of public spending on labour markets in MENA is concerning, given the high levels of unemployment and inactivity, especially among the youth. Data from the case studies (Annex II) and the empirical diagnosis (Chapter 3) show that youth employment—in terms of high unemployment, low labour force participation, NEETs, and large gaps between men and women—remains a major concern across all the countries included, with labour force participation rates in the region well below world averages. Increasing the budget allocated to ALMPs is crucial, considering the economic, social and political challenge that youth employment represents to the region.

Improve synergies across existing social protection programmes that promote employability to avoid fragmentation. Section 4.2 provides an overview of the state of social protection to promote employment in MENA. One of the key findings from the overview is that the provision of ALMPs and programmes to promote employment in MENA suffers significantly from programme and institutional fragmentation, often leading to duplication and inefficiencies. Previous studies of ALMPs in MENA draw attention to the confusing and inefficient management of public ALMPs, which create redundancies and provide incentives to participate in several programmes, thereby creating overlaps. Findings from the case studies (Annex I) find some evidence of institutional fragmentation in the provision of publicly-provided ALMPs. For instance, in the case of Morocco, it is unclear how the latest national initiative for human development (INDH 2019-2023), which includes measures to promote employment and income-generating activities, is related either to other public programmes offered by ANAPEC, the *Promotion Nationale*, or the *Entraide Nationale*. Likewise, in the case of Jordan, the ETVET Fund, the Development and Employment Fund, and the Ministry of Labour all provide programmes to promote employment or increase employability, although it is unclear what is the extent of collaboration and policy coordination across institutions. Thus, more needs to be done to simplify

and consolidate existing public ALMPs into an integrated framework, with clear mandates for the different ministries involved to simplify and strengthen programme delivery and inter-institutional coordination.

Create linkages between ALMP and other social protection instruments and build institutional and administrative capacity to promote social protection for YPTW. Stronger linkages in social protection can be achieved by integrating programmes that promote employment and employability into existing social protection frameworks (especially with social assistance and social insurance programmes). By creating integrated frameworks, social protection systems can better manage and balance i) anti-poverty, ii) risk prevention and iii) activation, thereby contributing towards an approach that guarantees continuity in coverage and increased adequacy in income along life and labour market transitions. One of the key findings from the country case studies is that although many of the programmes covered in the different country profiles target poor and disadvantaged groups, there is little evidence that these programmes are used to promote employment among existing social protection beneficiaries. The one key exception from the country case studies is the quite recent *Forsa* programme in Egypt, which targets current and previous recipients of anti-poverty CCTs and UCTs to promote graduation into the workforce, though limited information is currently available in terms of its implementation and effectiveness. Given the lack of integrated social protection frameworks in MENA to support transitions from social assistance to employment, it is important to further analyse and understand what are the potential benefits and challenges of implementing integrated approaches to social protection, which can both provide a stable safety net, but also the right support and incentives to promote transitions to decent work opportunities, which incorporate minimum social security rights and occupational health and safety standards. A further and critical issue here is to ensure incentive compatibility and complementarity between non-contributory and employment-related contributory schemes, thereby promoting transitions from social assistance to social insurance. As discussed in the overview of experiences from developing countries (Section 2.3.2), potential solutions include CTs combined with public work schemes, or UI coupled with training programmes. Tangible administrative steps to address these issues include creating beneficiary registries, cash delivery mechanisms, and unified targeting approaches, all of which require sustained collaboration and coordinated efforts.

Strengthening the education, TVET and E-TVET systems

Support the general educational system and curriculum to guarantee a basic quality educational level for all students. ALMPs are not a substitute for education policy. It would be a mistake to think that ALMPs could make up for poorly designed education systems and curricula. The literature on ALMPs emphasises how these programmes can be expensive, which underscores the need to focus on education policy and earlier interventions in the education system. Moreover, the effectiveness of ALMPs largely depends on strong and successful educational systems to be able to focus on adjusting and refining human capital for the labour market. As mentioned in Chapter 3, completing lower secondary education is often necessary to obtain both the foundational and transferable skills for finding work with decent wages. As learning and the accumulation of skills are lifelong processes, a life-course approach ensuring quality education from early years onwards is vital. Further, advances in technology call for greater adaptability to new skills on short notice, therefore transferable, soft and life skills—the ability to respond and adapt to new circumstances and to unlearn and relearn quickly—are increasingly in demand. Hence, ALMPs are more likely to be successful in situations where education systems are stronger and better equipped to prepare young people for employment.

Introduce or reinforce existing social protection programmes that contribute in preventing school dropouts, especially among more vulnerable children. Children dropping out of school leads to important losses in human capital that are neither easily nor cost-effectively recovered. Results from Chapter 2 show that CTs significantly improve the odds among children from the poorest population of being enrolled, attending school, and decreasing child labour. The global evidence also finds that programmes with greater enforceability have larger impacts on increasing enrolment than programmes with weaker enforceability. However, the evidence on the impacts of CTs on learning achievement is inconclusive, as greater attendance does not always translate into more learning. Positive impacts on attendance and lower impacts on learning outcomes highlight the need to seriously address the issues of quantity and quality

of education services and designing how educational policy should interact with the provision of CTs. Meanwhile, child labourers require specific integrated interventions, with education and both livelihood and social support, to be adequately coordinated through a referral system between ministries of labour, education and social affairs.

Use TVET to improve, and better match, the supply and demand of skills in the labour market. There are many ways in which this can be improved. For instance, TVET providers should update and renew their curricula based on the skills that are demanded in the labour market, bearing in mind how regional, gender and prior educational attainment can all operate as determinants and/or barriers in accessing work. Findings from the literature suggest that training programmes that are demand-driven and teach skills that are valued in the labour market, such as quality apprenticeships, are more likely to impact employment outcomes. In addition to the importance of quality of teaching and learning, results indicate that TVET programmes that build partnership with the private sector actors are more likely to lead to positive employment outcomes. Therefore, experts in market analysis and labour demand (whether public or private) are essential to ensure the feasibility of microenterprise initiatives. Meanwhile, information on market dynamics is critical for the successful implementation of ALMPs, given the importance of identifying existing private sector opportunities, and knowledge of associated skill requirements to ensure the relevance of the training and support needed. Among the interventions covered in the country mappings in Annex I, it is worth noting that the *Meshway* programme in Egypt, which is administered by the Ministry of Youth and Sport and provides disadvantaged young people with life skills, employability, entrepreneurship, financial literacy and digital skills, is currently being redefined and scaled-up by UNICEF, including the integration of a stronger public–private partnership approach into the programme.

Promote synergy between the broader educational, the TVET and the E-TVET systems. To promote the quality, relevance and signalling of TVET and E-TVET qualifications, government agencies should implement a comprehensive approach through competency-based training. Meanwhile, encouraging pathways to TVET skills on a wider scale can be achieved through informational campaigns—both in-school and out-of-school—to promote TVET education among young people, including facts on employability for different technical and vocational careers. Most of the countries covered in the country case studies from Annex I have recently invested considerably in expanding E-TVET systems, often as a response to high rates of graduate unemployment. The last few years have seen the establishment of new bodies specialised in providing TVET and integrated services (e.g., the ETVET Fund in Jordan, the TVTO in Iran, and the MSMEDA in Egypt), while other countries have extended the importance of existing institutions (e.g., ANAPEC in Morocco). Among the countries with weaker State provision of programmes supporting employment and employability, Lebanon stands out for its lack of ALMPs beyond TVET programmes, and the weakness of its public employment service (the NEO), despite recent steps being taken in partnership with the World Bank and UNICEF to correct the lack of employment programmes and services. This challenge is of particular importance to the MENA region, given the need to boost the recognition of TVET programmes, and ultimately provide the skills to match the needs of the labour market.

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ANNEX I—CASE STUDIES AND POLICY ANALYSIS

This annex analyses in closer detail existing social protection interventions for YPTW in six MENA countries. The aim here is to provide detailed information on major national programmes that promote employment and employability, especially when targeted at young people. As discussed in Chapter 4, governments in MENA have traditionally allocated limited funding for publicly-provided activation policies, which have often been offered by non-state actors, such as the private sector and *Zakat* funds. Although welfare regimes in MENA have usually paid little attention to programmes promoting employment and employability in the past, focusing instead on price subsidies along with free education and health services, the recent crisis of employability of young people in MENA has led to an increased interest from policymakers in programmes to promote YPTW and prevent social and economic instability, including large scale emigration of skilled and qualified youth.

The country case studies provide an overview of recent policies adopted in MENA to counter rising unemployment, especially among youth. Focus is placed on existing social protection interventions for YPTW in six MENA countries, which vary depending on (i) country income-level (measure by GDP per capita), (ii) conflict status, and (iii) data/information availability. After careful consideration, the following countries were selected:

- **High-middle income:** Jordan; Iran; Lebanon.
- **Low-middle income:** Egypt; Morocco.
- **Conflict-affected:** Iraq.

Each profile starts with a **brief overview** of the current economic and political situation, including economic and labour market statistics on youth employment. The profile then looks at information on **recent reforms, laws and national strategies** that relate to youth employment and/or social protection provisions for YPTW, followed by **key institutions** in charge of designing or administering social protection programmes—especially if youth-sensitive—that promote employment or employability.

The main content of the country profiles is the **mapping of social protection programmes that promote**, either directly or indirectly, YPTW. This means that CTs are not included, unless they have an **employment-promoting component**. The mapping focuses on **flagship (large) programmes—including labour market policies**—being implemented by the **state/public sector**. This study does *not* focus on TVET programmes that are offered as part of a broader educational curriculum (E-TVET), although some of these initiatives and recent reforms are mentioned in country profiles, especially when limited information is found on social protection programmes. Similarly, private and para-governmental are *not* covered in this analysis, but are sometimes mentioned to complement the discussion on the provision of employment programmes and employability services. When available, the following information on the different programmes is included:

- **Policy type:** According to the categories set out in the previous Parts of the Study (Cash Transfers, Unemployment Insurance, and ALMPs—specifying whether public works programmes, wage subsidies, TVET programmes, business skills programmes, or job search assistance). When information on social protection programmes is missing, the analysis covers information on TVET programmes that are part of the broader educational curriculum (E-TVET).
- **Programme:** Name and/or purpose of the programme.
- **Governance/Institution:** Government agency or institutional body in charge of programme administration.

- **Coverage:** Number and/or percentage (from the defined population) of programme beneficiaries.
- **Budget:** Information on programme budget or total costs.
- **Targeted group(s):** Specific group(s) targeted by the programme.
- **Source(s):** Reference documents used to compile information from tables.

Both supplementary and complementary information concerning specific programmes included in the tables is discussed in the main body. Discussions take into consideration other programme aspects, such as the best interest of vulnerable youth, young women, and the quality of work attained. Each profile ends with a brief summary of recent public policies adopted to counter youth unemployment and discusses key challenges in improving YPTW.

Country profiles: Upper-middle income

Jordan

Overview

Population (Millions): 9.96 ^a	Unemployment rate (Tot. act. pop.): 14.9% ^c
Demographic dividend: Early-dividend ^b	Youth (15-24) unemployment rate: 37.2% ^c
GDP per capita (Current USD): 4248 ^a (2017)	Youth labour force particip. (LFP): 23.0% ^c
GDP growth rate: 2.3% ^a (average. 2014-18)	Male/Female youth lfp ratio: 4.5 ^c
LMIC pov. rate (\$3.30-a-day): 2.1% ^a (2010)	Youth NEETs (total): 28.7% ^d
Gini index: 33.7 ^a (2010)	Youth NEETs (male): 14.5% ^d
Primary completion rate: 72.7% ^a (2018)	Youth NEETs (female): 43.8% ^d

Sources: a: World Bank Data; b: UNICEF (2019); c: ILOSTAT (modelled estimates, 2019); d: SWTS (2015).

Growth in GDP per capita has been relatively low in the last five years, at 2.3 per cent. Jordan has experienced social and economic challenges following the influx of international refugees and migrants, originating mostly from Syria (656,125 as of September 2019), but also from Iraq (67,286), the State of Palestine (17,719) and Yemen (14,703) (UNHCR 2019, UNRWA 2019). Regional instability has affected the country, which has in turn impacted the Jordanian youth. Youth unemployment is a strong concern in Jordan: of the six countries covered in this analysis, Jordan has the highest rate of youth unemployment (37.2 per cent) and the lowest rate of labour force participation (LFP) among youth (23 per cent). There is also a considerable gap in youth LFP in terms of gender, as LFP for male youth is 4.5 times greater than for female youth. Reduced opportunities in the labour market among the youth has led to an increase in emigration among young jobseekers—notably among the skilled workforce—as 59 per cent of 18 to 29 year-olds in Jordan have expressed a desire to emigrate (Raz 2019).

Recent reforms, laws, and national strategies

The **Jordan National Employment and Technical Vocational Education and Training (E-TVET) Strategy 2014-2020** builds on lessons from the original 2008-2013 strategy, as well as from current realities from the E-TVET Sector. The strategy is based on five pillars: 1) governance; 2) relevance for employability; 3) inclusiveness; 4) performance measurement; and 5) sustainable funding. Relevance for employability includes measures to

strengthen the TVET track, while the pillar for inclusiveness discusses the implementation of different programmes and initiatives to encourage, and improve conditions in, employment for women, vulnerable individuals, both informal and self-employed workers, and the disabled.

The **National Social Protection Strategy (NSPS 2019-2025)**: In late May 2019, the Government of Jordan launched the NSPS as a result of a joint effort with the National Steering Committee, a Technical Committee, and the Strategic Working Group—all three of which included representatives of the various Ministries and Civil Society organisations—as well as the technical and financial support of UNICEF Jordan. The 2019–2025 NSPS articulates the Government’s commitment to break the intergenerational cycle of poverty and to provide a ‘social protection floor’ in the context of the Kingdom’s vision for a state of solidarity, production and justice. The Strategy is organised around three pillars: 1) opportunity—decent work and social security; 2) dignity—social assistance; and 3) empowerment—social services. The NSPS provides an analysis of the existing situation and challenges for each pillar, and identifies the high-priority actions for the different sectors. As part of the development of the strategy, the Government developed an Action Plan, which set the short-, medium- and long-term key priority actions of the Government around the three pillars. On 14 July, the Council of Ministers approved the final version of the strategy’s 2019-2025 action plan. In mid-September 2019, the Council of Ministers tasked the Minister of Social Development to work on, and follow up on, the Measurement and Evaluation framework and Strategy timeline.

The National Youth Strategy (NYS 2019-2025) sets out a response to recent political, social, economic and cultural changes that have had an impact on Jordanian youth with its different segments. The NYS (2019-2025) is divided into three main areas: 1) creating partnerships and networks across youth programmes; 2) supporting youth centres across the country; 3) encouraging and promoting the concepts of voluntary work, building youth abilities and skills, and providing support for relevant Ministry programmes; and 4) dealing with the youth according to their interests, priorities, age and geographic origin. The Strategy includes new pilot projects, such as: promoting positive attitudes towards vocational training; maintaining youth awareness of their community situation; using creative arts to confront violence and extremism; authenticating religious discourse; establishing a bank for volunteers; youth health clubs; an electronic gateway for operation; homeworking through information technology, among others.

Jordan Vision 2025 is a comprehensive study of socio-economic challenges in Jordan and charts a path for the governance of economic and social policies based on providing opportunities for all. Strategic policies from the report include measures promoting private sector growth, such as improvements to the business environment, promoting entrepreneurship, establishing business incubators, and encouraging SMEs. Other strategies linked with promoting YPTW include building skills through vocational training; developing career guidance, employment services, and changing business culture; tightening gaps across vocational education, training, and labour market needs, including by integrating policies with the National Education Strategy and National Strategy of Action; promoting women’s participation in the labour market; and the integration of youth, persons with disabilities and women into the labour market through specialised training programmes and employment.

The **Jordan National Employment Charter** was launched in late 2019 as an initiative by the Ministry of Labour with the aims of (i) developing a national employment online platform to help young people to search and apply for jobs and linking them with employers; (ii) regulating labour markets (including LMPs, work permits, etc.); (iii) implementing the *Enhadh* (‘Rise up’) programme, supported by the Central Bank of Jordan, consisting of loans with technical assistance to help young people with start-ups and small business; (iv) the development of a National Service Programme, akin to military service, but with technical training; (v) the strengthening of the TVET system, with a focus on improving curriculums, licensing, and improving overall system; and (vi) the development of a national employment framework, or platform, tasked with investing in production facilities in governorates, and working with the private sector to secure employment for Jordanians. However, as of early December 2019, the Government had not yet issued any official document with the details of the Charter.

The **National Employment Strategy (NES) 2011-2020** provides economic diagnostic, planning, and action plans to improve labour market conditions in Jordan. The NES includes action plans in the short-term for expanding credit to micro-enterprises and SMEs, evaluating and scaling up ALMPs with a proven record, and curtailing public sector wages. In the medium-run—i.e., by 2017—the course of action included: scaling up SWT Programmes; reforming the Employment and TVET sector; and introducing health insurance benefits and expanding health insurance coverage to SMEs (Government of Jordan: xi).

Key institutions

Jordan's **Ministry of Labour** was established as an independent ministry in 1976 under Regulation No. 40, of 1976. Since its inception, the Ministry has been responsible for achieving the general objectives of labour and labour affairs in the Kingdom. Some of the main tasks of the Ministry include: supervising the affairs of labour and workers; sponsoring Jordanian workers outside the Kingdom; developing labour relations with receiving countries; organising affairs related to foreign workers inside the country; organising the Jordanian labour market, and setting the necessary instructions to provide employment and employment opportunities for Jordanians; and registration of trade unions and employers' unions. The Ministry's mandate also includes contributing to the promotion of labour education and vocational training in a manner that guarantees raising the self-efficiency and productivity of the labourer, as well as establishing and supervising institutes and centres for this purpose.

The **E-TVET Fund**, in partnership with the private sector and training providers, supports employment-linked training activities in key industry sectors. The E-TVET Fund is a critical pillar of the E-TVET Council's efforts to promote vocational technical skills training and employment opportunities for young men and women with the goal of reducing unemployment and encouraging economic growth in Jordan. The aim of the Fund is to support projects and activities of employment, and technical and vocational education and training, and to develop training and employment in various public and private sector institutions, to enhance the participation of these two sectors in education, training and employment processes, thereby providing the needed requirements, including increasing the participation of women and people with special needs in the workforce.

The **Development and Employment Fund (DEF)** was established by a decision from the Cabinet on 18 November 1989. In accordance with Article 4 of its Law, the Fund aims to “enable poor, low-income or unemployed individuals, families and groups to work and produce for the purpose of contributing to combating poverty and unemployment”. The DEF is the key public body in the provision of financial inclusion to low-income groups.

Employment programmes

The first three programmes covered in Table 1 are part of Jordan's Employment, Technical and Vocational Education and Training (ETVET) Fund. **TVET training programmes** offered as part of the ETVET Fund are implemented by different governmental and non-governmental partners, aiming at training vulnerable persons in need of preparation for entering the job market. The Fund also runs **public productive facilities and companies**, which hire low-skilled workers in order to train them, and provides **transfers for new businesses** to **incentivise the hiring of employees** once these facilities are established. In addition to the different employment programmes administered, the E-TVET Fund also offers **institutional capacitation to support TVET processes**, including capacity-building projects targeting the Vocational Training Corporation, the Ministry of Labour, and the National Centre of Human Resources Development. The total budget for E-TVET Fund's was JOD62.45 million, which benefitted 31,122 individuals through the different programmes and interventions.

The DEF provides both **direct and indirect loans**. Direct loans, targeting vulnerable groups, cover a broad range of projects and activities (DEF 2017).⁶² Direct loans totalled almost JOD 18m in 2017, although this amount increased by more than 50 per cent in 2018 (to almost JOD 28m) (Government of Jordan 2019). The indirect loans programme of the

DEF supports microfinance and small lending institutions that grant small loans to their beneficiaries, acting as a donor for these institutions and indirectly improving credit markets for micro-enterprises and SMEs. The employment subsidy programme operated by the Ministry of Labour is aimed at vulnerable job-seekers identified by the Ministry, which goes on to sign employment agreements with investors who agree to hire individuals recommended by the Ministry.

In late 2019, the Ministry of Labour announced a new non-obligatory national programme, Khedmat Watan, which aims to provide youth with the skills needed in the labour market in the construction, industry and tourism sectors of the economy. The programme also includes a behavioural component, aiming to promote loyalty and patriotism. Khedmat Watan has an integrated approach with five main purposes: (i) to provide training to 20,000 beneficiaries; (ii) to encourage vocational work and increase employability; (iii) to encourage innovative and self-employment; (iv) to implement capacity building-orientated programmes; and (v) to mitigate the impact of poverty and high unemployment. The programme provides: a monthly stipend (JOD100); work injury insurance; meals, uniform, and transportation; and connections to graduates with employment funds and ALMPs implemented by the MoL (NSPS 2019-25, 342).

Table A1. Map of social protection programmes promoting employment in Jordan

Policy type	Programme	Governance / institution	Coverage	Budget	Targeted group(s)	Source(s)
TVET	Training programmes for employment	E-TVET Fund	9,480 Trainees (4,922 Males & 4,558 females)	NA	Vulnerable persons in need of market related training	2017 E-TVET Fund Annual Report
TVET and Public Work Programmes	Funding of productive establishments	E-TVET Fund	1,647 Trainees	JD 7.07m (annual, 2017)	Trainees/ Workers of productive facilities run by the E-TVET Fund	2017 E-TVET Fund Annual Report
Transfers to New Businesses	Funding to establish new productive enterprises	E-TVET Fund	4,962 facilities per annum (projected coverage)	JD 15.7m (annual, 2017)	new productive facilities	2017 E-TVET Fund Annual Report
Business Loans	Direct loans programme	Development and Employment Fund	2373 Projects, 4846 Job opportunities	JD 18.9m (annual, 2017)	Vulnerable segments of the population	2017 DEF Annual Report
Micro-financing	Indirect loan programme	Development and Employment Fund	8 Microfinance and Small Projects Institutions + Other smaller entities	JD 27.19m (annual, 2017)	Mostly small business projects	
Training with Job Placement	Khedmat Watan (announced)	Ministry of Labour with private sector and public bodies ⁶³	20,000 beneficiaries (17,000 males and 3,000 females)	NA	Jordanians, aged between 18 and 28, priority towards the unemployed	2019-25 NSPS (Annex II)
Wage/ Employment Subsidies	Job opportunities in the production sector	Ministry of Labour	1,573 job opportunities	NA	Vulnerable job seekers identified through the Ministry's offices	MoL Annual Report (2017)
Search and Matching Services	Public job advertising services	Ministry of Labour	17,966 visitors to the webpage of job search of the Ministry and 9,845 were matched with opportunities	NA	Job Seekers	MoL Annual Report (2017)
E-TVET	Vocational training programmes	Vocational Training Centre (VTC)	24,175 trainees (14,101 new, and 10,074 continued) 9,167 graduates (2015)	N/A	Accepted applicants from different governorates of the Kingdom	VTC Annual Report (2015)

Source: Authors' elaboration.

Country assessment

The Government of Jordan, in the last few years, has introduced new strategies and enacted a range of policies to counteract the issues of high youth unemployment, low labour force participation, and the increasing desire among young people to emigrate. The implementation and success of these strategies and programmes is crucial, especially in terms of creating strong links between the educational system and the labour market. Compared to most countries in the region, the educational level of young Jordanians is relatively high—albeit characterised by high levels of inequality—although there are often mismatches between the skills taught in schools, and the technical and vocational skills demanded in the labour market. To prevent mass migration of young people, the Government of Jordan is taking steps to (i) provide TVET programmes to better equip unemployed youth with the skills demanded in the labour market; (ii) change perceptions among Jordanian youths on the attractiveness of technical and vocational jobs, which are often overlooked and unappealing to younger people; and (iii) promote the expansion of self-employment schemes, entrepreneurial initiatives, and private sector reforms—especially in strategic areas of the economy—to promote and expand decent employment opportunities. The success of these reforms and initiatives has the potential to respond to stagnation in the labour market, although there is a lack of evidence regarding the implementation and effectiveness of recent programmes.

Iran

Overview

Population (millions): 81.80 ^a	Unemployment rate (Tot. act. pop.): 12.0% ^c
Demographic dividend: Early-dividend ^b	Youth (15-24) unemployment rate: 28.4% ^c
GDP per capita (current usd): 5628 ^a (2016)	Youth labour force particip. (LFP): 26.3% ^c
GDP growth rate: 5.1% ^a (average. 2014-17)	Male/Female youth lfp ratio: 4.3 ^c
LMIC pov. rate (\$3.30-a-day): 2.5% ^a (2016)	Youth NEETS (total): 34.4% ^d
Gini Index: 40.0 ^a (2016)	Youth NEETs (male): 22.0% ^d
Primary completion rate: 94.4% ^a (2017)	Youth NEETs (female): 47.6% ^d

Sources: a: World Bank Data; b: UNICEF (2019); c: ILOSTAT (modelled estimates, 2019); d: Labour Force Survey (2010).

Iran's economy is characterised by its hydrocarbon, agriculture and services sectors, and state presence in manufacturing and financial services. Economic activity and government revenues are largely dependent on oil revenues and remain volatile. International sanctions imposed on the Iranian economy have further weakened the country's resiliency to economic shocks. While economic growth has fluctuated in the past few years, sanctions in 2018 against the Iranian Government have led to a projected decline in Iran's economy, with an expected contraction of 1.4 per cent between 2017/18 and 2020/21 (World Bank 2018). The country has recently experienced an outbreak of violence, as popular protests in November 2019 against increased petrol prices led to the death of over 200 protesters (Amnesty International 2019). Rates of youth unemployment (28.4 per cent) and NEETs (34.4 per cent) in Iran are above regional averages, while youth labour force participation (LFP) rate is low even for regional levels (26.3 per cent). Although LFP for women improved in Iran for 2017/18 (World Bank 2018), large employment gaps between men and women persist, as the youth LFP rate is 4.3 times greater for males than females, while the female percentage of youth NEETs remains particularly high, at 47.3 per cent.

Recent reforms, laws, and national strategies

The **Sixth Economic, Social, and Cultural Development Plan** (ESCDP 2016-2021) calls for “rapid, sustainable, and employment-generating growth” in its overarching policy framework and further treats employment as priority in its Article 2 (Farjadi et al. 2018). Rising pressures to integrate young graduates in the labour market have coincided with the Sixth ESCDP’s preparation period and have attracted the attention of its policymakers. Against this background, the 2016-2021 Plan has called for “rapid, sustainable, and employment-generating growth” in its overarching policy framework and further treats employment as priority in its Article 2 (Majiles 2017). It is targeting an annual growth of 975,000 jobs in total employment in order to reduce the unemployment rate to 8.6 per cent by 2021. This further requires an 8 per cent GDP growth per annum (Farjadi et al. 2018). The Plan has called for guidelines on “decent work that should pay attention to employment generation, skills and knowledge development, upgrading technical know-how, and protecting small-scale and home-based employment, as well as preparing a plan for rural economic development and employment generation” (ibid.: 252). A range of government-led employment programs was created,⁶⁴ the most important of which are described under “Key Programmes” and in Table A2. Annual reports by the Plan and Budget Organisation (PBO) provide updated information in Farsi on the progress of these initiatives.

Key institutions

The **Ministry of Cooperatives, Labour, and Social Welfare (MCLSW)** is a government body responsible for the oversight of cooperative businesses, regulation and implementation of policies applicable to labour and social affairs and oversight of social security. The law establishing the MCLSW was adopted by the Islamic Consultative Assembly at its open session on 8 July 2010 (MCLSW 2020). The government body was later formed in 2011 by merging the MCLSW and the Ministry of Social Welfare. Responsibilities of MCLSW include the regulation of labour relations, safeguarding of the workforce and the creation of a platform for job creation. Some of the key goals of the Ministry include: protecting the workforce by focusing on enhancing workforce productivity; improving the cultural and social indicators of workers and employers; balancing the labour market; and increasing the share of the cooperative sector in the national economy. Initiatives for entrepreneurship are a key issue of the MCLSW (2019).

The provision of social protection programmes promoting employment in Iran is largely decentralised, with different Ministries and para-governmental organisations involved in the provision of these services. In May 2019, the Budget Planning Organisation set an executive regulation for the establishment of the **Provincial Planning and Development Council** and its specialised **Working Groups** (Majiles 2019). Among the different Groups, the main body in charge of programmes promoting employment is the **Economic, Employment and Investment Working Group**, which, under Article 7, includes among its (many) different tasks:

- providing suggestions for improving economic growth, business environment, and sustainable livelihoods in different provinces;
- reviewing and recommending TVET programmes based on local needs; and
- implementing different measures to promote employment, including via programmes to support start-up investment, start-ups, knowledge-based businesses, the development of new businesses and entrepreneurship, and the creation and development of mid- and long-term employment programmes, especially in less developed, rural and border areas within the framework of development plans and SDGs.

The **Organisation of Iranian Tribal Affairs** provides income-generating activities in nomadic areas and tribal communities. The **Iman Khomeini Relief Committee (IKRC)**, a para-governmental organisation, is also a significant provider of employment services and self-employment support. The IKRC operates independently and is funded through Islamic charity schemes, such as *Zakat* and *Khums*, as well as the Iranian government.

The main organisation in charge of out-of-school TVET training to individuals is the **Iran Technical Vocational Training Organisation (TVTO)**, which works with both public and private training providers. Iran's TVTO has a training network across 31 provinces around the country. It includes 586 public technical and vocational training centres and private-sector technical and vocational training institutions. In each province, there is a unit or an office that provides guidance and counselling, as well as a kiosk that provides job and training data and information. Applicants can also receive guidance and counselling online prior to coming to the centre via a dedicated portal (UNEVOC/UNESCO 2018, Iran TVTO 2020).

Employment programmes

Table A2 maps the main social protection programmes promoting employment in Iran. The **KĀJ project** includes three different programmes targeted at youth and young university graduates: (i) **an internship plan for university graduates**; (ii) **a subsidy of employer insurance contributions for young university graduates**; and (iii) **an on-the-job skills training program for young people** (between 15 and 22). The aim of the internship plan is to develop a comprehensive system across the 31 provinces of the country with the aim of improving on the administrations and supervision of Iran's internship system. The plan requires applicants to pass a short-term first-degree training course in the admission units, which meets the standards of the MCLSW. The insurance incentive plan fully covers employer social contributions when hiring young (under 35 years old) college graduates, who are entering into their first job. However, according to the 2017 programme assessment, the plan faced problems in its implementation (PBO 2018: 91).⁶⁵ The third program of the KĀJ project is the on-the-job skills program, which is available to young people who are registered at provincial technical and vocational training centres. The programme provides for employer coverage of civil insurance liability (for example, in the case of physical injury) while at the workplace, and valid certification of vocational training at the end of the course.

The Inclusive Employment Programme (IEP) includes two loan programmes to promote employment: Takapou, and the Kara project. Takapou is a program offering employment loans to priority (strategic) areas of the economy. Priority categories were identified using dynamic studies of business and employment by the MCLSW with help from partner agencies, and are recommended for approval by the National Specialised Working Group on Sustainable Employment Management and Development. The implementation of Takapou is conducted by seven different Ministries, in relation to their respective economic areas. Most project loans are provided to the Ministries of Industry, Mining and Commerce (254'000 projects), Communication and Information Technology (90'000), Cultural Heritage, Crafts and Tourism (70'100), Agriculture (69'000), and Health and Medical Education (60'200)⁶⁶ (PBO 2017,f 13).

The Kara project is a business financing scheme that is run by the MCLSW with the aim to support economic activities with high occupations levels in agriculture, small scale mining, services, handicrafts and industry in rural areas and/or cities with less than 10,000 inhabitants. The goal of the *Kara* project is to steer financial aid to prioritised jobs and start-up opportunities, thereby providing sustainable incomes. After providing a feasibility study and an initial examining, applicants register their projects in the Comprehensive Employment System established by the MCLSW. Applicants—private or as part of a cooperative—become recipients if the project is approved by a Technical Committee under the Provincial Employment Task Force, and the operating bank (Council of Ministries 2017).

The Home and Local Business Development Plan is another project implemented as part of the latest ESCDP. Administered by the MCLSW, its goal is to support and promote family livelihoods through home business development. Although limited information is available on specifics of this Plan, it is meant to support the development of home-based businesses, but also employees working either (i) outside the residential environment, (ii) in an independent activity, or (iii) as part of a cooperative, union, or in partnership with a high-end firm. According the Progress Report of the Sixth ESCDP, the Home and Local Business Development Plan has been a particularly successful initiative, as an estimated 50,000 new job opportunities were created as part of the programme, which greatly exceeds the original stated goal of 7,800 job opportunities (PBO 2018: 85, 91).⁶⁷

Table A2. Map of social protection programmes promoting employment in Iran

Policy type	Programme	Governance / institution	Coverage	Budget	Targeted group(s)	Source(s)
TVET	Internship Plan for University Graduates (KĀJ)	Coordinated by the MCLSW involvement of all executive agencies	105,000 for year 1396 (16/17) (projected)	Unclear - Policies are part of the IEP which has a total annual budget of IRR 3 trillion for year 1396 (2016/17)	Young University Graduates, aged between 23 and 33	PBO (2018)
Employment Subsidies	Insurance Incentive Plan for Employers (KĀJ)	(Ministries, government agencies, NGOs, public and national companies, and State Banks)	75,000 for year 1396 (projected)			
TVET and Employment Subsidies	Training Skills in the Workplace (On-the-Job Training) (KĀJ)		40,000 for year 1396 (projected)			
Employment Loans	Takapou – Priority Job Categories	Multiple Ministries and Executive Agencies	651,900 projects in practice (estimated for year 1396)	Budget of IRR 2 trillion, with extra IRR 8 trillion (total) from the NDF; IRR 200 trillion in bank credits, for years 1396 and 1397	Non-specified Loans for a broad range of priority areas (agriculture, industry & mining, commerce, health, culture, and more)	
Business Loans	Employment Plan for Villagers and Nomads (KĀRĀ System)	MCLSW	382,000 (estimated for year 1396)	IRR 63 trillion in loans from the NDF between for years 1396 and 1397	Non-Governmental economic activities in agriculture, mining, services, handicrafts, industries in rural area and/or in cities with less than 10,000 people	Council of Ministries Decree (2017); PBO (2018)
Employment and Self-Employment Support	Home and Local Business Development Plan	MCLSW	7,800 projected – 50'000 in practice after 2 years	Unclear (part of IRR 2 trillion Budget of the NDF for 1396)	None specified	PBO (2018)
TVET	Non-formal TVETs in both public centres and private institutions	MCLSW / Iran TVTO	NA	Annual budget of IRR 5.66 trillion (2016)	From minimum literacy to Bachelor's Degree	UNEVOC/ UNESCO (2018)
E-TVET	Fanni va Herfei (TVET in high schools)	Ministry of Education	NA	Annual budget of IRR 29.125 trillion (2016)	3-year program; students are required to have passed the first year of upper secondary education	UNEVOC/ UNESCO (2018)
E-TVET	Kar-Danesh (Professional in high schools)		NA			UNEVOC/ UNESCO (2018)

Source: Authors' elaboration.

Non-formal TVET programmes that are part of the Iran TVTO are administered by both public centres and private institutions. The TVTO has an annual budget of IRR5.66 trillion (2016) and encompasses a training network across 31 provinces around the country. It includes 586 public technical and vocational training centres and private-sector technical and vocational training institutions. In each province, there is a unit or an office that provides guidance and counselling, as well as a kiosk that provides job and training data and information. Applicants can also receive guidance and counselling online via a dedicated portal before coming to the centre. There are three types of training programmes offered: (i) skills training for job seekers, (ii) skill promotion for employees, and (iii) skills training for the rural population. The requirements range, according to the programme, from minimum literacy to a Bachelor's Degree.

Country assessment

Economic prospects for Iran are unfavourable, as renewed sanctions imposed by the US Government and low projected oil prices are likely to lead to stagnant growth of the country's economy and increased fiscal pressures on its government. To counter new sanctions, the government has recently adopted a new budget for economic resilience, while the recently adopted Sixth ESCDP (2016-2021) includes many different provisions for financing and implementing initiatives to promote employment. Meanwhile, the recently established Iran TVTO provides both formal and informal TVET training through both public and private institutions. However, it remains to be seen how effective most of the programmes are in generating not only new employment opportunities, but also lasting positions. As previously mentioned, the Insurance Incentive Programme (part of the KĀJ initiative) has struggled due to administrative difficulties in linking the MCLSW and the Social Security Organisation. On the other hand, the Home and Local Business Development Plan has largely exceeded original expectations in creating employment opportunities in rural areas and in villages. More time is needed to assess the lasting impacts of these programmes in lowering youth unemployment. One ongoing challenge for the provision of social protection for employment in Iran is making sure the key institutions (MCLSW, Iran TVTO, and the relevant executive agencies) are able to meet the challenges in implementing the programmes from the mandate of the Sixth ESCDP, especially given that social protection for promoting employment in Iran has been fragmented between governmental and para-governmental organisations, with the latter historically playing a greater role in promoting employability in Iran. The effectiveness of these key institutions and their success in implementing the newly created programmes are crucial for promoting economic stability as well as social and political cohesion, especially among young people.

Lebanon

Overview

Population (millions): 6,85 ^a	Unemployment rate (tot. act. pop.): 11,4 ^d
Demographic dividend: Late-dividend ^b	Youth (15-24) unemployment rate: 23,3 ^d
GDP per capita (current USD): 8270 ^a (2016)	Youth labour force particip. (LFP): 39,1 ^d
GDP growth rate: 0,9% ^a (average, 2014-18)	Youth male/female youth LFP ratio: 3,0 ^c
LMIC Pov. Rate (\$3.30-a-day): 0,1% ^a (2011)	Youth NEETs (total): 22,0 ^d
Gini Index: 31,8 ^a (2012)	Youth NEETs (male): 16,0 ^d
Primary Completion Rate: NA	Youth NEETs (female): 27,3 ^d

Sources: a: World Bank Data; b: UNICEF (2019); c: ILOSTAT (modelled estimates 2019); d: ILO (2020).

Although GDP per capita for Lebanon is the highest among the six countries covered in this analysis (USD8270 purchasing power parity—PPP), the Lebanese economy has stagnated significantly in the past years, with an average economic growth rate of 0.9 per cent between 2014 and 2018. The country has faced significant economic and social challenges following the Syrian refugee crisis, which as of 2018, has seen the arrival of approximately 1.5 million Syrians to Lebanon, making it the country with the highest refugee-to-total population ratio in the world (Human Rights Watch 2019). Protests in late 2019 in Lebanon have highlighted popular dissatisfaction with the economic situation, including protests against the salaries of public servants and political corruption, culminating in the resignation of Prime Minister Hariri on 29 October 2019. A recent study by the ILO (2020) analysed demographic and employment trends from the 2018/19 Labour Force and Household Living Conditions Survey, finding an increased share of unemployment (11.4 per cent) compared to previous estimates (between 6 and 8 per cent), which is most likely explained by the recent economic downturn in the Lebanese economy, which have had adverse effects on overall employment.

Recent reforms, laws, and national strategies

The Government of Lebanon, with the support of UNICEF and the ILO, has developed the **2018–2022 National Strategic Framework for TVET** in Lebanon. This proposed strategy is a key outcome of the Government's TVET initiative in partnership with UNICEF and the ILO, which seeks to widen access and improve the quality of TVET provision.

The National Youth Policy was endorsed by the Government of Lebanon in 2012. It argues for "(t)he necessity of working out a national youth policy in Lebanon and implementing it in addressing the aspirations and the challenges faced by the Lebanese youth." The document is comprised of recommendations for youth policy according to five sectors, including "Employment and Economic Participation." The sector on Employment and Economic Participation includes 21 different goals, covering: (i) better information on, and capacitation for, work opportunities; (ii) encouraging employment policy and investment in the most promising and employment-rich sectors; (iii) the implementation and development of career guidance in education, starting from the elementary-level, in order to limit the desire to emigrate in search for work.

To stimulate the private sector to employ these first-time jobseekers, the Ministry of Labour issued **Decree No. 8691**. This decree offers incentives for employers who recruit first-time jobseekers, covering the social security contributions and providing some tax reductions. However, the decree was **not implemented**. In the review conducted by ETF (2015) it was found that "Lebanon has no specific employment strategy or action plan for employment. A number of factors hinder efforts to develop evidence-based policy on labour market and skills development, including a lack of updated data, analysis of the labour market, updated and performing labour market information systems" (p. 13).

Key institutions

The **Directorate General of Vocational and Technical Education (DGTVE)** at the **Ministry of Education and Higher Education (MEHE)** administers E-TVET provision in Lebanon. Even though the provision of technical education is centralized at the DGTVE, the provision of vocational education and training is fragmented, with several providers and little coordination between them. In addition to the DGTVE, the **Ministry of Agriculture (MoA)** also provides technical education. Other providers of short-term vocational education include the **Ministry of Social Affairs (MoSA)**, operating in at least 58 of its social development centres; the **National Vocational Training Centre (NVTC)**; and local and international NGOs and the private sector.

The National Employment Office (NEO) is a financially and administratively independent agency under the authority of the Minister of Labour, who chairs its board of directors. The NEO was initially mandated to design and implement a comprehensive national employment strategy for Lebanon. Its responsibilities therefore include conducting research on labour trends and issues; providing employment services through its employment offices in Beirut and other Lebanese regions; and improving the organisation of the labour market and the quality of the labour force (ETF 2015). Despite this ambitious mandate, the NEO's role remains quite constrained, partly as a result of its limited financial and institutional capacity. In practice, its role is limited to (i) running an electronic labour intermediation platform; (ii) conducting occasional studies and labour market needs assessments, for which a small budget is reserved (around USD33,000); and (iii) subsidizing some short-term vocational training programmes implemented by NGOs (Angel-Urdinola et al. 2013). The NEO has an annual budget of LBP 2 billion (USD1.3 million) and only three offices (in Beirut, Tripoli and Sidon). A 2015 study by ETF (2015) found that the agencies were understaffed, with 29 employees in 2014 even though the administrative structure required 120.

Employment programmes

Overall, social protection programmes to encourage employment in Lebanon are few and limited in scope. Budgets allocated for the different **TVET programmes** that are not part of the educational system (i.e., not E-TVET) are small and reflected in the number of trainees involved (approximately **1,000 through the NEO**; **351 through MoSA**; and **less than 100 in the NVTC**). The NEO has supported over 40 NGOs to provide accelerated VT programmes across the country, including financial incentives to all NGOs to provide short-term programmes of usually 3, 6, or 9 months. Upon successful completion of these short-term courses, graduates receive certificates stamped by the NEO. However, these certificates are not officially recognized by the MEHE. Training programmes by MoSA also are not recognized by the MEHE, while there is a declining interest in agricultural public schools. The National Strategic Framework for TVET notes that, with funding shortfalls, the NCVT is operating at less than half capacity in Beirut and has few activities in regional areas. According to the Framework, UNICEF had agreed to assist in modernising the NCVT in 2018–2019, and increase the number of trainees (Ministry of Higher Education 2018).

Table 3. Map of social protection programmes promoting employment in Lebanon

Policy type	Programme	Governance / institution	Coverage	Budget	Targeted group(s)	Source(s)
TVET and Search Services	Job-matching, placements, and accelerated VT programmes	National Employment Office (NEO), under the tutorship of the MoL	Between 800 and 1,200 trainees in 2016-17	NA	Unemployed Persons	
TVET	Short-term courses (Informal, craft training courses)	Ministry of Social Affairs (MoSA)	351 trainees in 2015-16	NA	Youth looking for opportunities in the craft sector, marginalised girls & women and people with disability	National Strategic Framework for TVET in Lebanon 2018-2022
TVET	Accelerated VT programmes (3-9 months long)	National Vocational Training Centre (NVTC), under MoL and MoSA	less than 100 trainees in 2016-17	NA	Both Lebanese and Non-Lebanese in different specialities which are available in the Centre	
Business Loans to SMEs	Kafalat	Owned by the Institute for the Guarantee of Deposits (75%) and 50 banks (25%)	310 loans in 2018	Total value of loans worth USD40m	SMEs filling proposal requirements	Bank of Lebanon (website)
Various (Wage/ Employment Subsidies, TVET, Business Grants)	Creating Economic Opportunities - Lebanon National Jobs Programme	World Bank	(Projected): 500-1,000 Firms and SMEs; 15,000 individuals receiving integrated interventions	USD695m projected (2019-2023) USD400m committed	Individual beneficiaries focus on youths (18-34), women (18-45), and Syrian refugees	World Bank (website)
E-TVET	TVET programmes - Various qualifications	Directorate General of Vocational and Technical Education (DGVTE) at MoHE	Total enrolment of public TVET students: 48,924 (2016-17)	NA	Prerequisites vary according to the programme - between 7th grade and tertiary completion	National Strategic Framework for TVET in Lebanon 2018-2022
E-TVET	Technical Baccalaureate and accelerated VT programmes in agriculture and animal husbandry	Ministry of Agriculture (MoA)	Approx. 252 students	NA	Non-specified - more than half of students in 2016-17 were women	

Source: Authors' elaboration.

There are also numerous challenges in terms of improving the quality, appeal, and inclusivity of the TVET system. The 2018-2022 TVET Strategy for Lebanon highlights three main deficits in terms of the TVET system in Lebanon, namely: (i) access and service delivery, including creating pathways to employment from TVET schools, and improving participation of young women and people with disabilities; (ii) quality and relevance, notably by moulding the TVET curriculum on the skills demanded in the labour market, and hiring skilled and qualified staff, trainers and supervisors in TVET schools and centres; and (iii) governance and systems, especially improving inter-institutional coordination in the area of TVET, taking steps to de-centralize TVET systems and introducing cost-effectiveness analysis to promote good practices, and finally creating stronger partnerships with the private sector (Ministry of Higher Education 2018, 20-21).

Kafalat is a programme organised by the Bank of Lebanon in partnership with private banks and financial institutions to provide loans to SMEs. However, the total amount of loans offered has decreased substantially over the past few years, from USD110 million in 2014 to USD 40 million in 2018, thus showing strong signs that the programme has been struggling lately.

The **National Jobs Programme** is a new programme created by a recent partnership between the World Bank and the Government of Lebanon. The budget is estimated at USD 695 million between 2019 and 2023, which is projected to cover between 500 and 1,000 firms and SMEs; and 15,000 individuals receiving a combination of employment subsidies, TVET programmes, and business grants. As of yet, it is unclear whether the implementation of the project has been confirmed. UNICEF is another international organisation presently involved in Lebanon, and is currently contributing to drafting the action plans of the MoSA (in collaboration with ILO) and the MoA (in collaboration with ILO and FAO) based on the approved road maps in which all the planned activities will be defined with the appointed officials in the two Ministries. The action plan related to the NVTC was finalised during 2019 and is ready to be reviewed by the NVTC Board of Directors for their final endorsement. For the National Employment office (NEO) and after finalizing the action plan, the Director General of the Ministry of Labour appointed in September 2019 a committee from the NEO to review the action plan before proceeding with the implementation of the planned activities. Other initiatives promoting employment and employability among both Lebanese and non-Lebanese youth that were supported by UNICEF in 2019 include: (i) the establishment of (non-public) vocational training institutes, with 14,673 students projected and with a budget of USD5.8 million; (ii) paid on-the-job training opportunities for up to 5,000 youth, with a budget of USD2.5 million; and (iii) funds for innovation labs and incubators, targeting approximately 5,000 youth and with a budget of almost USD6.5 million.

Country assessment

Lebanon faces many social, political and economic challenges that are exacerbated by the consequences of the conflict in Syria. Low economic growth, high levels of youth unemployment, and weak prospects for young people have led to significant levels of migration of skilled Lebanese youth. Despite the potential role of ALMPs to improve employment and self-employment, these types of interventions are largely ignored by the government. Lebanon also lacks a clear employment strategy or action plan, while employment policy is fragmented (ETF 2017). Most of the programmes covered in the mapping are related to TVET programmes, which are overall quite small in scope. The review also highlights important deficits of the TVET system in Lebanon in terms of access to and delivery of services, quality and relevance, and governance and systems. Meanwhile, the National Employment Office (NEO), Lebanon's main Public Employment Service, has faced issues in terms of building institutional capacity and guaranteeing financing. Recent initiatives supported and funded by international organisations such as the World Bank and UNICEF include investments in ALMPs, though these programmes are largely developed in partnership with non-public providers and information concerning effectiveness is still unknown. Successful reforms to the TVET system, the NEO, and new initiatives supported by international organisations all have the potential to improve employability of youth in Lebanon. However, improvements in terms of employability largely depend on improved economic conditions and the creation of job opportunities for young people, as programmes to promote employment alone are unlikely to suffice to counter rising youth unemployment in the country.

Country profiles: Lower-middle income

Egypt

Overview

Population (millions): 98.42 ^a	Unemployment rate (tot. act. pop.): 11.3% ^c
Demographic dividend: Early-dividend ^b	Youth (15-24) unemployment rate: 32.6% ^c
GDP per capita (current USD): 2549 ^a (2016)	Youth labour force particip. (LFP): 31.2% ^c
GDP growth rate: 4.2% ^a (average. 2014-18)	Male/Female youth lfp ratio: 3.2 ^c
LMIC pov. rate (\$3.30-a-day): 16.1% ^a (2015)	NEETs (total): 26.9% ^d
Gini index: 31.8 ^a (2015)	NEETs (male): 19.6% ^d
Primary completion rate: 100	NEETs (female): 35.0% ^d

Sources: a: World Bank Data; b: UNICEF (2019); ILOSTAT (modelled estimates, 2019); d: Labour Force Survey (2017).

The macroeconomic situation in Egypt is improving following a period of instability and high inflation. Real GDP growth reached 5.2 per cent in 2018 and 5.6 per cent in 2019, while inflation has decreased and fiscal pressures are stabilising (World Bank 2019). However, social conditions remain difficult, as the economy is still recovering from the preceding period of high inflation. Of the six countries covered in the policy analysis, Egypt is the country with the highest youth (15-24) LFP at 31.2 per cent, although it is also the country with the second highest youth unemployment rate (32.6 per cent). Both high levels of LFP and unemployment indicate that young people in Egypt tend to be active in the labour market, but have trouble finding employment opportunities. This result might also be explained by (i) lower levels of educational attainment, which might force young people to enter the labour market at a younger age; and (ii) higher risk of precarity and poverty in Egypt—approximately 16 per cent of the population lives below the LMIC extreme poverty line—which might make ‘waithood’ unfeasible for many segments of the youth population. These challenges are magnified by the fact that Egypt is the country with the highest population growth in MENA. Along with Sudan and Iraq, Egypt will contribute to nearly half of the total population growth in the MENA region.

Recent reforms, laws, and national strategies

Egypt’s sustainable development strategy, **Vision 2030**, was launched in 2016. It sets national development priorities and aligns with the social, economic and environmental dimensions of the sustainable development goals. However, the *Vision 2030* report includes little information on government programmes to support employment.

Recent measures and initiatives have been taken in reforming the E-TVET system of Egypt. The Ministry of Education and Technical Education (MoETE) has recently introduced a new vision on direct contracting with private companies for TVET programmes, which is planned to be implemented in the Ministry’s new Technological Applied Schools. The Education Reform Programme endorses a skills development agenda, building on the UNICEF-led Life Skills and Citizenship Education framework (UNICEF 2017) in which a core pillar is skills for employability. Recently, steps have been taken for the expansion in creation and provision of career counselling and guidance services, including promotion of entrepreneurship and business incubation, in public and private universities. Technical schools have also introduced transition to work units in all their establishments, in order to mainstream career guidance.

Key institutions

The Micro, Small and Medium Enterprise Development Agency (MSMEDA) is the government body responsible for the development of small, medium and small enterprises and entrepreneurship, either directly or through the coordination of the efforts of other public or private parties and associations and initiatives. The agency was established by a decision of the Prime Minister No. 947 of 2017, as amended by a decision No. 2370 of 2018, to be directly supervised by the Prime Minister. The Agency has replaced the Social Fund for Development that was established in 1991 and sets out to use the accumulated experiences of more than 25 years in the provision of employment opportunities, poverty alleviation, the creation of a supportive environment for micro and small enterprises. The MSMEDA also promotes the dissemination of entrepreneurship culture and supports the implementation of programmes for community and human development, as well as labour-intensive public projects that contribute to effectively improving the living standards of citizens.

The Ministry of Manpower plays a role both in providing employment services and, especially, regulating vocational training. The Ministry is mandated to formulate the national policy for guidance and vocational training, and developing systems to ensure its implementation and follow-up on in coordination and cooperation with the Supreme Council for Human Resources Development, reviewing the plans and programmes implemented for this policy.

The **Ministry of Social Solidarity (MoSS)**, or the Ministry of Insurance and Social Affairs, is the body responsible for the social safety net for the citizens of the Arab Republic of Egypt. The MoSS is in charge of administering the social assistance programmes *Takaful* ('Solidarity', a CCT to promote schooling) and *Karama* ('Dignity', a UCT for the elderly), and more recently, it has introduced the *Forsa* programme ('Opportunity'), which provides jobs households receiving *Takaful* and *Karama* to help graduation out of poverty.

The Ministry of Youth and Sports (MoYS) is in charge of improving the quality of life of Egyptian youth and developing their lifestyle through the axes of comprehensive youth development and sports development. This is in pursuit of their socio-economic empowerment and active engagement and participation, providing appropriate youth services in all governorates including: inculcating the values of citizenship and belonging; expanding youth participation in public life; supporting talented and innovative young people; promoting girls' empowerment; maximising the leisure time of young people; contributing to the improvement of economic conditions; ensuring freedoms; deepening social and political participation; developing cultural and health awareness; and promoting strategic partnerships.

The Ministry of Education and Technical Education (MoETE) is in charge of the E-TVET system. The Ministry is mandated to plan, regulate and implement basic mandatory education in the country, including vocational high schools (Industrial, Agricultural and Commercial). According to Said (2015), the TVET system is particularly affected by lack of quality and relevance (problems it shares with general education) but suffers moreover from a negative social image.

Beyond the publicly-provided ALMPs, Egypt is a country in which social protection policies, including ALMPs, are largely offered by non-state actors, as NGOs and non-profit organisations support approximately five times more youth related employment programmes than government agencies in Egypt (Said 2015). In 2013, it was estimated that NGOs and non-profit organisations represented 86 per cent of all interventions to improve labour market outcomes for youth, while government agencies and multilateral organisations were involved with the implementation of 17 per cent and 5 per cent of all interventions, respectively (ibid.).

Employment programmes

Many of the flagship national social protection programmes promoting employment and transitions to work are administered by the MSMEDA. Interventions conducted by the MSMEDA include **business leadership programmes targeting young people and small entrepreneurs**, which provide specific and in-depth training in a range of areas

suitable for SMEs and microenterprises.⁶⁸ Between April 2017 and September 2019, 15,857 individuals received business training and support. The MSMEDA also includes Financing for micro and small projects, targeting vulnerable groups either directly, or through support to associations and institutions involved in providing intermediary services. Its aim is to provide financing to low-income entrepreneurs in all governorates—including in remote governorates and villages—to help establish micro income-generating activities to help set-up new (small) projects, or expand existing projects. Between April 2017 and September 2019, EGP13.2 billion in loans were given to about 601,000 businesses, supporting 923,000 jobs. 58 per cent of loans were directed towards younger persons (15-40 years of age), while 48 per cent targeted female beneficiaries.

The Community and Human Development Programme is the public works component of the MSMEDA. This programme intervenes through three axes: 1) Labour-intensive infrastructure projects: these provide temporary job opportunities that generate suitable daily income for the unemployed, especially youths;⁶⁹ 2) Community development: building the institutional capacity of partner NGOs to qualify them to implement projects and provide services that will generate new job opportunities and create positive returns for the community; 3) Human development: initiatives that empower youth, including young people and girls, and provide them with decent job opportunities to ensure a decent life. This includes steps to improve human capital, skill-acquisition, and facilitating transitions to the labour market for young people.

Marketing and Technical support for established firms includes support in marketing, displaying, and selling products through a wide range of channels such as exhibitions, trade opportunities, government tenders, integration of projects, e-marketing, and export opportunities. Technical support includes agency follow-up with young entrepreneurs and the provision of financial support, guidance, advice, information and all services related to business development, provided by specialised experts. One Window Services provide support for micro and small businesses in obtaining insurance files, registration with relevant authorities, permits, commercial records and taxation, among others.

The MoSS's Forsa programme is the primary mechanism for expanding social protection networks to support households most in need and provide appropriate jobs. Forsa serves as a complement to conditional cash transfer programmes, such as Takaful and Karama, by providing job opportunities, soft loans delivered in partnership with Nasser Bank, and by developing the capabilities of young people through apprenticeships, craftsmanship and commercial skills. Beneficiaries of Forsa include: (i) family members who are able to work in the age group (15-55) from households who actively benefit from the Takaful, Karama or the Social Security pension programme; or (ii) family members who are able to work in the age group (15-55) who were dropped from the Takaful and Karama programmes.

Meshwary ('My Journey') is a national skills development and career guidance programme that has been implemented since 2008 by the MoYS with the support of UNICEF. The programme targets young people (aged 10-24 years), particularly those from disadvantaged backgrounds, and provides them with life skills, employability, entrepreneurship, financial literacy and digital skills, as well as career counselling. Since 2008, Meshwary has provided more than 150,000 young people (close to 50 per cent of whom are women) with skills development, career guidance training programmes, and internship and/or work placement opportunities. Meshwary is currently implemented in 12 governorates and is being progressively scaled up nationwide under the leadership of MoYS. The programme modules are based on the MENA regional and global initiatives, especially the LSCE framework which is mainstreamed in the education sector, and enables an 'incremental' development of the necessary skills. UNICEF is currently redefining and scaling up the Meshwary programme while enhancing its sustainability and improving its relevance to the local labour market. While private companies have supported Meshwary over the course of its history, support has been on an ad-hoc basis and limited in scale and scope. UNICEF is now integrating a stronger public-private partnerships approach into the programme.

The 2015 ETF report on Employment Programmes in Egypt notes that the Ministry of Manpower "is the official owner of employment policies in Egypt, with more than 380 employment offices, 27 vocational training centres focusing on school dropouts and illiterates, and 10 mobile training centres across the whole country" (Said 2015, 17). The Ministry is in charge of the National Employment Bulletin, while the ETF report that around 12,000-16,000 people are trained

annually by the ministry in its facilities, with the 15-18 and 21-45 age groups being particularly targeted, and women comprising a majority of the trainees. It is unclear though if the role of the Ministry has undergone any reforms in the last five years, notably with the expansion of the MSMEDA.

Table A4. Map of social protection programmes promoting employment in Egypt

Policy type	Programme	Governance/ institution	Coverage	Budget	Targeted group(s)	Source(s)
Training for Business Skills	Business Leadership Programme	MSMEDA	15,587 individuals [*between Jan 2017 and Sep 2019]	NA	Young people and entrepreneurs	MSMEDA (webpage)
Micro-financing and business loans	Financing Micro and Small Projects	MSMEDA	601,000 micro and small projects, 923,000 job opportunities*	EGP 13.2 billion in loans*	Single mothers; fresh graduates; disabled persons; low-income and poor people	MSMEDA (webpage)
Public Works Programme	Community and Human Development	MSMEDA	1.8 million working days*	EGP 298.2m for infrastr. projects and human development training*	First, geographic poverty mapping -beneficiaries are then (i) young (18-29) un- and semi-skilled; (ii) unemployed youths, and women	MSMEDA (webpage)
Business skills and training	Marketing and Technical Support	MSMEDA	EGP 115.3m generated in business and sales; 8,101 exhibitors*	NA	Established small/micro businesses	MSMEDA (webpage)
Business support and assistance	One Window Services	MSMEDA	33,942 temporary licenses; 31,811 permanent permits; 18,665 tax files; 10,285 insurance files, 5,600 commercial records*	NA	Micro/small businesses	MSMEDA (webpage)
Various (loans, training, matching Services, etc.)	<i>Forsa</i>	Ministry of Social Solidarity (MoSS)	Objectives: 30,000 job opportunities in Upper Egypt; 50,000 soft loans; 10,000 jobs in industrial zones; develop skills of 20,000 young people	NA	Able-bodied persons of working age (15-55) from HHs receiving <i>Takaful</i> and <i>Karama</i> (Poor and vulnerable)	MoSS (webpage)
Various (soft and business skills, matching services, on-the-job experience)	<i>Meshwary</i>	MoYS and UNICEF	150,000 since 2008	NA	Young people (10-24), particularly those from disadvantaged backgrounds	UNICEF (n.d.)
Job advertising services	National Employment Bulletin	Ministry of Manpower	NA	NA	Job seekers in both private and public sectors	Ministry of Manpower (webpage)
TVET	TVET programmes	Ministry of Manpower	12,000–16,000 people per annum	NA	Young unemployed persons	Said (2015); Ministry of Manpower (webpage)
E-TVET	TVET programmes	MoETE and Ministry of Higher Education	2,952,618 students (2011/12 school year)	NA	High school and university students	State Information Centre (webpage)

Source: Authors' elaboration.

Country assessment

Despite being a country in which programmes promoting employment and employability have predominantly been delivered by non-state actors, such as the private sector and charity organisations, the Government of Egypt has recently increased its role in supporting programmes to promote business creation and employment. After replacing the Social Development Fund, the MSMEDA has become the main public institution supporting job creation, entrepreneurial skills, and technical support through loans, training, and one-shop services. Although most of the interventions managed by the MSMEDA relate to supporting new and existing businesses, the organisation also administers Egypt's main public works programme, the *Community and Human Development Programme*, which primarily supports young and low-skilled job-seekers and the seasonally unemployed. Different steps have also been taken to reform Egypt's E-TVET system in order to update the curriculum based on the skills in-demand in the labour market, and to create stronger links with the private sector, notably through the MoETE's new Technological Applied Schools. The MoSS's *Forsa* programme is another new and interesting development, given that it is targeted at beneficiaries of social assistance programmes, thereby providing a graduation approach whereby vulnerable households have the opportunity to access employment opportunities after being cash transfer recipients. Lastly, the *Meshwary* programme is a relevant policy that is seeking to increase the employability of young people from poor and vulnerable backgrounds, and has recently been expanded with additional support from UNICEF to update the curricula, and build public-private-partnerships that are tailored to local labour markets. Looking forward, it will be interesting to analyse the effectiveness of these newly implemented programmes in terms of increasing employability, and creating both lasting and decent employment opportunities, and consider ways in which programmes administered by different public institutions can complement each other or work together to create synergies.

Morocco

Overview

Population (millions): 36,03 ^a	Unemployment rate (tot. act. pop.): 9,0% ^c
Demographic dividend: Late-dividend ^b	Youth (15-24) unemployment rate: 21,9% ^c
GDP per capita (current USD): 3238 ^a (2016)	Youth labour force particip. (LFP): 26,2% ^c
GDP growth rate: 3,1% ^a (average. 2014-18)	Male/female youth LFP ratio: 3,3 ^c
LMIC pov. rate (\$3.30-a-day): 7,7% ^a (2013)	Youth (15-29) NEETs (total): 28,4% ^d
Gini index: 39,5 ^a (2013)	Youth NEETs (male): NA
Primary completion rate: 93,6 ^a	Youth NEETs (female): NA

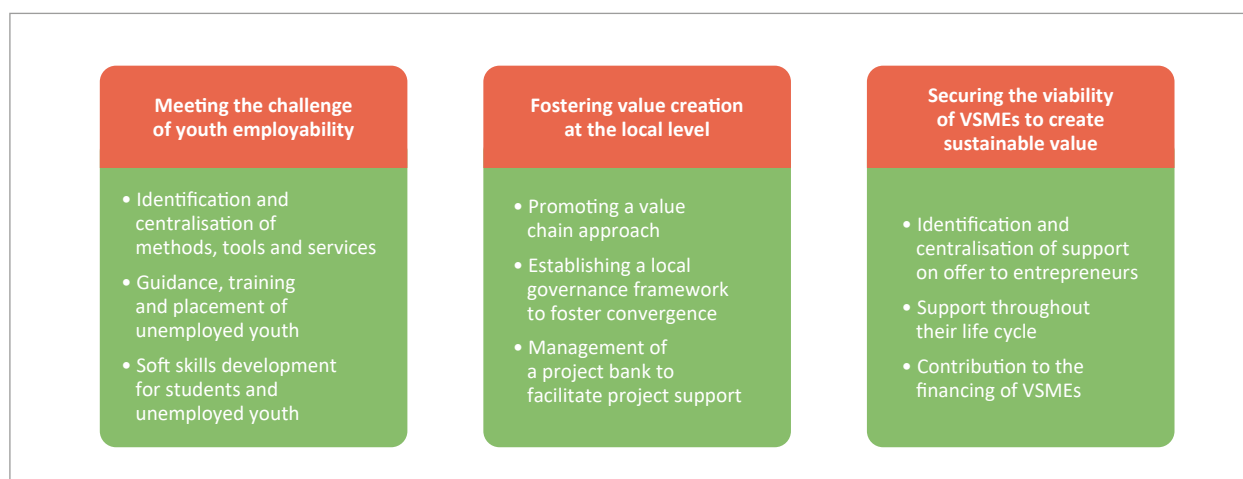
Sources: a: World Bank Data; b: UNICEF (2019); c: ILOSTAT (modelled estimates, 2019); d: World Bank (2015).

Morocco is, along with Lebanon, the only late-dividend country in this study. This means that the country faces a declining share of working age population between 2015 and 2030, and thus, a closing window for their first demographic dividend (UNICEF 2019). The labour market for youth is characterised by low levels of labour force participation, as Morocco has the second lowest youth (15-24) LFP among the six countries covered in this review, at 26.2 per cent. The male/female LFP ratio is 3.3, which is, albeit quite large, the second lowest gap among the countries analysed. Low levels of youth LFP in Morocco is a sign that many young Moroccans are either uninterested in, or discouraged by, domestic labour market prospects. This interpretation is confirmed in recent survey data of youth, which finds that the desire to emigrate is very prominent in Morocco, as 44 per cent of the youth population reported having considered leaving their country (Raz 2019).

Recent reforms, laws, and national strategies

In September 2018, the **3rd phase of the National Initiative for Human Development (INDH 2019-2023)**⁷⁰ was launched. The new INDH is aimed at consolidating the knowledge recorded during the previous two phases of the programme, from 2005-2010 and 2011-2015. The initiative rests on four programmes, with the goal of bridging existing gaps in: (i) infrastructure and basic services in under-equipped areas; (ii) the support of people living in precarious conditions; (iii) youth economic inclusion and income promotion for youth; (iv) supporting human development in favour of rising generations through human capital investments. Total budget for the programme is MAD18 billion over the 5-year period, sub-divided into MAD4 billion for the first three programmes, and 6 billion for the fourth programme. Programme 3, focused on youth employment inclusion, is divided into three objectives: youth employability; value creation at the local level; and securing the viability of very small, small and medium enterprises (VSMEs) to create sustainable value. Figure A1 shows the three different objectives of Programme 3, including the different actions to be taken to make progress in the different objectives.

Figure A1. Objectives and actions for programme 3 of the INDH, 2019-2023



Source: Authors' elaboration.

The Moroccan Government's **2015-25 National Strategy for Employment (NSE)** argues for a new approach and vision given the rise in the active population—especially the youth—until 2025. The 2015-25 NSE sets out four strategic axes for the larger goal of promoting productive and decent employment: (i) promoting job-creation; (ii) valuing human capital; (iii) improving the effectiveness of ALMPs and reinforcing their intermediation in the labour market; and (iv) developing the framework for governance in the labour market.

The **2015-2030 National Youth Strategy** is organised according to four strategic axes, the first of which is to increase economic opportunities for the youth and promote their employability. The goal is to reinforce the educational and training systems to improve compatibility with the skills demanded in the labour market, including through partnerships with the private sector in the areas of professional orientation and the development of skills. The aim of the axis is also to implement plans to promote employment and self-employment among youth, through the execution of five specific objectives: (i) reinforce school (re)integration among youths and support the conceptualisation of a professional plan from a young age; (ii) align skill-acquisition with demands from the labour market; (iii) develop programmes to transition from the school to the labour market; (iv) promote self-employment and entrepreneurship among youths, especially in urban and semi-urban areas; and (v) improve regulatory devices associated with youth employability. The third objective relates to the need to target transition programmes at disadvantaged youth, and to introduce measures that specifically promote the participation of girls and young women to participate in ALMPs (for example, flexible hours, transportation support, childcare services, etc.).

Strategies have also been adopted to promote professional training and transitions to work. In July 2015, the *Stratégie Nationale de la Formation Professionnelle 2021 (SNFP 2021)* was adopted by the Government Council. The SNFP 2021's main vision is that of quality professional training everywhere, for everyone, all along the life cycle, with services to develop and enrich human capital for better enterprise competitiveness. The SNFP builds upon six strategic axes: (i) an extensive and inclusive supply of professional training; (ii) a supply of training and teaching guided by demand; (iii) putting enterprises at the heart of the training process; (iv) a framework for training and skill-building that is focused on continuous improvement of quality; (v) strengthening of technical and vocational (professional) paths through clearer description of the contents of the educational system; and (vi) renewed and integrated governance to guarantee efficacy and efficiency. The SNFP 2021 follows the guidance and framework of the **2015-2030 Strategic Vision** of the Superior Council of Education, Formation, and Scientific Research (SCEFSR/CSEFRS), which establishes a stronger role for technical and vocational education and training in the educational system.

Key institutions

The **Ministry of Labour and Professional Insertion (MTIP)**⁷¹ is in charge, in the context of legislative and regulatory texts currently in place, to elaborate and implement government policies in the areas of labour, employment and social protection, including their evaluation and action plans. The MTIP includes under its tutelage the CNSS (the organisation in charge of Morocco's private social security system), the CNOPS (in charge of public health insurance), and the ANAPEC (in charge of administering ALMPs, see below).

The National Agency for Promoting Employment and Skills (ANAPEC)⁷² was established in 2001, and is the main public provider of ALMPs and intermediation in Morocco. It is a subsidiary of the MTIP. In 2016, the ANAPEC consisted of 79 agencies throughout the country (ETF 2016). The ANAPEC is in charge of flagship programmes such as *Idmaj*, *Taehil*, *Moukawalati*, and *Tahfiz*. ANAPEC is also in charge of organising the Regional Committee for the Improvement of Employment⁷³ which brings together regional representatives of the MTIP, ANAPEC, the OFPPT, regional investment bureaux, higher education providers, and other actor involved with administering TVET at regional levels to improve policy coordination.

The Office for Professional Training and Promoting Work (OFPPT)⁷⁴ is the main body in charge of executing the government's E-TVET strategy, in partnership with different ministerial departments (agriculture, fishing, health, etc.) and having built upon relevant programmes in respective areas of knowledge. The OFPPT operates under the tutelage of the Ministry of National Education and Professional Formation, and not the MTIP. Total enrolment under the OFPPT and partner organisations during the 2017/18 school year amounted to 342,536 students in the public sector, and 90,471 students in the private sector.

The *Entraide Nationale (EN)* is a public enterprise, with legal and financial autonomy, whose goal is ensuring the economic inclusion of vulnerable segments of the population. It is in charge of a vast network of social protection establishments such as orphanages and boarding schools, and provides training services to increase the employability of young people in need. Total beneficiaries across 9 different programmes amounted to almost 568,000 people in 2016. The *Promotion Nationale (PN)* is an autonomous agency established in 1961, which is in charge of implementing public works in rural areas. Under the mandate of the Ministry of the Interior, the PN's aim is to promote direct job creation in labour-intensive activities. In practice, programmes are carried out in both urban and rural areas (Belghazi 2013).

Employment programmes

The government's initiative to create employment opportunities between 2005 and 2011 led to the implementation of a platform to promote intermediation services and ALMPs. Programmes that emerged from these reforms include *Idmaj*, an employment subsidy programme; *Taehil*, training and reconversion of graduates who struggle to access the labour market; and *Moukawalati*, which provides support for micro-enterprises.

Idmaj supports the transition of youth from school to work through company placements. Traineeships are maximum 24 months long. Monthly indemnity provided by the programme ranges between MAD1,600 and MAD6,000. The upper limit for the subsidy (MAD6,000) includes employer contributions and income taxes for candidates enrolled at ANAPEC for more than six months. The programme also covers employers' health care contributions, a year's worth of employers' contributions to social security and the 'professional formation' (i.e. vocational/technical training) tax.

The *Taehil* programme, which targets more qualified youth (requirements include registering with ANAPEC, and having a university degree or a vocational training certificate), has the main goal of increasing employability through contractual training for employment, qualifying training or reconversion training, including training in emerging sectors. Contractual training for employment allows employers to recruit workers in areas where candidates with the skills required are hard to find. The objective of *Taehil* is also to improve the employability of job-seekers through on-the-job skills acquisition.

Table A5. Map of social protection programmes promoting employment in Morocco

Policy type	Programme	Governance / institution	Coverage	Budget	Targeted group(s)	Source(s)
Wage Subsidy Programme	<i>Idmaj</i>	MTIP / ANAPEC	423,072 between 2006 & 2013	NA	Unemployed youths with qualification	ANAPEC (website), EPRI (2016), WB (2015), UNICEF (2015)
TVET	<i>Taehil</i>	MTIP / ANAPEC	105,442 between 2007 & 2013	NA	Unemployed youths with qualification	EPRI (2016), WB (2015), UNICEF (2015), ETF (2017)
Entrepreneurial support	<i>Moukawalati</i>	MTIP / ANAPEC	NA	NA	Unemployed youths with or without qualification	EPRI (2016), WB (2015), UNICEF (2015), ETF (2017)
Wage/ Employment Subsidy	<i>Tahfiz</i>	MTIP / ANAPEC	2,857 enterprises / 7,408 contracts signed as of Nov. 2018	NA	Not specified	ETF (2017); ANAPEC (website)
Public Works Programme	PWP at the <i>Promotion Nationale</i>	<i>Promotion Nationale</i> / Ministry of the Interior	50,000 (2013)	DH 1 Billion (2012)	Youths with little to no qualification – mostly rural but poor targeting	EPRI (2016); World Bank (2015)
(E-)TVET	Education and Training, and Professional Training under the <i>Entraide Nationale</i>	<i>Entraide Nationale</i>	Education and Training: 117,617, 87% women; Professional Training: 6,233, 35% female; Basic Literacy: 27,807, 97% women (2016)	Cost per beneficiary: DH2,042 (USD253) in 2008	Vulnerable segments of the population	Belghazi (2013); <i>Entraide Nationale</i> (2016)
E-TVET	Professional Training	OFPPT and various partners	342,536 in the public sector (2017/18) 90,471 in the private sector	NA	Youth 16 and older (max. 30) Educational requirements vary across 340 areas of expertise	<i>Secrétariat d'État chargé de la Formation Professionnelle</i> (2018); EPRI (2016)

Source: Authors' elaboration.

The Moukwalati programme, established in 2006, supports self-employment through the creation of microenterprises. The programme supports the creation and management of new businesses and primarily targets youths with or without qualifications. In addition to the importance of the financial programme, *Moukwalati* plans to support the creation and development of small businesses throughout their different stages. However, reviews of the programme have found mixed results, as 15,000 jobs were created between 2007 and 2013 through the establishment of 5,473 enterprises, with three times more men than women leading projects. The programme has also faced administrative, technical and financial difficulties, weak entrepreneurial culture among youth, and a lack of social contributions by employers (EPRI 2016).

Launched in 2016, the Tahfiz programme sets as its objectives promoting employment, firm competitiveness, and integration of the informal sector into formal arrangements. The programme allows newly established enterprises and associations to be exempted from fiscal and social contributions, including income tax up to MAD10,000 per month, contributions to public pensions, and the 'professional formation' tax. In return, employers must hire employees with a contract of indeterminate duration. Benefits from *Tahfiz* were originally limited to five employees for a period of 24 months, starting from the day of recruitment. However, since January 2018, the limit of employees covered by the programme has increased to 10, while the benefit period has been extended to three years.

The Promotion Nationale administers a PWP to promote direct job creation. Most jobs are in rural areas and intended to address seasonal underemployment in certain sectors, especially agriculture. Works include drilling wells, soil restoration, reforestation and construction projects. Different wage rates are offered to unskilled, semi-skilled and skilled job-seekers. In 2009, approximately 20 per cent of beneficiaries were women (Belghazi 2013).

The Entraide Nationale (EN) offers training programmes without any prerequisites. Training programmes range from basic literacy to specific skills (Belghazi, 2013). The EN includes among its 9 different interventions for 2016: (i) an education and training component, with 117,617 beneficiaries, 87 per cent of whom are women; (ii) professional training, with 6,233 beneficiaries (35 per cent of whom are women); and (iii) a basic literacy programme with 27,807 beneficiaries that are predominantly women (97 per cent) (*Entraide Nationale* 2016, 12).

Country assessment

The Government of Morocco has introduced a range of different programmes promoting employment and labour force participation over the past two decades, mainly through ANAPEC, to counteract high youth unemployment and emigration of skilled workers, especially among young graduates. Belghazi (2013) offers some evidence that the programmes introduced by ANAPEC in the early 2000s, which mainly targeted skilled job-seekers, contributed to decreased unemployment among 25 to 34 year-olds, and among job-seekers with tertiary education (p.103). Steps have been taken to improve the employability of youth with lower educational attainment levels, with *Moukwalati* offering entrepreneurship training to both qualified and non-qualified youth, the EN providing TVET and broader education to disadvantaged segments of the population, and the PN, which provides workfare to poorer segments of the population.

Although Morocco is a country with a diversified system of employment programmes, challenges remain in avoiding fragmentation, as the ANAPEC, PN, EN and OFPPT operate under different mandates, and it remains unclear what the relationships are between the INDH and the different publicly provided TVET programmes and ALMPs in Morocco. While these different initiatives are necessary and can have significant impacts in improving employability and countering low youth LFP, more information is needed concerning the measurement and evaluation of these programmes, especially the potential displacement effects of programmes such as *Idmaj* and *Tahfiz*.

Country profiles: Conflict-affected

Iraq

Overview

Population (millions): 38.43 ^a	Unemployment rate (tot. act. pop.): 7.9% ^c
Demographic dividend: Pre-dividend ^b	Youth (15-24) unemployment rate: 16.6% ^c
GDP per capita (current USD): 5628 ^a (2017)	Youth labour force particip. (LFP): 29.5% ^c
GDP growth rate: 3.1% ^a (average. 2014-18)	Youth male/female youth LFP ratio: 5.9 ^c
LMIC pov. rate (\$3.30-a-day): 17.9% ^a (2012)	Youth NEETs (total): 40.6% ^d
Gini index: 29.5 ^a (2012)	Youth NEETs (male): 16.9% ^d
Primary completion rate: NA	Youth NEETs (female): 65.5% ^d

Sources: a: World Bank Data; b: UNICEF (2019); c: ILOSTAT (modelled estimates, 2019); d: Labour Force Survey (2012).

Weak economic growth, allegations of corruption, and lack of opportunities—especially among young people—have led to increased resentment towards the government, culminating in mass civil protests in late 2019 in Baghdad. The country also faces considerable challenges in re-building regions subjected to conflict following the occupation by ISIS, and attending to internally displaced persons (IDPs—3.3 million people in 2014). Despite having the third highest GDP per capita among the countries surveyed, Iraq has the highest poverty rate, with 17.9 per cent of the population living on less than USD3.30 (PPP) a day. Iraq is also the only country in this review that is in its 'pre-demographic dividend' phase, meaning that the share of the working-age population will increase between 2015 and 2030, and that the opportunity for accelerated economic growth has not yet opened due to ongoing rapid population growth and a high child dependency ratio (UNICEF 2019, 30). Although unemployment is relatively low among the total population, many of the jobs are located in the informal economy and involve precarious working conditions. The share of NEET youths is the highest among the six countries surveyed, at 40.6 per cent, including a wide gap between male (16.9 per cent) and female (65.5 per cent) youth. Labour force participation also shows a huge gap between young men and women, as the youth LFP rate for men is almost six times higher than the rate for women, the largest among the countries surveyed.

Key institutions

The Ministry of Labour and Social Affairs (MoLSA) is in charge of all social affairs, social solidarity, social security, social insurance (contributory and non-contributory schemes), and labour regulations/rights in Iraq. The Ministry is currently evolving a function related to training and providing loans as a way of assisting the nation's vulnerable and unemployed persons.⁷⁵ The Ministry is executing this evolving function through the Directorate of Employment and Loans.

The newly established Social Development Fund (SDF) by the Iraqi government, with financial support from the World Bank, is an important development for social protection in vulnerable and post-conflict areas. The main goals of the SDF are to (i) improve access to basic services; and (ii) increase short-term employment opportunities. The SDF has a target of 10 million employment days generated. According to the 2018-2022 Poverty Reduction Strategy for Iraq, in the initial phase, the SDF will target three governorates for a pilot project in 2018: Muthana (one of the poorest areas in the country); Duhouk (most exposed to displacement) and Salahaddin (which was liberated over a year ago, but is still experiencing internal conflicts and instability). The aim of the SDF is to start with building capacities of local NGOs to play a role alongside local governments in implementing development projects. The programme includes infrastructure projects, community services and microloans, as well as several poverty reduction strategy (PRS) activities, such as establishing business incubators and community centres. There is a plan for the SDF to expand to cover four additional governorates in the following year (Government of Iraq 2017, 66).

Recent reforms, laws and national strategies

The **Iraq National Development Plan for 2018-2022** aims to achieve a significant improvement in the citizens' "standard of living by ensuring the promotion of suitable employment opportunities," while maintaining price stability and supporting low-income groups. The Plan also sets among as its first two goals for the workforce: (i) lowering the unemployment rate; and (ii) setting up a human resource planning framework for more than 5 years.

Iraq's **Poverty Reduction Strategy (PRS) for 2018-2022** aims at improving the situation of the poor population and lifting them out of poverty by improving their incomes and access to services. The High Committee for Poverty Reduction and the Executive Directorate are in charge of the implementation of the PRS. This new version of the PRS follows the original PRS introduced in 2010, but commenced in 2012, which largely fell short of its goals due to economic instability and internal conflict in Iraq. The PRS approaches the subject from three angles: (i) *economic advancement*, focused on increasing the income of the poor through the promotion of sustainable work opportunities, offering concessional loans, and facilitating inclusion of the poor in the regulated labour market; (ii) an *empowerment dimension*, which highlights the need for enhancing the access of the poor to public services and resources to improve their conditions, particularly related to health, education and housing; (iii) and a *welfare approach*, which points to the need to improve the mechanisms of targeting the poor through social programmes—especially the social protection network and the ration card system—towards the inclusion of all poor people and exclusion of those ineligible (Government of Iraq 2017, 37).

In 2014, **Iraq's Social Protection Law** (No. 11/2014) was introduced and led structural changes in the social protection system, its institutions, and mechanisms of targeting the poor. In terms of the employment-related provision, Article 9 of the Social Protection Law tasks the **Social Protection Association**—which is established under article 4 of the Law—with intervening to assist vulnerable and unemployed persons that are social protection beneficiaries to enter the job market by providing: vocational training, education and capacity-building; and assistance in finding job opportunities or a loan or an award to create income-generating opportunities.

In November 2014, the government adopted the **Social Protection Strategic Roadmap 2015–2019** with the goal of having "a comprehensive social protection system for Iraq covering social safety nets, social insurance, and labour market policies" (World Bank 2018a). In the original plan, "[Social workers] are expected to undertake case management devise intervention plans linked to human capital preservation and investment, and follow-up with each household to support graduation from poverty, and eventually towards activation in the labour market" (Alkhoja et al. 2016, 3). The Framework for the Strategic Roadmap was developed within an inclusive process that gathered senior officials from key ministries in Iraq, including MoLSA, the Ministry of Planning, the Ministry of Finance, civil society, parliament, and other related organisations. The vision of the Framework is to have "a comprehensive social protection system for Iraq covering social safety nets, social insurance, and labour market policies"

The **TVET Strategy (2014-2023) for Iraq and Kurdistan-Iraq (KR-I)** is a ten-year strategic plan to expand technical and vocational training, developed by an inter-ministerial group with funding from the EU and support from the British Council. One of the programme's main objectives is to increase the relevance of the TVET system in Iraq and KR-I, and to equip all youth and adults with the skills required for employment, decent work, entrepreneurship and lifelong learning (UNESCO 2019).

Employment programmes

As discussed in the Overview, ALMPs and social protection policies to promote employment are rare in Iraq, as the government's priority in terms of social protection seems to be focused on implementing social safety nets. Most of the information in Table A6 focuses on the TVET in the educational system (E-TVET). It is unclear whether the **vocational training provided by MoLSA**, which is largely targeted at female students, can be considered, or not,

part of the E-TVET system. Although the training programmes are short (5 days to 4 months) and independent of the E-TVET system, these programmes seem to be mostly complementary to E-TVET programmes. The Ministry of Education (MoE) and the Ministry of Higher Education and Scientific Research (MoHESR) are the main bodies in charge of the E-TVET system. Upper secondary education (years 10-12), administered by the MoE, includes as an option preparatory vocational education. These are programmes that are completely subsidised by the State, and students may receive living allowances.

Table A6. Map of social protection programmes promoting employment in Iraq

Policy type	Programme	Governance / institution	Coverage	Budget	Targeted group(s)	Source(s)
Various Programmes ranging from Safety Nets to Short-term Job-Creation	Iraqi Social Development Fund	Iraqi Government with Financial Support from the World Bank and International Donors	Focus on (i) improving access to basic services; (ii) increasing short-term employment opportunities – Target: 10 million employment days generated	USD 300m over 5 years	Targeted at provinces with high levels of rural poverty, and displaced persons escaping conflict regions	World Bank (website)
TVET / E-TVET	Vocational training (Length of courses vary from 5 days to 4 months)	Ministry of Labour and Social Affairs (MoLSA)	Annual cohort: 16,659 students, 66% female	NA	Unclear-Programme appears to be complementary to vocational education	UNESCO (2019)
E-TVET	Vocational preparatory education (3-year programme; years 10 to 12)	Ministry of Education (MoE)	Total enrolment 60,000 (20,000 new students per year)	NA Programmes are subsidised by the State, and students receive living allowances	Students having completed lower secondary education	UNESCO (2019)
E-TVET	Technical education in institutes and colleges (institutes 2-year programmes; colleges 4-year programmes)	Ministry of Higher Education and Scientific Research (MoHESR)	Enrolment in technical universities: 97,560 Enrolment in polytechnic institutes: 12,341 (2013-16 avg.)	NA	Students having completed secondary education	UNESCO (2019)
E-TVET	Technical and vocational training (Length of courses between 2 and 4 years)	Other Public Ministries (Tourism, Agriculture, Communication, and Transport)	For tourism and hospitality, 756 students (2015-16) Unavailable for other ministries	NA	Students having completed secondary education	UNESCO (2019)

Source: Authors' elaboration.

The main example of a non-TVET social protection programme to promote employment in Iraq is the newly-established **SDF**, which is financed by the World Bank (USD300 million over five years) and administered by the Iraqi government (World Bank 2018b). The programme targets provinces with high levels of rural poverty, and with large shares of displaced people escaping conflict regions. According to the 2018-22 PRS report, the SDF and the PRS—along with additional funding from international organisations and donors—are the main sources to finance, through direct funds and loans, a range of different projects (or 'activities') set out in the PRS report,

most of which are being set up to start as pilots. Some of the activities related to employment creation and support, and improving employability, include: loans for agricultural graduates to start their own businesses, targeting 40,000 beneficiaries and estimated at USD265 million (Activity 1.1); agricultural extension services—marketing, finance, use of water, etc.—for farmers' cooperatives, with 10,000 farmers targeted and costing USD15 million (Activity 1.2); projects with integrated activities (production and services) to create jobs for poor women in rural areas, with a target of 150 projects and 3,000 beneficiaries, and costing USD12 million (Activity 1.4); job creation in community centres for poor urban youth, targeting 10,000 youth and costing USD100 million (Activity 1.5); establishment of business incubator programmes to provide training, finance and services to support small enterprises of the poor, especially women, with a target of 1,200 beneficiaries in Muthana, Duhouk, and Salahaddin during a pilot phase, costing USD15 million (Activity 1.6); lending programmes for small income-generating projects among the poor, financed by the PRS with an estimated total cost of USD260 million and 25,000 beneficiaries (11,000 current beneficiaries as of 2017) (Activity 1.7); training for literacy, social and life skills in community centres to help reduce unemployment and promote integration into society, targeting 250 community centres (100 current as of 2017) and costing USD80 million (of which USD50 million are grants) (Activity 3.5); technical workshop sections at schools in poor areas, with focus on girls' schools, targeting 80 per cent of schools in poor areas and costing USD100 million (funded by local governments); labour-intensive programmes for immediate job creation for the IDPs, returnees, and victims of terrorism, costing USD200 million (30 per cent for employment programmes and 70 per cent for micro-loans) targeting in total 46,000 beneficiaries (Activity 6.1); and interventions to ensure primary education for poor displaced children, funded through international grants (cost USD48 million) and targeting 800 schools, or about 400,000 students. It should be noted that, except for Activities 1.7 and 3.5, the different projects from the PRS report are projected, and no information was found in this review concerning programme follow-up.

In addition to the programmes related to employment creation and employability discussed in the previous paragraph, there are other activities included in the PRS that are complementary to the success of these programmes, including activities to make the administration and provision of social protection services more efficient and inclusive (Activities 5.1-5.6), as well as interventions related to improving health (6.2) and housing services (6.4). Yet, the (successful) implementation of the strategy depends on a number of assumptions, most notably: (i) continued political will and government commitment to poverty reduction and development; (ii) availability of resources for implementation, which will require overcoming the oil-price-induced fiscal crisis; (iii) continued international support to the Strategy; (iv) effective coordination between implementing agencies and Strategy's central committees, especially at the local government level, in the context of decentralization; (v) improved institutional capacity for the implementation of the PRS, coordination with the National Development Plan, and local NGOs; and (vi) broad and inclusive economic growth to amplify the positive effects of poverty reduction (Government of Iraq 2017, 38).

Country assessment

Although economic growth improved in the first half of 2019 following contraction in 2017-18 (World Bank 2019), the Iraqi economy remains volatile and narrow, as the rate growth of the country largely depends on fluctuations in oil prices. Weak prospects for inclusive and job-centred growth contribute to popular dissatisfaction with the state of the economy. The social and political situation in Iraq remains extremely fragile, as state-building efforts are threatened by the legacy of internal conflict, accusations of government corruption, and ongoing violence that threatens the potential impacts of social protection programmes. With the 2018-2022 Poverty Reduction Strategy, the Iraqi Government has embarked on a comprehensive plan to reduce poverty and promote economic opportunities, especially in areas marked by conflict, internal displacement, and rural poverty. However, the success of the PRS depends on political will, favourable economic conditions, financial backing from international organisations and donors, and effective management and implementation. Therefore, the PRS remains highly susceptible to social, political and economic setbacks during its implementation

ANNEX II—REVIEW OF THE VARIABLE MAPPING FOR THE YPTW STUDY IN THE MENA REGION

This annex serves as a complement to the Excel table “Variable Mapping for the School-to-Work Transition (SWT) study in the MENA region.” The table, compiled by researchers at the IPC-IG, provides an overview of the datasets available containing information on employment in the region, with a particular focus on youth transitions from education into the labour force.

Dataset and variable selection process

A preliminary mapping of national (mostly micro) datasets was first conducted by the IPC-IG. After this initial phase, the datasets included in the table were broadly chosen using two criteria: first, focusing on datasets from 2010 onward; second, covering only the latest round if the survey had multiple rounds. The selection of variables in the table was conducted using, as much as possible, definitions and standards of labour market statistics of the International Conference of Labour Statisticians, measurements utilised in the ILO’s concept of Decent Work,⁷⁶ and any additional information that can be deemed useful in analysing SWTs, notably to distinguish between different segments of the population.

Information covered in the variable mapping

Dataset type	Sample size	Survey coverage	Information to assess data availability	Is the dataset available online?
Origin of respondent	Age	Gender/sex	Education level and if completed	Type of education
Personal or household income information	Employed (+definition)	Unemployed (+definition)	Type of employment	Details for self-employed
Economic sector	Occupation	Wage rate	Hours worked per week	Work experience
Participation in training (labour market)	Employment entitlements/ benefits	Unemployed: desire to/ searching for work	Unemployed: actively looking for work	Type of work contract
Contract duration	Size of enterprise (number of employees)	Enterprise registered	Disability status	Migrant status (internal or international)
Employment to population ratio	Unemployment rate (broad)	Youths neither employed, nor in education or training	Working poverty rate	Low pay rate
Maximum working hours	Gender wage gap	Occupation segregation by sex	Share of women employed in non-agri. Sector	Inactive youth
Labour force participation rate	Unemployment rate (ICSE)	Employment rate (ICSE)	Labour under-utilization rate	Informal sector

The list of variables included in the mapping is summarised in the section’s Table. The variables are divided into four different categories: (i) survey information (green); (ii) background information at the individual level (purple); (iii) main employment variables (red); (iv) additional or complementary variables to iii (orange); and (v) the employment indicators that can potentially be measured, based on the availability of the previous variables (blue).

For many of the variables, we simply use ‘Yes’ or ‘No’ to designate whether the information is available or not. In other instances, more detail is needed to describe the information available. For instance, in the Origin of Respondent category, we try to differentiate between cases where the origin (or place) of the respondent is covered in detail, and cases where only ‘rural’ and ‘urban’ are reported. Another important example concerns the employment and unemployment categories. Whenever these are mentioned, we try to provide as much detail as possible on the definitions of (un-)employment available in each dataset. The main issue here is that there are broadly two ways

to conceptualise (un-) employment: broad and using ICSE definitions. Broad (un-) employment only asks whether the individual is working or not, there is no detail on whether the person is actively looking for work. In other words, it does not allow differentiating between the unemployed that are actively looking for work, and those who are not; in which case, the latter are considered not to be participating in the labour force. Conversely, the ICSE definition allows to differentiate between the two cases. It is therefore a stricter definition, insofar as it considers unemployed individuals solely those who are: (a) not working; (b) actively searching for work; and (c) available to start working within the next two weeks.⁷⁷ However, this definition can be relaxed if only one of 'b' or 'c' is available.

Guide to the mapping table

The Figure in this section displays an extract of the excel table. It shows how different datasets are organised by row—starting with the type of dataset, the country of origin, and the survey year—while different information for each dataset is presented in the columns, with the categories organised under different headings. To make it easier to read the information available, the cells are formatted in three different styles: 'good' (green) when the information is available; 'neutral' (yellow) when partially available; and 'bad' (red) when the information is unavailable.

Extract of the STW mapping table for the MENA region

Survey	Country	Reference year	General individual characteristics				Main labour individual information (can be used for decent work indicators)		
			Origin of respondent (place; region; urban/rural)	Age	"Gender/sex"	Education level and if completed	Employed (+definition)	Unemployed (+definition)	"Type of employment (employed, self-employed)"
			Yes/no; only urban/rural	Yes/no	Yes, but completion unknown	e.g. ICSE; broad; other*	e.g. ICSE; broad; other*	Yes/no; different categories	
ILO's SWTS	Palestine	2015	Yes	Yes	Yes	Yes, completion known	ICSE & broad	ICSE & broad	Yes
ILO's SWTS	Tunisia	2013	Yes	Yes	Yes	Yes, completion known	ICSE & broad	ICSE & broad	Yes
DHS	Egypt	2014	Yes	Yes	Yes	Yes	Regular employment	"Yes [broad only]"	Yes
DHS	Yemen	2013	Yes	Yes	Yes	Yes	Regular employment	"Yes [broad only]"	Yes
DHS	Jordan	2012	Yes	Yes	Yes	Yes	Regular employment	"Yes [broad only]"	Yes
HEIS/HIECS	Egypt	2015	Yes (regions & urban/rural)	Yes	Yes	Yes	Yes	Yes	Yes
HEIS	Jordan	2013	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Enterprise survey	Egypt	2016	Yes	No	Yes	Limited: avg. years of ed.; # of employees with secondary ed.	Partial--> employees <30 y.o. working in diff. areas	No	No

Notes: These can be divided into 2 categories: broad & ICES unemployment.

* See Annex I of Dimova et al. (2016) for ICES/broad definitions

Summary of the table

The ILO SWTS provide by far the most comprehensive information on youth transitions to employment for five countries in the region: Egypt, Jordan, Lebanon, the Occupied Palestinian Territory (OPT), and Tunisia. The SWTS includes detailed information on employment status, educational outcomes, and labour market outcomes (training programmes, transition periods, etc.) at the individual level. It allows for the distinction between ICSE and broad definitions of employment and unemployment, and furthermore includes interesting information on the firms people work for, as well as detailed characteristics of the self-employed. The only (minor) drawbacks in the SWTS are that work experience (in years) is not provided, and pecuniary information is limited to self-assessed household income (five categories, organised from rich to poor). Nonetheless, the SWTS contains information on the educational attainment of both parents, which provides an additional indicator or proxy of household well-being.

The other surveys with detailed questions on employment status can be found at the bottom of the table in the 'other' category. The source of these surveys is the Economic Research Forum (ERF) which often administers household surveys in association national statistics offices. These surveys are: the Harmonized Survey of Young People in Egypt (HSYPE), which is a two round, nationally-representative panel on youth educational and employment outcomes in 2009 and 2014; the Higher Education Graduates Survey (HEGS) is an unweighted survey on young adults (25-40) holding university degrees in accounting, management or computer science. It was administered in Jordan (2012) and Egypt (2012); the last major survey administered by the ERF is the Labour Market Panel Survey in Egypt (ELMPS; 1988, 1996, 2006, 2012) and in Jordan (JLMPS; 2010 and 2016). These surveys have detailed information on employment outcomes, job search, educational and job history, income and earnings, etc. that allow for an in-depth analysis of SWTs.

Overall, the other surveys covered in the table tend to provide limited (micro) data on employment outcomes. These include UNICEF's MICS; the Demographic Household Surveys (DHS); and the Household Income and Expenditure Surveys (HIES), which tend to contain a broader range of questions and categories covered, but all contain relatively basic questions on employment status. Of these other surveys, the HIES represented the best alternative, given that they: usually provide national coverage in their surveys, using census information; and contain detailed information on household income (a measure of economic well-being).

The World Bank Enterprise Surveys (WBES) also lack detailed information required to properly understand and analyse youth transitions into employment. These surveys are aimed at private registered firms with more than five employees in the service and manufacturing sectors. They cover a considerable range of questions about enterprise characteristics and market information, with topics such as infrastructure and services, sales and supplies, innovation, degree of competition, business environment, and labour. However, there is information relevant to youth employment, as the labour module contains questions on the number of employees under the age of 30 hired as production workers, non-production workers, skilled production workers, and unskilled production workers. When such information is available, it could be used to estimate the share of young workers in each enterprise, but also to explore the characteristics of firms that hire younger employees. And although many of the questions on the enterprise surveys may not be directly aimed at youths or SWTs, they nonetheless provide information on the broader state of the supply side of the economy, which can be useful in highlighting the production issues faced by businesses. Therefore, although lacking detailed information on individual SWTs, the WBES do contain some interesting information on youths hired, as well as on the broader situation from the perspective of employers.

The ILOSTAT Key Indicators of the Labour Market (KILM) include some interesting macro data at the regional level (for Arab States, not MENA) with estimations of employment-to-population ratios, labour force participation rates, and unemployment rates, with information available for people aged 15 years and older as well as 15-24. This disaggregation allows for the evaluation of discrepancies between the broader (adult) population and the youth. ILOSTAT also contains national-level information on NEET youths (15-24) located in Algeria, Egypt, Iran, Iraq, Lebanon, Palestine, Qatar, Saudi Arabia, Tunisia, UAE, and Yemen. These estimates—based on estimates from Labour Force and Household Surveys—are available for total youth, as well as disaggregated by gender.

Finally, the information from Labour Force Surveys (LFS) can be separated into two different categories: one where microdata is accessible, and another where only macro information, through either PDFs or online, is available. The first category mainly refers to micro datasets, made accessible by the ERF, that are used to create macro estimates for LFS. Micro LFS data is an interesting source for detailed studies, although sometimes more in-depth questions are omitted. The macro LFS information provides useful information on employment, unemployment, and other macro indicators of the labour market. However, it is often difficult to access it in MENA countries, as national statistics websites are often hard to navigate and the information not always easy to find.

Proposals for future data collecting initiatives

As mentioned in the previous section, existing data generally provides insufficient information on youth transitions to the labour force, especially in terms of transition periods, work experience, details on labour market training and types of education. To address these shortcomings, more could be done to include these aspects in existing and new surveys.

Different steps can be taken to improve the data available to analyse SWTs among the youth in MENA countries.

For the existing micro-data, additional questions or questionnaires focusing on youth employment transitions can be added (relatively) easily to MICS or household surveys. These can range from a few more questions on employment, unemployment or education in existing questionnaires to more elaborate, such as, for instance, a full separate questionnaire or module aimed at youth and adults between the ages of 15 and 30, with detailed questions on their SWTs.

For macro indicators—such as participation and unemployment rates—greater accessibility and standardisation of the data from national statistics offices (through labour force surveys, for example) would be an important step in making employment data publicly available. As covered in the table and mentioned in the previous section, the availability of labour market statistics and surveys is patchy at best, as the information made public is very inconsistent. In some countries, labour market statistics are made available both annually and quarterly (e.g. Morocco, Tunisia), while in others this information has not been published for many years (Lebanon), while still others have no public data available on labour force in English or French (such is the case in the UAE and Bahrain). An additional issue concerns how the information is reported: it is often only made available through reports, which are not made available to download in formats that are compatible with statistical software.

Finally, a significant improvement would be to conduct future studies replicating, or at least emulating, the ILO SWT and ERF-administered surveys in other MENA countries. These surveys with questionnaires aimed at youths and focused on SWTS provide an excellent blueprint of how to conduct future research. Moreover, future surveys could feasibly be carried out with more qualitative questions targeted at vulnerable and marginalised groups. For example, supplementary questions could be asked to youths who migrated from rural areas regarding their experiences in education and finding work, or to young women regarding whether they face pressure against accessing further education or employment. This information would be useful to better understand the issues facing youth experiences during SWTs.

ANNEX III—INFORMATION CONCERNING THE DATA (CHAPTER 3)

Data management

To better compare outcomes across countries and generate regional estimates based on the five case studies presented in this report, significant efforts were made to merge different datasets. One of the procedures consisted in redefining educational levels so that they could be compared between different countries that use different classifications. Comments related to this procedure and some key definitions are described in this Annex.

Labour market status categories

- Working at an embassy was considered as working in the public sector. In Lebanon, this category also includes state-owned enterprises. In Egypt, it also includes 'international organisations,' 'foreign governments' and 'local authorities'.
- In Palestine, there is evidence of wrong translations; comparing Arabic and English questionnaires for question E06 (type of workplace): in the English codebook, code 7 is designated as 'Embassy, international organisation' while code 3 is 'International organisation'; meanwhile, in the original (Arabic) questionnaire, the description of code 7 is translated into English as 'Employer'.
- In Egypt's 2014 survey, everyone who declared themselves as employers (E08=2) were working at an embassy (E06=7). They were not included as salaried public workers, but as 'employers'.
- Individuals working in NGOs were classified as private employees. In Lebanon, this category also includes non-profit organisations;
- People working for pay in a family business, members of producers' cooperatives, or those self-employed, are classified as 'other workers';
- Detailed description of the public sector:
 - Government/public sector
 - IU/embassies or international organisation
 - State-owned enterprise (Lebanon)
 - Foreign government, Local Authority (Palestine)
- Detailed description for private sector:
 - Private sector
 - NGO/Non-profit
 - Private sector/farms,
 - Private business or farm; private household (Lebanon)
 - Private institution

- Detailed description for other workers:
 - Self-employed, family business, others (Egypt)
 - Family business/farm, others (Jordan)
 - Employer, self-employed, unpaid family member, others (Palestine)
 - Members of producers' cooperatives

Place of residence

- For Palestine's 2015 survey, variable A07 provides the 'locality type' with 'rural', 'urban' or 'camp' as available options. Similarly for Jordan in column Q108;
- For Tunisia, the available variable "v_reg_mi" for the region variable allows to distinguish between urban (uneven values) and rural (even values);
- As stated from the ILO SWT study by Dimova, Elder and Stephan (2016), there is no variable for 'place of origin' in Lebanon. On the other hand, variable q5 in the 2014 survey provides the *type of area* with 'rural' or 'urban' as available answers, probably referring to the enumeration area (question A6 in the dictionary). Also, almost 10 per cent of the answers are missing values. Table A1 shows the amount of missing values and 'others' for place of residence variable for each country.

Table A1. Percentage of missing values and 'other' class for 'place of residence' variable

Country	Percentage of missing values	Percentage of equals 'other'
Egypt	0.0	0.0
Jordan	0.0	1.5
Lebanon	9.7	0.0
Palestine	0.0	25.5
Tunisia	0.0	0.0

Source: Authors' elaboration.

ANNEX IV—SUMMARY STATISTICS FROM THE ILO SWTS FROM MENA (CHAPTER 3)

Table A2. Characteristics of youth and young adults in the MENA region, whole survey

Variable	Groups	Average	Egypt	Jordan	Lebanon	Palestine	Tunisia
Gender	Men	51.3	51.9	51.6	51.4	51.1	50.6
Gender	Women	48.7	48.1	48.4	48.6	48.9	49.4
Age groups	Youth (15-24)	70.9	71.7	74.0	72.4	71.9	64.7
Age groups	Young adults (25-29)	29.1	28.3	26.0	27.6	28.1	35.3
Place of residence	Other	7.0	-	3.9	-	10.2	-
Place of residence	Rural	34.1	57.7	32.7	30.4	16.4	33.5
Place of residence	Urban	61.0	42.3	63.4	59.5	73.4	66.5
Family situation	poor	3.4	2.0	1.8	2.5	2.3	8.2
Family situation	fairly poor	11.2	15.6	7.7	5.5	11.4	15.7
Family situation	Average	53.2	64.2	50.5	27.9	60.1	63.2
Family situation	fairly well-off	16.4	16.4	16.2	31.4	9.4	8.6
Family situation	well-off	15.7	1.8	23.8	32.7	16.8	3.5
Marital Status	Married	19.2	25.4	19.2	12.5	26.6	12.1
Having children	-	14.6	21.5	16.1	9.5	17.4	8.4

Source: Authors' elaboration.

Table A3. Youth's access to education and parent's educational attainment in the MENA region, whole survey

Category	Variable	Average	Egypt	Jordan	Lebanon	Palestine	Tunisia
Access to education	completed study	25.4	39.3	27.6	18.5	25.6	16.0
Access to education	currently studying	43.0	37.2	42.1	53.8	43.9	38.1
Access to education	left before completion	29.6	17.3	29.7	27.3	30.2	43.7
Access to education	never studied	2.0	6.3	0.6	0.4	0.3	2.2
Mother's education	less than primary	27.8	62.7	16.8	3.0	14.6	42.1
Mother's education	primary	39.7	4.6	43.7	60.3	51.8	38.2
Mother's education	secondary general	15.2	5.4	16.6	19.2	20.0	14.9
Mother's education	secondary vocational	5.2	17.0	0.4	1.9	5.8	0.8
Mother's education	Post-secondary vocational	1.6	2.7	1.1	0.9	-	-
Mother's education	tertiary	10.7	7.4	21.5	13.8	7.5	3.3
Mother's education	No answer	0.5	0.1	-	0.9	0.4	0.6
Father's education	less than primary	19.9	49.9	10.5	4.0	11.6	23.5
Father's education	primary	40.4	7.7	42.0	59.7	48.0	44.7
Father's education	secondary general	16.4	7.6	18.4	16.3	17.2	22.7
Father's education	secondary vocational	6.4	18.8	0.9	3.6	7.6	1.2
Father's education	Post-secondary vocational	1.7	3.3	0.3	1.4	NA	NA
Father's education	tertiary	15.3	12.3	27.8	14.3	15.2	6.7

Source: Authors' elaboration.

ANNEX V—DETAILS ON INFERENCE AND ECONOMETRIC MODELLING (CHAPTER 3)

Model specification

The modelling for Section 4 is conducted applying a logistic regression, as described below:

$$P(y_i = 1) = \frac{e^{(\beta X_i)}}{1 + e^{(\beta X_i)}}$$

Wherein:

- y_i is a dummy variable that equals one if, for example, the individual works at a public institution;
- X_i is the vector of individual characteristics;
- β_i is the vector of coefficients to be estimated.

The vector X_i is composed by the following covariates:

- Age (years);
- A categorical variable crossing gender and marital status and then composed of four categories: unmarried woman, married woman, unmarried man and married man, the former defined as the reference category;⁷⁸
- A dummy variable for living in urban areas;
- A categorical variable for self-assessed family situation, defining 'average' as the reference group;
- A categorical variable for education level with three categories: 'no education' (less than primary), 'primary', 'secondary' and 'tertiary or post-secondary', defining 'primary' as reference group;
- Two categorical variables for parents' education, with three categories: 'no education', 'primary' and 'secondary or tertiary', defining 'primary' as reference group.

Model evaluation

- McFaddens's pseudo-R squared (the same reported by Stata):

$$R_{McFadden}^2 = 1 - \frac{\log(L_c)}{\log(L_{null})}$$

For which:

- L_c is the maximised likelihood value from the current fitted model;
- L_{null} is the maximised likelihood for a model with intercept only with no covariates.

NOTES

1. Countries included as part of MENA in this report, following UNICEF's definition: Algeria, Bahrain, Djibouti, Egypt, Iran (Islamic Republic of), Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, State of Palestine, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates, and Yemen.
2. As noted in IPC-IG (2018), social protection can also include social assistance services (e.g. social care services) as well as general price subsidies.
3. ILO methodology further defines as informal employment: i) own-account workers (without hired workers) operating an informal enterprise; ii) employers (with hired workers) operating an informal enterprise; iii) all contributing family workers are classified as having informal employment; and iv) employers and own-account workers when their economic units belong to the informal sector.
4. According to UNDP (2011, 7), transformational change is defined as "the process whereby positive development results are achieved and sustained over time by institutionalizing policies, programmes and projects within national strategies. This embodies the concept of institutionally sustained results—consistency of achievement over time. It excludes short-term, transitory impact".
5. Note that the definitions and the type of programmes included can differ, depending on the country or agency concerned. UNICEF (2019) for example, considers a fourth dimension, namely social service workforce, referring to outreach, case management and referral services.
6. Lalonde (2003) provides a historical review on the impacts ALMPs in the United States, and Weishaupt (2011) looks at the history of activation programmes in Europe.
7. Including Röth et al. (2016), Rose (2018); and Bown and Freund (2019).
8. Recent evidence from developed countries of private sector incentives targeting older individuals (re)entering the labour force is covered in Boockmann (2015).
9. Despite the results, the programme seems to have provided an access-to-work function for the unemployed.
10. Often referred to in the literature as "deadweight losses".
11. One exception is the New Deal programme in the UK—which provided participants with wage subsidies for over 26 weeks and guaranteed (and subsidised) on-the-job training—which led to positive employment effects on participants (Dorsett 2006).
12. This was particularly the case in markets where applicants compete with other educated workers, and in weak labour markets.
13. It is worth noting that many agencies, including the World Bank, do not classify PWP as ALMPs, but rather as social assistance programmes.
14. A study on the impacts of lottery winnings on wage earnings shows that a USD1 increase in winnings leads to approximately a 0.1 decrease in earnings.
15. It should be noted that aggregate effects of UBI on employment do not solely depend on the distribution of benefits but also on the source of financing. For instance, if an UBI scheme is financed through higher taxes, then the effects on labour supply and employment must also be factored into net impacts.
16. Although estimates for developing countries exist in the World Bank ASPIRE database, these figures are aggregated based on household survey information, and can significantly differ from official figures.
17. Studies mentioned or discussed in this review include Blattman and Ralston (2015), Escudero et al. (2018), Kluge (2016), McKenzie (2017), and Zimmerman (2014).
18. Most of the studies covered focus on out-of-school training programmes targeting unemployed youth.

19. Again, similar results are obtained by Tripney and Hombrados (2013), who find that two-phase TVET interventions (classroom-based vocational training followed by on-the-job training) had similar effects to other TVET programmes.
20. McKenzie (2017) reviews the evidence on whether returns to training are greater for women than men and finds no consistency from the literature suggesting that neither men nor women are more likely to benefit from TVET programmes. He then argues that this stylised fact is only a myth (p.135-6).
21. However, it should be noted that in both studies, women were unlikely to be employed in the first place; hence, large relative increases in employment and earnings do not translate into large absolute gains.
22. The study by Grimm and Paffhausen (2015) differs slightly from the previous two, since interventions also include financing assistance.
23. It is worth noting that the impact evaluation took place at the onset of the global financial crisis and, therefore, might have influenced firm survival.
24. They do find, however, that earnings seem to have increased for part of the eligible group, suggesting that the incidence is partly on workers.
25. Despite very low take-up, the authors do find that voucher recipients had a higher probability of employment than did the control group, although employment gains were in the informal sector and largely confined to female workers, younger workers, and more educated workers.
26. Bruhn notes that the benefits were only paid out towards the end of the programme, which potentially explains no significant changes in employment during, and also faster recovery in targeted industries following, the programme.
27. See Section 2.2. in Nilsson (2019) for a review.
28. Also, if low-skilled jobseekers are less likely to access advertised jobs, these services would mostly benefit more educated jobseekers.
29. For example, classified advertisements, private employment agencies, direct contact with the employers, and relatives and friends.
30. However, employment services do not impact skills or human capital; therefore, if the problem is low employability, these services are unlikely to help if administered alone.
31. Despite the increasing importance of PWPs, their history is older. Zimmerman (2014) notes that since the 1980s, PWP schemes have emerged in developing countries as temporary programmes in response to specific shocks.
32. NREGA also includes a significant gender component, as it stipulates that employment be offered within five kilometres of home and that childcare facilities be provided. Moreover, almost half of all participants are women (Khera and Nayak 2009).
33. Murgai et al. (2016) assess the cost-effectiveness of NREGA in a poor state of India and find that, for the same budget, unproductive workfare has less of an impact on poverty than either a basic-income scheme or transfers tied to the government's assignment of ration cards.
34. Note: In this review, subsidies for job search assistance are analysed as CTs that are conditional on searching for work. This literature, however, is strongly related to that of employment search and matching services.
35. See Baird et al. (2018), section 4.2 for a detailed review.
36. Studies include McKenzie and Woodruff (2008) in Mexico; de Mel et al., (2008) in Sri Lanka; and Fafchamps et al. (2014) in Ghana.
37. In a meta-analysis of 27 social assistance programmes in Africa, Ralston et al. (2017) find that only 6 out of 20 programmes that reported outcomes on productive assets had significant results. No significant effects were found for employment or business ownership, however positive—yet heterogeneous—effects were found for earnings.

38. He also notes that activation benefits have been most effective for UI and single-parent benefit recipients. In turn, activating recipients of disability benefits into work is much less successful in all countries that have tried to implement such policies.
39. The UN adopts the following age classification: Children (aged 0-18); Adolescents (10-19); Youth (15-24); Young people (10-24); and Young adults (25-30). We use the term 'young adults' in this chapter, although the upper age limit in SWTS is 29 years.
40. Referred to as "Occupied Palestinian Territory" in the ILO SWTS.
41. Annex II contains information of the micro-dataset and variable mapping that was conducted to determine the choice of datasets to be used, and ultimately leading to the choice to use the SWTS.
42. Learning-adjusted years of schooling are calculated using as a benchmark the grade 8 mathematics results from the 2015 Trends in International Mathematics and Science Study (TIMSS).
43. These interpretations should be treated with caution, as the share of respondents identifying as being from 'well-off' and especially 'poor' family situations are statistically small and under-represented.
44. A reminder that the 'unemployed' category does not include students that are not working but are actively looking for a job. Youth and young adults in this category are categorised exclusively as students. On the other hand, youths and young adults simultaneously working and studying were classified as 'employed'.
45. This does not exclude that individuals with lower educational attainment might have jobs with lower working conditions and/or salary.
46. ILO (2008).
47. It is worth pointing out that the pseudo R-squared is quite low at 0.141, which means that the model accurately estimates 14 percent of variation in the data, meaning that other (unobserved) dynamics are at play when it comes to understanding employment trajectories.
48. Data from the UN, UNHCR and the Internal Displacement Monitoring Centre.
49. Studies include: Barcucci and Mryyan (2014), Dimova, Elder and Stephan (2016), Dimova and Stephan (2016), Mansuy and Werquin (2015), among others.
50. However, shorter waiting periods for well-off youths might be partly explained by this group having more access to additional training and/or education options while waiting for better job opportunities.
51. The results from Assaad, Krafft and Salemi (2019), however, markedly contrast with the findings from Amer (2018) who finds that SWTs deteriorated over time. The original results are nonetheless confirmed in a recent study by Fallah, Krafft and Wahba (2019), who find evidence that the arrival of refugees from Syria did not worsen labour market outcomes among Jordanians.
52. In Egypt, this applied to areas of industry such as the manufacturing of basic pharmaceutical products, and the manufacture of computer, electronic and optical products.
53. Mainly due to stagnation of incumbents and entrants starting small (typically as self-employed).
54. In Lebanon, there was income security for the elderly through regular old-age pension benefits, only a lump sum.
55. The YElS were conducted as part of the ILO's What Works in Youth Employment Series, and the IFAD-ILO Tajeem Initiative. MENA countries included in the YEl are Egypt (2013), Tunisia (2014) and Jordan (2016).
56. It is worth noting that according to the YEl classification, programmes may have multiple 'main' categories; hence, it is normal for the cumulative percentages of different programmes to exceed 100 per cent.
57. Unfortunately, no clear data exists to assess this evolution over time.

58. Some of the issues to consider when estimating the impact of social protection programmes on employment include identification of treatment and control groups with similar (pre-intervention) characteristics; having quality information at the individual-level on employment outcomes before and after the intervention (ideally with multiple follow-ups); and some control for, or assessment of, negative spillovers. For instance, ALMPs may help provide employment for some young people at the expense of others who might already be suitable for the job.
59. Specifically, by randomly allocating individuals with similar characteristics into treatment (taking part in the programme) and control (not taking part) groups.
60. The main goals of the EEIP were to (i) provide short-term employability to unemployed, unskilled, and semi-skilled people; (ii) contribute to the creation and maintenance of community infrastructure; (iii) improve the access to basic infrastructure and community services; and (iv) improve the employability of young men and women through short-term training or other support services.
61. Close to 50 percent of beneficiary households in the sample were 'very highly vulnerable' (less than USD88 household expenditure per capita—below the simple minimum expenditure budget (SMEB)), and 17.11 per cent are 'highly vulnerable' (between USD88 (SMEB) and USD114 (the minimum expenditure budget (MEB) household expenditure per capita).
62. Including 1037 new projects, 679 existing projects, 43 leadership projects, 197 student loans, 81 projects focusing on the poorest regions, 26 projects in developing areas, 131 projects within the programme of supporting young people in search for jobs, 95 self-financed projects, 34 projects targeting specific professions, 29 projects supporting civil society organizations, and 21 projects supporting the Royal initiative.
63. Bodies include the armed forces, public security, VTC, NET, the E-TVET Fund, MoE, MoHE, and the Jordanian Hashemite Fund (JHF).
64. In addition to the key programmes described in Table A2, the 2016-2021 ESCDP includes microfinancing schemes, a plan to send labour abroad, and employment support programmes administered by the IKRC, the National Welfare Organization and other non-governmental or para-governmental organisations (Basij, Barakat Foundation, Mostaz'afan Foundation, Martyrs and Sacrifice Foundation).
65. The most important reasons being failures of the Social Security Organisation to cooperate with the MCLSW, as well as long delays in allocating the necessary funds to implement the project.
66. Other Ministries included: Roads and City Planning (38'500), Culture and Islamic Guidance (24'000), and other executive agencies (37'000).
67. It should be noted, however, that it is unclear whether the new job opportunities created are new jobs created as part of the initiative, or if they are pre-existing jobs that are newly registered.
68. Interventions that are part of business leadership programmes include: training programmes; specialised guidance and counselling programmes; support for entrepreneurial thought; and business incubators.
69. This axis also includes creating links with the local private sector by contracting local small contractors to implement projects in the targeted areas and supporting infrastructure projects in villages from the poorest governorates.
70. Initiative Nationale pour le Développement Humain.
71. *Ministère du Travail et de l'Insertion Professionnelle.*
72. *Agence Nationale de Promotion de l'Emploi et des Compétences.*
73. *Comité Régional d'Amélioration d'Employabilité.*
74. *Office de la Formation Professionnelle et de la Promotion du Travail.*
75. *Some state-owned banks also offer microloans targeting young people.*

76. ILO (2008). Measurement of decent work based on guidance received at the Tripartite Meeting of Experts on the Measurement of Decent work; ILO (2018). Guide on measuring Decent Jobs for Youth.

77. See Annex I in Dimova, Elder and Stephan (2016). Labour market transitions of young women and men in the Middle East and North Africa, International Labour Office. Geneva: ILO.

78. In this case, the effects are interpreted as the differences in $P(Y_i=1)$ between unmarried man and the remaining groups.



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