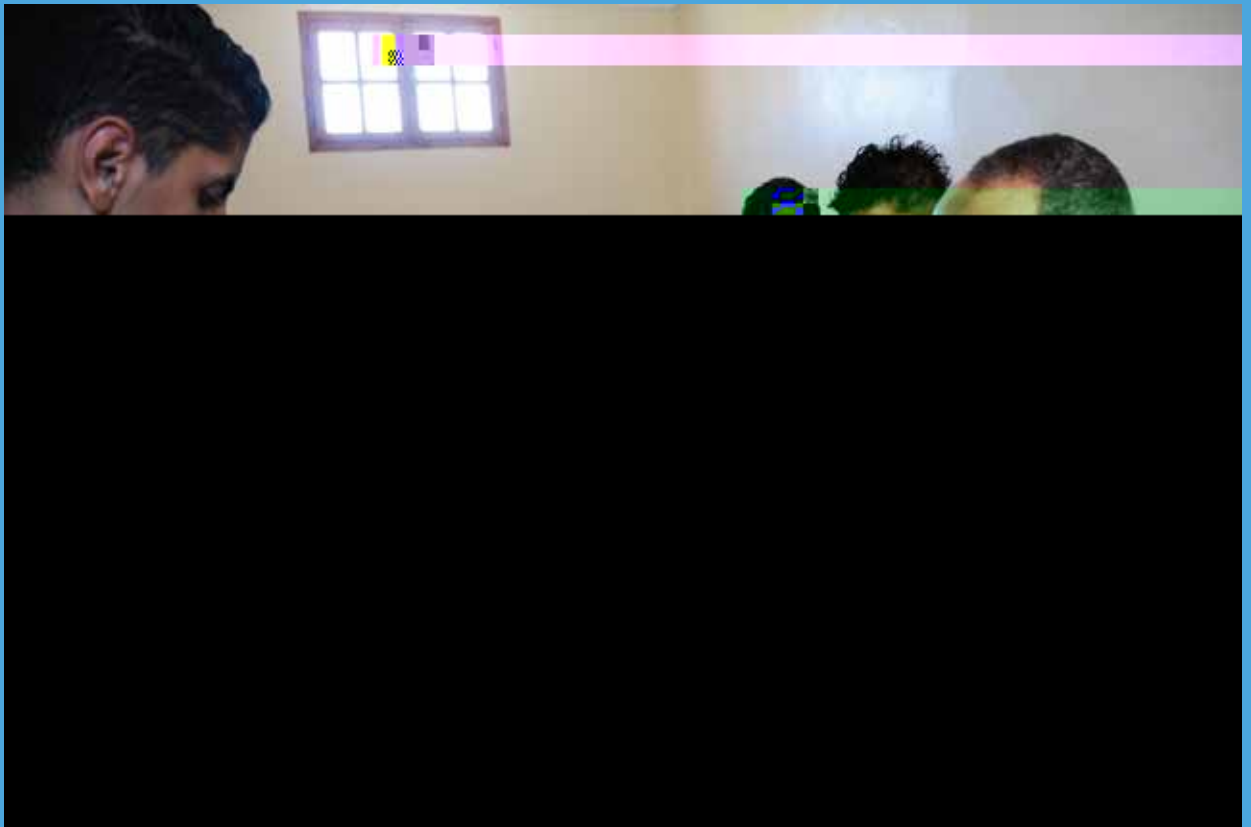


Skills for Employment and Other Youth Services



stipends. Most of these programs are focused on unemployed graduates.¹ Many of ANETI's programs overlap or have similar approaches. In addition, there is a generalized lack of program coherence or monitoring and evaluation of programs.² ANETI's monitoring system is not results-based and only provides data on take-up rates—i.e., outputs. There have been some attempts to evaluate ANETI's employment programs, but the results are outdated, sporadic, donor driven, and lack scientific credibility (World Bank 2013c).

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

- **AMAL** (meaning “hope” in Arabic) was originally designed to provide unemployed university degree-holders with employment services for up to 12 months. Launched by the interim government in response to the 2011 revolution, AMAL quickly became the largest of ANETI's schemes; it has since been discontinued because it was unsustainable. The program was expected to offer beneficiaries career coaching, training in hard and soft skills, on-the-job training, job search assistance, and a monthly stipend of TND 200 (US\$ (PPP) 275.70). While originally designed as an activation program, in practice, AMAL primarily provided cash assistance to unemployed graduates. Design flaws and conditions that were difficult to enforce meant that incentives to search for jobs and accept job offers were actually reduced (Robalino et al. 2013). The program was designed to offer participants a stipend of TND 200 (US\$ (PPP) 275.70)—equivalenters

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given by companies and union leaders is the lack of appropriate skills and limited matching between candidates and firms, which is done by ANETI. Additional training for young workers could be helpful to fill skill gaps between unemployed youth and available vacancies (Angel-Urdinola et al. 2012).

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

- **Voluntary Civil Service (SCV)⁵** subsidizes the costs of hiring university graduates in civil society organizations. The program arranges up to 12 months of work placements, providing a monthly stipend of TND 200 (US\$ (PPP) 276). In 2011, the program had about 8,000 participants (Angel-Urdinola et al. 2012). Associations do not have to meet any quality criteria to participate in the program. Indeed, most associations that participate are very small, often with low capacity, which reduces the attractiveness of the program (Angel-Urdinola et al. 2012).
- **Employment Program for Graduates of Higher Education (CIDES)⁶** targets university graduates who have been unemployed for more than two years. The program subsidizes wages and provides monthly stipends of TND 150 (US\$ (PPP) 207) for internships and jobs (World Bank 2012b). In addition to the stipends, the program pays part of the employer's contribution to social security for up to seven years, contributing a declining share over time. The program reached about 3,000 beneficiaries in 2011. In theory, employers are required to hire beneficiaries after program completion, but in practice, placement rates are very low—21 percent in 2010.
- **Youth Back-to-Work Program⁷** provides beneficiaries with a monthly stipend of TND 200 (US\$ (PPP) 276) and additional social security coverage. The program further covers the costs of up to 200 hours of training and associated travel costs. The program is relatively small, with only about 1,000 interns in 2011, and operates mainly in the cities of Monastir and Tunis. Most (approximately 90 percent) participants are nongraduates.

- **Fifty Percent Wage Subsidy Program⁸** aims to encourage private companies to hire first-time job seekers with a university degree by paying half of their wage up to a maximum of TND250 (US\$ (PPP) 344.63) per month for up to 12 months. The program is limited to regional development zones (as defined in the Investment Code) and only applies to new firms active in certain high value-added

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duplicate similar programs implemented by the Ministry of Regional Development and other donors—e.g., Labor Intensive Public Works. There have been cases of public works projects that were never completed or that have paid wages to workers who did not show up for work. In addition, there is evidence that CES programs do not have clear governance frameworks or procedures or transparent allocation of funds (World Bank 2013c). CES programs largely lack monitoring and do not generally cross-reference beneficiaries with ANETI records, allowing some individuals to simultaneously benefit from various programs. The long-term labor market impact of public works programs can be insignificant, and research has found a stigma attached to public works jobs, which may decrease the employability of participants over the long run (Robalino et al. 2013). Alternative approaches for a scalable project design to activate unemployed youth without a secondary education—mostly NEETs—is presented in the following chapter.

Apart from ANETI, the Tunisian government also implements a number of training programs through the Tunisian Agency for Professional Training (ATFP).¹¹ ATFP was established in 1993 under the MVTE with the

responsibility of vocational training. Its budget is TND 200 million (US\$ (PPP) 276 million), all from public funds. ATFP manages 137 training centers across all of Tunisia’s governorates, including specialized centers for training in particular sectors—e.g., construction, electronics, mechanics, tourism, and textiles (48 centers)—as well as centers for apprenticeship (61), young rural women (15), for crafts (13). These centers train around 60,000 students per year and employ about 7,300 staff. ATFP offers a range of training, including (1) residential courses at training centers; (2) apprenticeship agreements involving a company, with the apprentice spending up to a half of his or her time in training; and (3) courses tailored to the industry of a particular region.

Figure 5.1 illustrates the 2011 distribution of young beneficiaries of ALMPs. The majority were university —66 percent veibutiA-ca ce/ITex3 437.7n.5 42-Pi8p1fs the 20m,

nothing unusual—lots of things like that affect trainees. ... Half of us abandoned the course before the end.
Male school dropout, 23, Sidi Bouzid, interior Tunisia

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

Take-up of Tunisia’s ALMPs is relatively high, but little is known about their impact on employability and job placement. For example, only 8.2 percent of previous participants of AMAL in urban areas were employed by

the time of the 2012 survey, which is much lower than the average rate of employment (see figure 5.6). In comparison, 24.2 percent of previous urban SIVP participants were working at the time of the survey. While the data do not allow a causal analysis, the correlations suggest that the SIVP apprenticeship program was substantially more effective in improving employability when compared with the largely untargeted cash transfers of AMAL.¹⁴ If anything, AMAL appears to have reduced the chances for employment among registered youth.

Benefits from Active Labor Market Programs

It is difficult to assess the impact of these labor market programs, both because of a lack of systematic monitoring data and the issue of attribution. The attribution problem occurs because a graduate may have obtained a given job without a program. Reported labor market insertion rates vary between sources and are not based on a causal analysis. For example, 10.1 percent for the three main programs—CAIP, CIDES, and SIVP 2

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

Available evidence shows that most ALMPs, such as AMAL

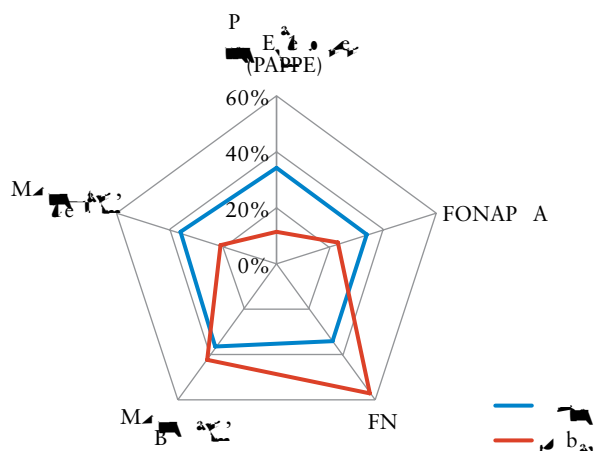
to 12 months. The stipend for university graduates is twice that amount. The program reportedly had 17,000 beneficiaries in 2011 (World Bank 2013c).

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

Perceptions of Entrepreneurship Programs

Awareness of existing entrepreneurship programs exceeds that of ALMP programs but remains low. As shown by figure 5.7, approximately one-third of rural youth is aware of entrepreneurship programs such as PAPPE—34.0

Figure 5.7. Awareness of Entrepreneurship Programs—Urban Versus Rural



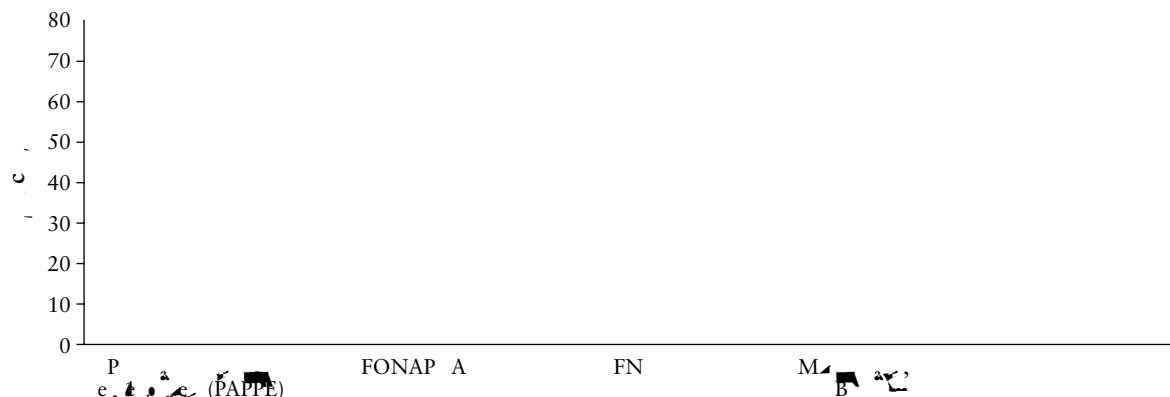
Source: World Bank 2012d; 2012e.

Note: Figure refers to all youth.

percent, the National Fund For the Promotion of Craft and Small Entrepreneurs (*Fonds National de Promotion de l'Artisanat et des Petits Métiers* or FONAPRA)—33.9 percent, the National Solidarity Fund (*Fonds National de Solidarité* or FNS)—34.1 percent, microloans offered by BTS—36.5 percent, and other microloans—36.2 percent. In urban areas, on the other hand, only FNS (56.9 percent) and BTS's microloans (42.4 percent) are well known. As for the remaining programs, less than one-quarter of urban youth is aware of FONAPRA (23.5 percent), only one-fifth knows about microloans other than BTS's loans (20.5 percent), and only one out of nine are familiar with PAPPE (11.3 percent). Young Tunisians' levels of awareness about the programs do not differ much by region, with the exception of youth in the rural south who seem to have a higher awareness of PAPPE compared with their peers. But at the same time, they have a lower awareness of microloans, other than BTS's loans (see annex 5, figure A5.3).

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

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



Participation in Entrepreneurship Programs

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

Urban university graduates, a priority group for policy makers, have barely enrolled in any entrepreneurship programs. Microloan programs have the highest take-up among urban youth without university degrees. Only one in 100 university graduates enroll in any of the publically provided entrepreneurship programs. The take-up is substantially higher among youth without university degrees, particularly for the microloan programs PAPPE (1.9 percent urban and 3.8 percent rural), FNS

(1.7 percent urban and 4.7 percent rural), and BTS (3.0 percent urban and 3.0 percent rural), as shown in figure 5.10. This finding suggests that while university graduates are more inclined to seek wage employment, less educated youth are more likely to pursue self-employment,

notwithstanding the fact that these available entrepreneurship programs currently exclude youth who are self-employed in the informal sector.

Program take-up among young Tunisians without work is substantially higher in rural areas. While the take-up among NEETs and working youth reaches similar levels in rural areas, urban NEETs participate in entrepreneurship programs with a substantially lower probability than working urban youth. For instance, 6.7 percent of young working Tunisians in urban areas participated in microloan programs other than BTS's microloans (3.8 percent in BTS microloans), as compared with only 2.2 percent of urban NEETs (0.6 percent in BTS microloans) (see annex 5, figure A5.6). Further

mobile centers attracted 390,000. But given the lack of a rigorous monitoring system, it is unlikely that such figures reflect the actual number of users. According to the Ministry of Youth and Sports, the most popular activities were sports and accessing the Internet. Attendance was reported to have fallen by 36 percent since 2010, reflecting a declining trend of attendance over a number

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

- **ALMPs are regressive and predominantly cater to university graduates.**

- **Develop public-private-NG**

increasing the employability and earnings of low-income youth in several Latin American countries (see box 5.2). Priority should be given to Training Plus programs while the less effective but costly ALMPs, such as vocational training in classrooms and AMAL-type cash transfers, should be phased out. By integrating and reducing the number of ALMPs, savings can be reallocated to Training Plus programs aimed at less educated youth from peri-urban, rural, and lagging regions.

**Establish “Comprehensive Entrepreneurship”
Programs**

recommended programs have been evaluated with largely positive results, it will be critical to introduce them incrementally into Tunisia and to test and evaluate what works best before implementing programs on a larger scale.

Building on previously presented findings on youth exclusion in Tunisia, this chapter provides an overview of existing programs and services aimed at young Tunisians

as well as international good practices. It highlighted current gaps in addressing barriers that cause economic exclusion and lack of access to opportunities in the country's programming. Figure 5.11 concludes the chapter by summarizing key categories of barriers discussed so far and offering evidence-based program interventions that contribute to address such barriers.²⁰

Figure 5.11. Matrix of Labor Market Interventions



Notes

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

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

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

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

5. SCV—*Service Civil Volontaire*.

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

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

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

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

10. CES—*Contrat Emploi-Solidarité*.

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

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

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

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

15. World Bank calculations.

16. *Banque Tunisienne de Solidarité*.

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

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

19. Arabic for inclusion and cooperation.

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