

**JOINT REPORT ON YOUNG PEOPLE AND EMPLOYMENT IN
THE EURO-MEDITERRANEAN REGION**

Proposal

Working Party on Labour Relations, Employment and Social Security

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1. INTRODUCTION

The final Declaration of the Euro-Mediterranean Summit of Economic and Social Councils (ESC's) and Similar Institutions, held in Istanbul (Turkey) between the 16th and the 18th of November, 2011, included, as part of the 2011-2013 working programme, running a Report on *Youth and Employment in the Euro-Mediterranean Region*, whose presentation will take place at the Summit which is scheduled to be held this year 2013, and it will be one of the central issues of the debate.

At the Istanbul Summit, the Economic and Social Council of Spain undertook the commitment to lead and coordinate this Report, which has been produced in collaboration with their counterparts in Jordan, Morocco, Greece, France and Lebanon, as well as with the European Economic and Social Committee.

A COMMON PROBLEM

One of the features which is common to the entire Euro-Mediterranean Region is the problem of scarce employment opportunities for young people, something which is often associated to the presence of weak links to employment and poor working conditions. The importance of this problem is now far greater, if possible, because it is part of the background of several long-range processes, including at least two: firstly, the processes of political change which have taken place in the last three years and which are still under way in the southern shores; on the other hand, the global economic and financial crisis that has impacted on the entire region, and has been especially hard on several countries of the northern shores, and also on the cooperation relations and on economic and trade integration in the whole Mediterranean.

THE CHALLENGE OF YOUTH EMPLOYMENT, A PRIORITY FOR THE ENTIRE EURO-MEDITERRANEAN REGION

The peculiar socio-demographic structure of the MPC's, the youngest in the world today, has become a great challenge and a great opportunity for the Mediterranean. The intense (and sometimes violent) socio-political processes of change which are being experienced in the region have an indisputable youth component. In fact, young people are considered the main driving force in the demand for social and political changes in the southern Mediterranean. This is a population group which is numerically significant and which has reached high levels of frustration, as they are unable to see their expectations rewarded, in terms of upward mobility (as well as better employment opportunities), which are derived from educational levels of attainment which are higher than all the preceding generations.

In the employment sector, the need to ensure intensive creation of quality, stable jobs must be dealt with, for those generations of young people which are more numerous in

the region. This is the challenge. And at the same time, it is also the opportunity, as these generations can be a powerful engine for economic and social growth in the region. The challenge is also a priority for the EU countries, especially for those on the Mediterranean, both in terms of attention to their own younger populations and to those who live on the southern shore, to the extent that the positive effects of economic development and social integration of MPC's are deployed throughout the region and good general solutions are defined for mobility and immigration issues.

PURPOSE AND STRUCTURE OF THE REPORT

From the above it has been decided that the purpose of this Report will be to articulate a number of conclusions and proposals in order to contribute, as far as possible, to foster future lines of cooperation which will help overcome the challenges of the social and labour situation of young people in the Euro-Mediterranean Region. This will involve a prior assessment – as accurate as possible – of the situation: its context, its causes and the results of the various policies adopted as well as the actions and Mediterranean cooperation instruments which have so far been applied.

Of course, the starting point will be the work done so far within the framework of the Euro-Mediterranean Association of Economic and Social Councils and Similar Institutions. Employment-related issues have been addressed in various joint reports which have included some aspects about young people and their participation in the labour market. Thus, the Report on *Priority Actions to be developed in Employment Policies*, presented at the Euro-Mediterranean Social and Economic Summit held in 2008 in Rabat (henceforth Rabat Joint Report 2008), already noted that the very strong contingent of very young people which is typical in these countries was one of the factors which would exert the most pressure on the future of labour markets in the area, whose main feature already was a high youth unemployment rate, derived mainly from the difficulty of moving on from the educational system (featuring high school dropout rates in secondary education, low participation in higher and further education and a scarce supply and poor quality of vocational training options) to the labour market.

In addition, the Report on *Vocational Training as a Competitiveness and Job Creation Factor: Priorities of Economic and Social Agents*, which was passed in 2010 at the Rome Summit (henceforth Rome Joint Report 2010), pointed out, in relation to the role of vocational training, the mismatch between the supply of educational options and the demand for qualifications and skills, and it stressed the need for vocational training systems to respond swiftly to the demands for skills and qualifications required by the productive fabric, by identifying training needs quickly and implementing them in the initial and ongoing training programmes.

On the other hand, the Report on the *Promotion of Entrepreneurship, Innovation and Creativity in the Euro-Mediterranean Region*, adopted in 2011 at the Istanbul Summit (henceforth Istanbul Joint Report 2011), further pointed out the need to encourage the development of business entrepreneurship, given the deficit observed in the Mediterranean Region, and the role that businesses and entrepreneurs play as drivers of growth, and as wealth and job creators. In this regard, it was stressed that the need for measures to encourage the creation of SME's and social economy businesses, to improve services that support entrepreneurship and access to finance, and to foster a culture of entrepreneurship and business initiative from within the educational system itself was of paramount importance. All of these aspects are not only closely linked with the priorities of job creation in general, but also with more specific employment policies for young people and women.

These Reports are a good starting point, although the events which have taken place over the past few years require a new process of contextualization of the ideas which were spelled out then, placing greater emphasis on young people.

Other reports which have also been produced thus far in relation to migration are very relevant to this Report. This is even more evident in the present context, since the initial political instability associated with the processes of change and the economic and social impact on the living and working conditions of large parts of the population, which in many cases and situations were preceded by severe economic decline, has resulted in greater pressure on migratory flows in the region. In fact, in some of the MPC's migration is one of the major projects in young people's lives, especially among those who are educated to university level. However, the mandate which emanates from the Social and Economic Summit held in Istanbul is to monitor cooperation on immigration on an annual basis, in parallel with other initiatives, so it is best if these issues are left to such proceedings.

2. DEMOGRAPHIC, SOCIAL AND ECONOMIC CONTEXT

Many of the elements which make up the macro-economic and demographic scenario in the Euro-Mediterranean Region are at the base of the behaviour and attitudes of their young population, and are certainly at the heart of the challenges which they will have to face in the future. For this reason, the aim of this section is to draw up an initial overview of the Euro-Mediterranean Region, by describing the social, economic and demographic situation, with special regard to the effects of the international economic crisis, and by trying to highlight the main points in common and the main differences between countries in the region, and in particular, between the southern and the northern shores. The main features of the population of young people in the Region are also

analysed, with a special emphasis on their educational and employment profiles, as well as their attitudes and values, in an attempt to look into the role that employment plays in their lives, not only in terms of access to the labour market but also in its broadest social sense.

2.1. General Social and Economic Outlook in the Region

Over the last ten years, the countries of the southern shores of the Mediterranean have achieved higher economic growth rates than those recorded globally and in the European Union. Between 2001 and 2010 the average annual increase in GDP was 4.6 per cent, compared to 2.4 per cent in the EU-27 (Table 1).

As it was pointed out in the 2012 Joint Report on *Integrated Industrial Policies*¹ (henceforth Amman Joint Report 2012), the excellent pace of economic growth up to the start of crisis was influenced, among other factors, by greater trade freedom and integration in the region, driven, in turn, by increasing flows of foreign direct investment (FDI) attracted both by the improvement of institutional contexts and economic regulations and by the increased availability of a progressively better educated workforce.

In spite of this, growth was not enough to improve people's standard of living, due largely to the high increase of the population itself and the difficulty of creating jobs at a rate which might be able to absorb the enlargement of the labour force. Thus, in 2010 the per capita gross income in the southern shores of the Mediterranean was one third of the average for the EU-27 (Table 2). There is, however, a wide variation by country, as is also the case within the European Union, which explains the substantial range of values in terms of human development indices in the whole Euro-Mediterranean Region (Table 3).

THE EFFECTS OF THE CRISIS IN THE REGION: IMPACT ON THE MPC'S

On the other hand, the international economic crisis has clouded the outlook for growth, as illustrated for example by the drop in FDI, around 12.5 per cent in 2011. Political unrest in the region has also been influential in this sense and, regardless of the long-term consequences (which will certainly be positive if processes of democratization and

¹ Joint Report on *Integrated Industrial Policies, with special attention to the Energy Sector in the Euro-Mediterranean Region*, presented at the Euro-Mediterranean Summit of Economic and Social Councils and Similar Institutions which took place in Amman from the 17th to the 19th of October 2012.

political openness are consolidated), it generates a strong sense of uncertainty and tend to discourage external demand².

However, as the Amman Joint Report 2012 pointed out, the crisis has above all revealed the limitations of the growth model followed in recent years, for various reasons: firstly, because the main source of this growth was a greater contribution of several factors (population and physical capital), which has brought about a relatively low intensity in the use of technology and more skilled labour; secondly, because it relied less on economic integration than on the liberalization of trade, which consequently drove up exports but also imports, especially of basic commodities (including energy), and thus generated high and persistent inflation and a growing trade deficit; thirdly, because of its low level of inclusiveness, with absolute poverty levels somewhat better but with greater persistence of such poverty and a lack of social policies to improve the serious imbalance in the distribution of income among the population and to foster upward social mobility, which is still weak; and in the fourth place, because of the difficulty to absorb – by means of greater employment opportunities – the strong growth in the labour force, derived in turn from the ever larger cohorts of young people which reach working age as a result of the region's demographic takeoff.

In this context, the underdevelopment of tax systems and a sometimes excessive and rigid state structure constitute a burden on public resources (as evidenced by increased levels of public debt, which already exceeded 80 per cent in some countries in 2011) and thus, the capacity for public policy action, both in terms of social policies and economic modernization policies. This is compounded by weaknesses in the regulatory and institutional framework, which are in themselves an obstacle to economic development because they worsen the climate for investment and entrepreneurship.

THE EFFECTS OF THE CRISIS IN THE REGION: IMPACT ON THE EU

As for the European Union, the crisis seems to have been revived significantly in 2012, with a return to recession in both the Eurozone and in the EU-27 as a whole, which is having a negative impact on the European labour market. Instability worsened significantly at the end of that year, with a clear impact on the new high – 10.8 per cent – reached in the unemployment figures, which was particularly high among young people (25 per cent) and the long-term unemployed.

The complexity of the problem and the governance issues related to the single currency and the European financial system, the greater contraction in demand associated with

² Initial macro-economic estimates of the impact of these processes already pointed at a drop in GDP in several countries in the region, in relation to political processes of change (especially in Tunisia and Egypt). See FEMISE Annual Report 2011 (Chapter 1, pp. 9-17).

strong fiscal adjustment policies and the restrictive effects on credit as a result of constant turmoil in the money markets were the likely causes behind this widespread relapse of European economies.

Within the European Union, the main concern focuses on some countries on the northern Mediterranean shore. The outlook for these countries is bleak in the short and medium term, their labour markets having been severely eroded in terms of employment opportunities and with high unemployment rates, especially among young people. And in diagnosing these weaknesses some elements are shared with MPC's: the crisis has also exposed the limitations of an unsustainable growth model, based on the higher contributions of factors, mainly population (due to strong flows of migration), with very limited gains in total productivity, which are insufficient to decisively reduce social inequalities

A REGION OF SME'S

In the Amman Joint Report 2012 it was noted that the situation of the business fabric among MPC's, as with other European countries and especially those on the Mediterranean, is pre-eminently dominated by a high presence of small companies, which are responsible for most of the employment which is created.

SME's make up, in fact, more than 90 per cent of businesses in the Mediterranean and create two-thirds of employment. Beyond their quantitative relevance, the development of the small business fabric is essential in promoting job creation in the Mediterranean, facilitating the integration of the economies on the two shores of the Mediterranean and fostering technology transfer and innovation. In this sense, social economy solutions can contribute to the development of entrepreneurship and the creation of productive fabric, especially in rural areas and in areas which are less attractive to external investment; these solutions may also enable the development of associative networks and the provision of social services, thus contributing to the attachment of the population to the territory and, ultimately, to local development.

However, in general, small businesses suffer from greater limitations than large companies when trying to access external financing, and are more dependent on the banking sector for such access. Thus, in the context of the current financial crisis, small businesses, particularly those in the MPC's, are the most affected by the decline in capital flows, reduced investment and a decrease in remittances.

INFORMAL ECONOMY AND VULNERABLE EMPLOYMENT

In addition, among MPC's, the aforementioned pressure of sometimes excessive and rigid state structures, is an additional difficulty for the development of the business fabric. Bureaucratic red tape sustains the survival of a large segment of the economy, an

economic activity in the private sector, which is *informal* in nature, and which, although it could provide some flexibility to the market, it is a burden on the development of competitive business activities based on a high potential for productivity growth through greater incorporation of capital (including technological and non-tangible resources) and skilled labour. The informal economy also means, according to various reports about the southern Mediterranean³, a serious obstacle to the professional and personal development of young people.

The concept of casual or *informal* employment comprises “activities undertaken outside the institutionalized economic structures“. These are “units which typically operate at a small scale, with a rudimentary organization, in which there is little or no division between labour and capital as factors of production“. In these conditions, “employment relations (wherever they exist) are based mostly on casual employment, or kinship, or personal and social relations, rather than contractual arrangements with formal guarantees”.

If in addition to a lack of a contractual relationship⁴ (either because it is an activity which is outside the radar for tax purposes and/or labour standards, or because it is a case of self-employment), such jobs in the informal economy are of a casual or marginal nature, they can be described as “vulnerable” (in line with the ILO terminology). This is also the term which is used to refer to jobs created in the formal economy when they match the features of underemployment: low pay, low skill requirements for performance, and occasional and irregular duration.

³ See Chapter 3 of FEMISE’s 2011 Report on the Euro-Mediterranean Association: “Youth employment in the MPC’s”, in *Report on the Euro-Mediterranean Partnership 2011. Towards a new Med Region: achieving fundamental transitions*. October 2011.

⁴ It is widely accepted that employees are informal if their labour relations, whether *de iure* or *de facto*, are not subject to national labour legislation, to income tax, to social protection or to specific benefits related to employment (notice of termination of contract, severance pay, paid annual leave, sickness benefits, etc.). This definition is complimentary to the definition of employment in the informal sector of the economy, and it came into being as a result of concerns about marginal employment in regular businesses, and thus “employment in the informal sector” may be distinguished from “informal employment” (either within the informal sector or outside). Progressively, the term informal sector was substituted by the term informal economy, given that its features may be applied to any sector of the economy. It has to be borne in mind that these are dynamic concepts, whose usage is not always unequivocal, as it has been subject to change over time, depending on the cultural context and the manner in which it has been translated into other languages. For further explanations, please refer to the ILO definitions, among others, in: *Resolution concerning statistics of employment in the informal sector*, as adopted by the 15th International Conference of Labour Statisticians (ICLS, 1993); *Report of the Working Group on Informal Employment*, 17th ICLS (Chapter 3, Appendix, 2003); *Informal Economy, Undeclared Work and Labour Administration* (Document No. 9, 2005).

2.2. Features of the younger population

The population in all the countries of the southern shores of the Mediterranean has grown at a fast pace in recent years, with rates ranging between 1 and 2 per cent, compared with rates of under 0.5 per cent in the European Union. This growth of the population is due, among other reasons, to the increase in life expectancy over the last twenty years. The composition of the population on both shores of the Mediterranean is clearly different: the population in the EU-27 is ageing, in contrast with the youth of all of the MPC's.

The most prominent indicator of the population of the MPC's is its youth. Not surprisingly, the population in these countries is the youngest in the world, with an average age of 25 years compared to the 29-year average of the population of the EU-27. And this is because between 27 and 31 per cent of the population are aged between 15 and 30 years, and about 30 per cent are under 15, which is indicative that youth will continue to be the main feature in the region. In fact, it is expected that the population of young people, estimated in 2010 at 80 million, will increase to 100 million by 2020.

IMPORTANT IMPROVEMENTS IN EDUCATION, EVEN IF SOME PROBLEMS STILL PERSIST, SUCH AS SCHOOL DROPOUT RATES

The largest generation of young people in the region is also a direct beneficiary of the significant progress made by the MPC's in improving human capital in recent decades, which is the result of heavy investment in education. Hence, starting from low levels of schooling at every educational sector, the region has achieved – as will be seen in greater detail below – almost universal schooling in primary education, close to the levels of the EU-27 (although dropout rates which are still prevalent at this stage should be reduced), and has substantially increased secondary education schooling.

Young people living in the Mediterranean countries of the EU have also had unprecedented opportunities in education and training. They have achieved almost full schooling rates in all of the compulsory levels (which also cover much of secondary education) and about 80 per cent in post compulsory levels. But some problems remain, somewhat in common with MPC's, such as the under-representation of vocational secondary education (although in this case there is rather a distortion between these programmes and university education) and, in particular, the high early school dropout rate, which in some cases exceeds 25 per cent, compared to the EU average which stands at 14 per cent and affects more than six million young people between 18 and 24 in the whole of the Union.

EDUCATIONAL INCLUSION VERSUS LABOUR EXCLUSION

Educational inclusion in both regions coexists with an increasing incidence of labour exclusion. Therefore, especially in the MPC's, the higher quality levels of human

capital provided by young people, which are a result of improvements in education, have not been accompanied by a sufficient increase in skilled jobs to absorb this growing population of better educated individuals, and thus the expectations of young people are being frustrated. On the other hand, a very high percentage of the young working population generally performs in the informal economy or is underemployed. The young, therefore, whenever they get access to the labour market, tend to do so in low quality jobs with survival wages and little or no social protection.

Job opportunities for young Europeans are also limited, and they have been further reduced as a result of the economic crisis. Youth unemployment has important consequences on the lives of young people, such as the delay of their life calendar, and one of its greatest exponents is the sharp decline in birth rates in the context of the economic crisis. This decline also contributes to worsen the ageing process of the European population.

CONCERNS ABOUT THE INCREASE IN "NEETS"

At the same time, concerns are increasing about the so-called "NEETs", i.e. young people who have no studies, no jobs, nor are they looking for one. The problem is particularly acute in the MPC's where, although no official statistics are available, it is estimated that in the region between 15 and 25 per cent of young people are in this situation, and between 50 and 70 per cent of young women. That is, around 25-35 million young people are not in the labour market (either working or looking for work) or in training (either in the official educational system or in informal training), which is indicative of a mismatch between the social and human potential in these regions and their production model.

In the EU, more than seven million young people are outside the educational system and the labour market, a figure which represents about 10 per cent of the young population. It is a lower figure, but it is still worrying in that it involves a risk of social exclusion and detachment from political and democratic institutions. In some cases it has been the breeding ground for the generation of protest movements and uprisings clamouring for institutional, social and political change; in other cases it has contributed to the emergence of localized episodes of violence in large cities. So persistent unemployment is especially detrimental in this age group, and therefore employment policies (and a return to education) are needed in order to increase their employability in a sustainable way and, of course, to keep them in the context of the labour market in situations such as the current protracted crisis, and to prevent despondency from setting in, as well as effective disqualification in cases of long-term unemployment.

The participation of young people in social and political activity is also an unresolved issue, especially (but not only) among the MPC's. Thus, their participation in

democratic politics, either through membership of political parties or other social organizations, is very small. Young people's capability to access the information society in general and social networks in particular, has become, however, an alternative form of social and political participation to traditional channels.

3. LABOUR MARKETS IN THE EURO-MEDITERRANEAN REGION

3.1. Youth unemployment

COMMON FEATURES ON BOTH SHORES OF THE MEDITERRANEAN.

One of the main social and economic challenges facing the Mediterranean is employment. As mentioned above, before the crisis most countries in the region recorded solid growth rates. However, this growth did not result in the creation of sufficient jobs and often favoured the generation of low-productivity jobs, which did not provide a satisfactory option for the growing proportion of educated young people then entering the labour market.

In this sense, there is a clear proximity between the Mediterranean countries of the EU and the MPC's on two aspects: high rates of youth unemployment, in several cases even above 30 per cent, and lower rates of labour activity among women.

The latest available data show, for the whole of the MPC's, unemployment rates of 11.8 per cent, rising to 25.2 per cent in the case of people under 25, with an employment rate of 42 per cent, and female participation in the workforce, as measured by the activity rate, of barely 24 per cent. Meanwhile, youth unemployment in the EU reached 25 per cent in 2012. And figures are alarmingly higher in some countries, especially in Greece and in Spain, where it exceeds 55 per cent.

On both shores of the Mediterranean unemployment also affects more adversely young people with low educational levels, and to a greater extent early school dropouts. This constitutes a population group which suffers from high occurrence of vulnerable employment situations and is more exposed to the risk of poverty even when working.

...AND MAJOR DIFFERENCES

There are, however, important differences between the north and south of the Mediterranean. On the one hand, the occurrence of informal employment in the MPC's is very high among young people, with figures which are double the amount of adult workers, and also much higher than among their European neighbours of the same age. Specifically, two-thirds of young people in MPC's have informal jobs. In recent years the growth of this type of employment among young people has been fuelled by the reduction of the public sector, as a result of privatization policies and the liberalization of the economy, which has been particularly intense in some countries in the region.

The decrease in public employment, which used to be the most frequent job opening among young educated people, and also the most coveted because of better working conditions (related to access to social protection, as well as higher wages, which can be 36 per cent higher than in the private sector), has not been offset by an increase in employment in the private sector which is forceful enough to cope with the high volume of labour supply. Consequently, many young people have resorted to informal employment⁵.

These situations can often be classified within the category of vulnerable employment, as quoted above, whose proportion was estimated by the ILO in 2009, for all MPC's, to be around 28 per cent (Table 8), well above the figures available for the EU. Developments in the southern Mediterranean were favourable over the last ten years, with a progressive decrease in that percentage, but the scenario that the crisis has now projected is likely to give way to new increases⁶.

On the other hand, the risk of poverty in employment can be expected to double in the MPC's at the present time⁷, both because of the increase in underemployment and because of a return to less productive sectors and activities, and thus lower pay. This would be a major setback in a line of development which had come to be very positive, especially in North Africa, with a reduction of nearly 10 per cent in the ratio of poor workers between 1999 and 2008.

DOUBLE EXCLUSION: YOUNG AND FEMALE

Unemployment rates for young women are higher in MPC's than those for males (Table 7), a difference which can also be observed in the total age group. In EU countries such gender differences are not, but for some exceptional cases, so sharply marked.

The situation is even worse if we recall that female participation rates are also very low among MPC's. In fact, the average for the region is the lowest in the world, about fifteen points lower than the average of the region with the second lowest activity rate among women – Latin America and the Caribbean. In the Mediterranean countries of the European Union, this participation is also lower, but there is one difference: in these areas female employment trends show strong growth and a positive correlation with the

⁵ See FEMISE's 2011 Report, quoted above, *Towards a new MED region...*

⁶ The ILO has estimated that the crisis will bring about an increase of between 4 and 5 per cent in the North of Africa and between 1 and 6 per cent in the Middle East, and these regions include most of the MPC's. See: ILO, *Global Employment Trends 2012*.

⁷ Up to values above 20 per cent in extreme poverty, which is defined as family income below 1.25 US dollars in ppp in households where some of the members are in employment. If the poverty line is set at 2 dollars in those same terms, the percentage would rise to the most pessimistic scenario that the World Bank foresees, to figures close to 40 per cent for the whole of North Africa and close to 30 per cent for the Middle East.

educational levels attained and the drastic reduction in birth rates, whereas in most MPC's a rise in female participation in line with advances in education is not observed, reflecting the increasing participation of women in progressively higher educational levels, nor is there a fall in birth rates in the region, which would be the two major determining factors of higher or lower participation of women.

However, it is possible to foresee changes in the region if we are to observe the activity rates in the case of young people, aged 15 to 29, both by reason of falling birth rates as by their higher educational level on average. It should be noted, however, that the available figures do not yet include the effects of the crisis on female employment or the negative impact that processes of political change in the area may have on their participation in the labour force and their employment rates, and – unfortunately – there is still considerable uncertainty as to their specific impact on gender equality.

On the other hand, while the participation in the labour force of women under 30 is higher, there are at least two other issues that may break this positive trend: first, the fact that female unemployment is still very high and, more importantly, it tends to grow in some cases as the educational level rises, and secondly, the fact that women employed in the MPC's previously specialized mainly in the public sector⁸ (at least in formal employment), which is now undergoing, as explained above, a process of reduction in many cases, and also specialized in certain manufacturing activities which are at risk of severe reductions in the volume of employment in the immediate future.

3.2. The mismatch between education and employment

PROGRESS MADE IN SCHOOLING RATES

As noted in the Rome Joint Report 2010, over the past three decades the MPC's have been making remarkable progress in improving human capital, which is crucial for economic development and social cohesion. By investing resources estimated at about 5 per cent of annual GDP, the region has raised the average amount of years dedicated to initial training to levels which are only slightly below those of the emerging economies of Asia and America. The net enrolment rate in primary education (about 94 per cent) has also reached standards which are very close to the EU-27 (estimated at 96 per cent), but it would be necessary to reduce the substantial dropout rates still present at this stage, which are about 7 per cent.

In terms of participation in secondary education among the MPC's, levels are still lower than those in the EU. Therefore, the average rate for the MPC's (with regard to net enrolment rates) stood at 71 per cent, compared to 90 per cent in the EU, with some

⁸ ILO, *Decent Work in the Mediterranean Countries- An Overview*, 2007.

countries well below that figure. The difficulty of retaining students in secondary education is one of the main problems facing the majority of MPC's in this area. In addition, unemployment affects a large percentage of people with secondary education qualifications in several MPC's (virtually all the large countries), which shows the presence of imbalances and problems at that educational level.

On the other hand, the fact that the participation rate in education decreases with age is evidenced dramatically in the MPC's, which show a gross tertiary enrolment rate of only about 40 per cent, a much lower figure than for secondary education and much lower than the EU average. The lesser importance of higher education in relation to educational needs in the previous stages, something which is not included among the objectives defined by UNESCO to achieve education for all⁹, makes this situation less worthy of attention. However, it is necessary to improve this educational level, because university education is directly related to essential elements for economic and social development, ranging from the training and provision of teachers and school administrators to the creation of a much needed scientific and technological base for the generation and assimilation of innovation.

Pursuing the improvement of educational opportunities for both men and women requires greater efforts in the areas of education and training, particularly in regard to improving access to, and the quality of educational systems in the context of lifelong learning, but also in the need for reforms in educational systems in response to the situation of the labour market, with the aim of providing appropriate training for the population who are trying to find jobs¹⁰.

MISMATCHES WITH THE PRODUCTION SYSTEM

The mismatch between the educational and training system and the demands of the labour market is due, among other reasons, to the lack of connection with the production system, which guides young people towards general academic studies at the expense of vocational programmes and towards branches of the social sciences and the humanities (given that their expectations continue to focus on the public sector, although this has proven unable to secure sufficient employment for this population group), rather than towards science and technology.

It is therefore no wonder that, according to a survey conducted in 2008 by the World Bank, 35.7 per cent of companies located in the MPC's region stated that one of the obstacles to hiring young people was that they lacked the skills demanded by the labour

⁹ UNESCO, *Education for All: Global Monitoring Report, 2007*

¹⁰ European Training Foundation (ETF), *Employability in the Mediterranean Region: improving education, training and job-matching for the labour market, 2007*.

market. This mismatch between education and employment, which is much higher than in other countries in the rest of Africa, East Asia and the Pacific, was regarded by companies as a limitation to their expansion in the region and was basically due to a bias in the choice of higher education programmes which was induced by an excessive state presence in the economy. In this context, moreover, public sector cuts have meant that graduates have gone from being relatively safe from unemployment to being one of the groups in which unemployment rates have grown disproportionately in recent years¹¹.

As a result, the unemployment situation of young people, which is a critical problem in most countries in the region, usually extends over long periods of time, which increases the risk of labour market exclusion and, therefore, of social exclusion. To a large extent, these traits are common to the MPC's and the Mediterranean countries of the EU.

In the face of all of this, innovation and new business creation by young people could be important elements for the development of new added-value activities and employment. In this regard, as noted in the Istanbul Joint Report 2011, education is an important mechanism for the creation of attitudes and an entrepreneurial culture, especially among young people. Therefore, while making all the necessary efforts to improve access opportunities and the quality of educational systems, it would also be appropriate to pay particular attention to entrepreneurship and business culture within the core competencies that the system must offer. This focus must include educational work in the development of personal qualities and awareness of self-employment as an option, and the content of teaching should include insights into the creation of companies, where it would be essential to learn through practice.

4. THE CHALLENGE FOR DEVELOPMENT OF THE REGION: THE PROMOTION OF YOUTH EMPLOYMENT

The potential represented by the human capital of young people should be regarded not only as a challenge that needs to be overcome, but also as an opportunity for the economic development of the region itself. This requires, on the one hand, the adoption of economic policy measures in the broader sense which are longer-term oriented and capable of generating sustainable economic growth that may be conducive to the creation of enough employment to absorb the increase in population. Furthermore, education and training policies must be aimed at improving and enhancing human capital and its suitability for the labour market, and finally, shorter-term employment policies must be implemented in order to guarantee the right to work and the quality of

¹¹ FEMISE, *Towards a new MED Region: achieving fundamental transitions*, 2011.

work, to promote self-employment and entrepreneurship, and to improve employability, with specific actions aimed at young people.

Therefore, this section attempts to show that, given that the primary objective of the MPC's is their economic and social development, it is necessary to define what the most appropriate actions are in order to provide young people with the tools and instruments they need for their training, for entering the labour market and for improving their employability, with the ultimate goal of providing them with the necessary resources for full social integration. For this, we need to bear in mind that policies are increasingly effective if they are adopted in the context of robust processes of dialogue and social compromise.

4.1 Priority actions of employment policies: the role of active policies directed at young people

In recent years various efforts have been undertaken to place employment firmly within the political agenda of Euro-Mediterranean cooperation, even though it needs to be acknowledged that the initiatives undertaken to date are very limited, which makes it necessary to continue promoting the development of employment policies. In this sense, in addition to developing longer-term actions, based on the design of economic policies and structural reforms in the broadest sense, capable of generating sustainable economic growth that favours the creation of enough employment opportunities to absorb the increase in population, progress in achieving employment involves directly addressing shorter-term employment policies, in order to guarantee the right to work and the quality of work, and in particular, specific actions for the groups that are most vulnerable to unemployment, which include young people.

ACTIVE POLICIES: MORE RESOURCES, BUT ALSO ASSESSMENT AND COOPERATION IN ORDER TO IMPROVE THEM

The goal should be to increase the rate of job creation in the entire region, and especially with regard to young people. In a broader sense, policies that affect employment range from those that aim to encourage demand to those which are used to anticipate and implement provisions intended to meet the requirements of the productive system, and that includes both actions which promote an economic and productive framework capable of generating quality jobs and, more precisely, specific actions for the promotion of active employment policies, enhancing and improving public employment services so that they focus specially on the weakest groups, and promoting cooperation and the exchange of experiences between the two shores of the Mediterranean.

In relation to specific actions for employment, it is necessary to further promote the development of specific employment policies for young people. In this regard, it would be convenient to review these measures, from those which are clearly directed at

improving access to the labour market (employment aid, guidance and monitoring of the unemployed or public employment initiatives) and career improvement prospects, to those that foster self-employment through entrepreneurship and business culture, coupled with skills training in entrepreneurship and business management, including management training for both SME's and cooperatives and other forms of social economy. At any rate, it would be advisable to start assessing these actions in order to verify their effectiveness, which will also include an analysis of the resources which have been invested, and to promote cooperation and the exchange of experiences throughout the Mediterranean.

SPECIAL ATTENTION TO WOMEN

In order to create jobs, even with the focus on youth employment, it is essential to consider the rates of female employment separately, which – as we have seen above – start in almost all cases from a much lower position. Therefore, the development of laws and policies that prevent discrimination and promote equal opportunities should be stressed; and it is equally important that women internalise the significant potential generated by their participation in the labour market for the improvement of their own individual, family and social development.

In the more specific context of employment policies, the actions that should be favoured should be aimed at achieving several goals, some of them more directly focused on the MPC's, and others applicable throughout the region: reducing female illiteracy rates, with actions that foster increased access of girls to education, especially in rural areas; expanding the training and qualifications of young women; preparing them for the labour market; ensuring recognition of labour rights, and in particular measures designed to promote work-life balance.

IMPROVEMENTS IN THE MACRO-ECONOMIC FRAMEWORK

Aside from the above, achieving sustainable economic growth is a necessary condition for the promotion of job creation. From a macro-economic perspective, the dominant position has been to promote economic liberalisation in the region and to rely for much of its development on trade relations with other countries. However, as it was pointed out in the Amman Joint Report 2012, among others, there are still some weaknesses in relation to foreign trade liberalisation, as it is necessary to continue with the policies of reducing trade barriers and improving transport and communication infrastructures, which are insufficient and cause an increase in transaction costs.

This would facilitate a greater inflow of foreign direct investment and would improve the business climate, thus leading to the creation of productive activity and employment. On the other hand, it has already been pointed out that the existing

regulatory framework does not generate enough appeal for starting a business, so it is necessary that more intense reforms should be adopted in relation to business regulations, the financial system and the labour relations framework.

These issues should be emphasised because the international experience accrued over the last three decades shows that strong economic growth processes are associated with high rates of investment, with gross fixed capital formation which exceeds, in the cases of China and emerging economies in the Far East, one third of total GDP. This incorporation of capital (broadly defined) into the production system is essential in order to increase productivity and hence the competitiveness of economies.

In the current context, given the acute lack of credit availability on one side of the Mediterranean (which derives from the crisis, but has also been caused by problems and design flaws in the governance of the Eurozone), and the political transition processes that have generated strong uncertainties on the other side, it is not enough to simply indicate that it is important for the MPC's to increase domestic savings and investment rates, to support SME's and the social economy, to show firm commitment to R&D and innovation and the deployment of infrastructures (including those related to ICTs), and to encourage increased FDI flows.

Clearly, until the financial stranglehold created by the crisis is overcome, on the one hand, and as long as there is acute political and social instability, on the other, no clear positive impact may be expected from improvements in regulatory frameworks of the economic activity, the labour market and labour relations, policies to support economic activity and SME's, improvement of human capital, infrastructure and technology. In any case, measures should continue to be adopted in all of these areas, since the medium-term stability and viability of democratic reforms in the region will also depend on the articulation of a new model of sustainable and inclusive economic growth, which may be capable of raising the standard of living of their populations decisively. And, as already mentioned, the keystone of this "economic transition" is the creation of employment for the largest cohorts of young people which the region has ever seen.

FOSTERING BUSINESS ACTIVITY: SME'S AND THE SOCIAL ECONOMY

On the other hand, as already mentioned, SME's represent more than 90 per cent of the total number of companies and they generate two-thirds of employment. Among them, the smallest, the so-called micro businesses, suffer the greatest difficulties in attracting sufficient investment and skilled human resources. Both circumstances, their weight in total employment and their potential for skilled labour, make it important to remember at this point the indications of the Amman Joint Report 2012 on the development of the small business sector. It is essential in this regard to strengthen and develop the tools

available for Mediterranean cooperation. In particular, the Mediterranean Business Development Initiative and the Euro-Mediterranean Charter for Enterprise.

The Mediterranean Initiative, adopted in 2007 and promoted after the creation of the Union for the Mediterranean, attempts to support SME's from a more comprehensive and holistic perspective, with the collaboration of the MPC's, the European Investment Bank (EIB) and the European Commission. This project is indeed timely in the context of the financial crisis, and therefore the first actions have focused on financial aspects, as well as the development of its own operational structure.

In turn, the Euro-Mediterranean Charter for Enterprise was agreed upon as the basis for action to support and develop companies in the region and was the result of an adaptation of the European Charter on SME's in the Mediterranean context. It included the common principles on which Euro-Mediterranean partners should base their business policy, with the aim of creating a more favourable environment for investment and private sector development. Although it is still in the process of adaptation to the new European Charter (Small Business Act 2008), its main working lines will remain the same, and it is proving to be an invaluable tool for supporting SME's throughout the region.

THE UNDERGROUND ECONOMY PROBLEM

It should be stressed that the existence of an inadequate regulatory framework encourages the development of a large informal sector in these countries. The Rabat Joint Report 2008 flagged up this problem and its relation to the underground economy, since they are deemed to be different issues (and with different causes and effects), though sometimes they overlap and are difficult to discriminate on the basis of available data, given that in fact they include both areas strictly regarded as underground economy or underground employment and traditional family-related activities, the self-production of goods and services, and their provision in a more or less disinterested manner, including those which are sometimes called good neighbourly relations. The concept of underground economy covers a number of activities which are lawful in themselves, but which ignore economic regulations, such as tax or labour legislation, thus gaining unfair advantage over the competition. Therefore, the concept of informal economy is not a broader concept than underground economy, but a different one. A different case, though in fact it always influences the results of any estimate of these phenomena, are other types of activities, such as drug trafficking, whose criminal nature is at the heart of their "under the radar" situation in respect of tax, labour regulations, etc.

In most MPC's, the whole of the informal and underground economy is estimated at around 30 per cent of gross national income, compared with substantially lower levels

in the EU (though not in the Mediterranean countries of the European Union). Also, according to the ILO¹², undeclared labour, before the crisis, was at around 40 per cent for non-agricultural employment in most of the MPC's, and between 7 and 19 per cent in the European Union, with a wider range (between 15 and 20 per cent) in the Mediterranean countries of the EU¹³. The more recent data on "vulnerable" employment given in the previous section indicate that the impact of the informal sector on total employment among the MPC's is clearly higher than in the EU, although there are even higher figures in some countries in southern and Eastern Europe.

It has already been noted that, from a theoretical approach, the informal sector of the economy could play an important role in the generation of dynamic productive fabric. This is, however, not the case with underground economy in the strict sense of the definition, whose emergence should be an acknowledged and shared objective by the whole of society. This may require reforms in the tax and regulatory framework, as well as the design of support programmes that facilitate adaptation to achieve compliance. The priorities that should be defined in relation to this concern are: sustainable growth and quality job creation, improvement of labour productivity, the elimination of any form of discrimination in the labour markets, strengthening the role of labour rights within the existing legal framework, improving governance in labour market institutions in the context of liberalisation and privatisation, strengthening the capacity of the social partners to promote social dialogue and to develop sustainable social security systems. For all of this, a concerted action is needed with the social agents, on which the Euro-Mediterranean partners should work with greater intensity.

4.2. Improving the suitability of human capital for the needs of the labour market: promoting vocational training

As noted above, one of the main problems of the MPC's is the mismatch between educational systems and labour markets, which is affecting many young people in the region, and which in turn results in high youth unemployment. Education and training are among the key factors for economic development and social cohesion in the Euro-Mediterranean Region. Therefore, education and training policies which are adequately funded must be regarded as crucial for strengthening human capital, enhancing employability and, in general, creating better working and social conditions, as well as improving productivity and competitiveness, as a result of the assimilation of new technologies.

¹² ILO, *Decent Work...*; op. cit.

¹³ Communication by the Commission on undeclared work, of 7 April 1998, COM(1998) 219 to end. Also, European Commission, *Undeclared work in an enlarged Union*, 2004.

As a starting point, existing cooperation programmes in primary and secondary education should be further supported, given the shortage of funds for these levels and given the priority of basic education and training in order to improve the human capital of the population and thus achieve better sustainable development. But in terms of a major policy instrument in line with the aim of achieving a better match in the transition from education to employment, the development of vocational education should also be encouraged and entrepreneurship should be fostered at school, all of it with a focus on promoting a flexible and decentralised management structure, where the social agents and the private sector would have a greater involvement in the design of the general training system so that it meets the needs of the production model.

Vocational training plays a central role as a transition channel between the educational system and the labour market. In fact, employment is both the main objective of this type of education and a key area for its development. Vocational training is the main avenue for the acquisition of skills and qualifications, as it increases the training of workers and facilitates their adaptation to the needs of the production system, but it also improves employability and the inclusion of groups with more difficulties of access to the labour market, women and young people.

This is even more necessary in a crisis context, where the approaches which are being followed to escape it and the response to the real effects that it has caused undoubtedly respond to the need to pay special attention to this factor, both from the point of view of employability and to ensure the creation of sustainable and inclusive economic growth and social development.

Vocational training needs to be addressed from a broad and inclusive perspective of the different groups which it concerns and therefore also the different contexts and channels for its provision, considering both initial training, aimed primarily at young people in order to provide them with the necessary education and skills (training provided in schools and vocational training centres or on the job training schemes), and job oriented training aimed at people in employment and unemployed workers in order to maintain and enhance their employability. Also, a comprehensive concept of training should take into account the training acquired through work experience and through non-formal modes of learning.

The main points for supporting vocational training in the Euro-Mediterranean Region still are, for the economic and social agents, those stated in the Rome Joint Report 2010. Bearing this in mind, it would probably suffice here, of all of the issues that were then discussed, to point out those that are most directly related to the objective of youth employment.

Diagnosis of the situation of vocational training in the Euro-Mediterranean Region faces difficulties and limitations associated with the availability of specialist, current and comparable statistical information, especially in the MPC's, in relation to certain basic aspects, such as participation, the resources allocated or the results and performance rates, among others, and these limitations are even greater in relation to the available information on the training programmes for people in employment and unemployed workers.

The work which has been carried out in the context of the MEDA-ETE Regional Programme (*Education and Training for Employment*) shows far greater efforts to reach some degree of knowledge about vocational training in the region, based on statistical data on key aspects, and in the future it may lead to the availability of the first instrument of its kind, although the results obtained still provide very limited information. Therefore, it would be desirable for cooperation instruments such as the Euromed Observatory to have the necessary continuity in time in order to allow them to fulfil their potential usefulness with the objective of attaining real knowledge about the situation of vocational training in the region.

Despite these shortcomings, it is possible to outline a very general picture of the situation, in which the first issue which must be emphasised is the need to increase participation in vocational training programmes, especially in some of the MPC's. Participation in technical and vocational programmes (at ISCED Level 3), according to data provided by UNESCO, is very diverse in the Euro-Mediterranean Region, but is generally lower among the MPC's and in some Mediterranean countries of the EU, both in terms of gross rates and in proportion to its weight in secondary education as a whole. In this regard, the conclusions of the Marseilles Forum¹⁴ showed how vocational education and training in the Euro-Mediterranean Region is still too often perceived as a "second class" educational pathway and how vocational training as a whole has a poor reputation.

In order to improve participation levels, greater efforts should be made to improve the resources available (funding) for vocational training and its quality (training centres, teaching staff and learning processes), career guidance services should be promoted, training programmes should be adapted and closer links should be forged between

¹⁴ First Euro-Mediterranean Forum on Vocational Training, held in Marseilles in December 2008, which was co-chaired by the Minister for Employment of France and the Minister for Industry and Trade of Egypt.

vocational training and work, through various forms of cooperation between training centres and companies.

More and more studies point out the fact that employment levels are relatively better for vocational training graduates. However, the proportion of young people entering vocational training programmes is still low. For this reason, guidance services are also especially important in the context of initial training in order to reinforce the idea among young people that vocational training is an educational option which enhances their potential in the labour market.

It is therefore important to pay more attention to career guidance for young people, with effective and integrated information and guidance systems for vocational training and employment, in order to achieve greater transparency and better dissemination of vocational education programmes, learning opportunities and career paths available. This instrument, which is still insufficiently developed in many countries in the region and is simply non-existent in others, is a key factor both for greater and better participation of young people in vocational education and for facilitating job placements.

ORGANISATION AND MANAGEMENT OF VOCATIONAL TRAINING SYSTEMS

With regard to the organisation of vocational training schemes, data and studies show that there is great diversity in terms of systems, models and experiences within the Euro-Mediterranean Region. The organisational and management structure in each country is the result of very different historical traditions, policies and economic development. However, given that now all countries share the objectives of economic modernisation, competitiveness and social cohesion, vocational training systems should make use of the best elements of each of the models for their future development.

This also highlights the importance of regional cooperation and the participation of economic and social agents across the region, which is also evident in the work carried out to identify the skills and qualifications necessary in each economy, and the development of common systems in order to strengthen the establishment of vocational training schemes: instruments for classifying qualifications, standard, comparable licensing and accreditation systems for the recognition and validation of skills and qualifications, assessment of non-formal learning and work experience, including experience acquired in the informal economy, and ensuring that trainers have access to permanent training.

Flexibility in the organisation of vocational training systems requires mechanisms which allow combining training and work activities, vocational training opportunities for adults, or the existence of pathways between vocational training and general

education. This requires that the organisation of available programmes allows flexible access, including the availability of distance learning using ICTs. In general, a key aspect of the modernisation and improvement of the vocational training sector is the integration of ICTs across all policies: access to vocational training, training content and training processes.

AVAILABILITY OF TRAINING PROGRAMMES

The efficiency of vocational training programmes relies on adequate and prompt response to the needs for skills and qualifications demanded by the production system, by quickly identifying training needs and translating them into initial and on-going training schemes. In this sense, from different contexts and on the basis of different research studies¹⁵ (including the Marseilles Forum mentioned above) the inability to define priority sectors and occupational competencies and skills required has been stated as one of the weaknesses of the vocational training programmes in the region, highlighting the need for better connections between business and society at local and regional level, and the participation of the social agents.

The adaptiveness of training programmes to job and business requirements is related to the organisation and management of vocational training systems. It also relates – as noted above – to the participation of businesses and organisations of employers and workers, as well as other social agents, representing their various interests.

Promoting quality vocational training systems also requires having a sufficient volume of properly trained teachers. Research studies which highlight a deficit of qualified vocational training teachers point to problems such as the preponderance of overly academic profiles or the scarce social and economic recognition for the profession. Training centre networks equipped with sufficient resources are also required, as well as a good supply of modern and up to date equipment, and appropriate management, including greater autonomy for the centres, so that more efficient use of the facilities may be made, with longer hours of operation and the commitment to collaborate with the business fabric.

The provision of teaching staff in such conditions, and the modernisation and improvement of the equipment at centres undoubtedly requires a solid funding base for vocational training.

¹⁵ European Training Foundation (ETF), *Social Partners in Education and Training: from policy development to implementation*, 2009.

Moreover, it is necessary to improve educational processes and innovation in vocational training. In these areas there is ample scope for North-South cooperation, including the creation of networks of centres of reference and mobility programmes for teachers.

In addition to promoting the improvement of schools and training centres, vocational training policies should promote training in business and in the workplace through different instruments. Especially in the case of young people, the possibilities offered by the development of on-the-job learning programmes must be explored, including dual training schemes which alternate training and employment, or the regulation of labour contracts which are educational in nature, among others.

5. REINFORCING EURO-MEDITERRANEAN COOPERATION

The aim of this section is to describe the role of cooperation in the Euro-Mediterranean framework, how far it has come in matters related to employment, and more specifically with regard to young people, and in which direction it should move forward. Not surprisingly, cooperation in the former framework of the Euro-Mediterranean Partnership and currently through the Union for the Mediterranean, given its multilateral nature, is the instrument that may lead the way in terms of regional cooperation in social matters, and in particular provide sufficient relevance to issues which relate to young people and employment.

5.1. General cooperation framework

FROM THE BARCELONA PROCESS TO THE UNION FOR THE MEDITERRANEAN

The development of policies and actions in employment, as well as those that have an impact on young people, must be contextualised within the basic framework of cooperation in the Euro-Mediterranean Region. The gradual process of cooperation between the EU and southern Mediterranean countries, which started in the 70's under the denomination of Mediterranean Policy, culminated in 1995 with the creation of the Euro-Mediterranean Partnership, also known as the Barcelona Process. The objectives that this association was based on focused on creating an area of peace and stability, an area of shared prosperity, and a space for cultural dialogue and human exchange, with a special commitment to democracy and human rights. On the tenth anniversary of the Euro-Mediterranean Partnership, when stock was taken of the impact of the policies and actions undertaken, the Commission considered it necessary to emphasise three priority objectives: promoting human rights and democracy, supporting job creation and sustainable economic growth through trade liberalisation and regional integration, and contributing to a better education for all.

The next milestone in Euro-Mediterranean cooperation was the creation of the European Neighbourhood Policy (ENP) in 2003, which arose with the aim of strengthening cooperation from a country to country perspective, thus becoming an instrument which was exclusively bilateral in nature, in order to avoid the impact the difficulties of South-South integration. The ENP, which was subject to economic and political conditions, obtained mixed results. In the 2010 Communication from the Commission, which assessed the achievement of the objectives of the ENP, it became clear that the results in the field of good governance were insufficient; it called for the improvement of legal, regular mobility of people and the gradual establishment of Free Trade Zones, and it emphasised environmental protection, energy efficiency and stability of supply. The main instruments for implementing the ENP are the bilateral action plans, which contain a number of objectives and measures to be undertaken in the context of political and economic reform.

In order to revitalise a process that was becoming stagnant, the Union for the Mediterranean (UfM) was created in 2008, with the aim of strengthening and reviving the goals of the Barcelona Process in the field of multilateral relations. It was defined as a framework for the development of regional and transnational cooperation, regional cohesion, economic integration and interconnections between infrastructures. Specific areas of activity focus on decontamination of the Mediterranean, “maritime motorways” and land road networks, civil protection, alternative energy, higher education and research and, lastly, business development, with a major focus on small and medium-sized businesses. The UfM programme also proposes a more developed institutional framework, with biennial summits of Heads of State and Government, a co-presidency held between the EU and a Mediterranean partner country, a Standing Committee and a joint Secretariat.

FINANCIAL INSTRUMENTS

Funding for programs under the ENP and the UfM has been channelled through several instruments which have been evolving over recent years. In order to implement the necessary cooperation measures to achieve the objectives of the Barcelona Process, collaborating effectively in reforming the economic and social structures of the MPC’s, and in order to mitigate the social and environmental consequences of economic development, the MEDA program was created, which would then become the main instrument of financial cooperation of the Euro-Mediterranean Partnership. The outcome of its application has been uneven because, although positive results have been obtained, particularly in the economic and social areas, these have not been sufficient to reduce the north-south differences and lessen the asymmetries and imbalances between the two shores of the Mediterranean. Alongside this programme, the Facility for Euro-

Mediterranean Investment and Partnership (FEMIP) needs to be mentioned because of its remarkable importance; it was created in 2002 and further reinforced in 2004, and it provides loans, equity financing and technical assistance. Its programmes include incentives to the private sector for infrastructure, technical assistance and risk capital funds for SME's.

In the context of the ENP, the European Neighbourhood and Partnership Instrument (ENPI) must be highlighted, as it is the ENP's financial instrument which replaced the MEDA programme to promote sustainable development and it is the framework which currently articulates concrete actions deriving from these cooperation mechanisms. Its areas of intervention are, among others, public administration, local and regional development, education and culture, research and R&D, telecommunications, and the protection of human rights and fundamental freedoms. Additionally, in order to finance capital intensive infrastructure projects in partner countries covered by the ENP and to support the private sector, the Neighbourhood Investment Facility (NIF) was set up with a total funding of 745 million euros to cover the period 2007-2013. The NIF is also financing the implementation of regional and multilateral processes, including the UfM.

Finally, we should mention two other forms of regional cooperation within the Union which also contain a Euro-Mediterranean component. Firstly, Cross Border Cooperation, and in particular, the Mediterranean Basin CBC programme. Secondly, the Interregional Programme (IPR) which complements other national and regional programmes financed by the ENPI and is particularly suitable for certain actions of limited scope.

SOCIAL AND ECONOMIC COOPERATION

Euro-Mediterranean civil society, meanwhile, has been expanding its channels of cooperation since 1995. The Euromed Civil Forum, which has been held since 1995, was joined by the Euromed Civil Platform in 2003, consisting of regional, sub-regional, national and local networks and organisations from the northern and southern shores of the Mediterranean. Among the conclusions reached at the last Forum, held in 2010 in Alicante, were the call to include the concerns of youth in all State policies and institutions of the partnership and the creation of opportunities for young people's active participation. Also, in that same forum, the Euromed Civil Society Programme 2010-2013 was launched. In matters of youth policies, the most relevant programme is Euromed Youth IV, which focuses on social and political participation by young people through associations.

As successive summits of labour ministers in the Euro-Mediterranean Region have highlighted, the role of the social agents is vital and necessary to promote both bipartite and tripartite social dialogue. This type of cooperation has in turn been taking place

through Social and Economic Councils annual summits and the TRESMED IV project, which in January 2012 in Rabat held the last of a series of three seminars on “Youth, Training and social dialogue“, at which the theme was “Youth Employment Policy“. Among other issues, cases of good practices in cooperation for employment were addressed, such as the ILO project for the promotion of productive employment and decent work for young people in Algeria, Morocco, Tunisia and Mauritania. The Euro-Mediterranean summit of ESC’s in 2011, held in Istanbul, took the new political context in the region and the current role of civil society within it as central themes.

Other fora for dialogue are the ESMED Network, which aims to increase and promote the visibility of Social Economy businesses to the governments and the institutions responsible for the UfM, the Euro-Mediterranean Trade Union Forum (ETUF) or the Union of Mediterranean Confederations of Enterprises (BusinessMed).

Social movements, political changes and conflicts which have been taking place since 2011, derived from the so-called “Arab Spring”, have shown that the goals of prosperity and respect for human rights which were much sought after both by the UfM and the ENP have not been achieved. This has prompted a joint communication of the Commission and the High Representative of the Union for Foreign Affairs and Security Policy advocating a Partnership for Democracy and Shared Prosperity with the countries in the Southern Mediterranean. In acknowledging that the scenario has changed substantially it therefore argues that European strategies need to be enhanced and reassessed, both in terms of their multilateral (UfM) and bilateral dimensions (ENP), by redefining the ENP under an incentive-based approach, whereby conditions of compliance are increased and there is greater differentiation country by country. The three action lines of the Partnership are democratic transformation and the consolidation of institutions, greater partnership with citizens, with special emphasis on supporting civil society, and sustainable and inclusive economic development and growth, with an emphasis on helping SME’s, mobility and job creation.

Within this new approach to the ENP, the Neighbourhood Facility for Civil Society has emerged, which aims to develop the defence capabilities of civil society organisations and strengthen their ability to monitor reform and effectively participate in political dialogue.

In the same vein, the EU has launched a multi-country programme called *Support for Partnership, Reform, and Inclusive Growth* (SPRING), which aims to contribute to the consolidation of democratic and institutional reforms and the achievement of economic growth and development. Support will be based on a country to country policy under the principle of “more for more”, making aid dependent on the progress made.

Finally, it seems appropriate to make a plea for the improvement of statistical information in order to allow the analysis of projects carried out in the region within the current cooperation framework, based on comparable and current data. The ETF Foundation points to the need for greater breakdown of statistics on education and employment, for example by groups, and for more in-depth information on active employment policies. In this regard, it is necessary to mention the MEDSTAT programme, which was created in the context of MEDA funds and which currently falls within the scope of ENPI projects, aimed at improving the ability of MPC's to gather relevant and fresh data to ensure consistency and reliability.

5.2. Euro-Mediterranean cooperation in matters of employment

Employment is currently one of the stated priorities of the neighbourhood policies with the Mediterranean, especially after the reforms they underwent in the first semester of 2011, and in response to political change processes in the region, because they are directly linked to two phenomena of particular concern to the Union, namely immigration and political stability in neighbouring countries. In addition, there are common denominators which are shared by northern and southern countries of the Mediterranean with regard to employment and employability, which in themselves justify the joint approach to the issues, even if it is inappropriate to speak of the existence, as such, of a single labour market in the Mediterranean and where each of the two shores also has specific features.

In the context of the Euro-Mediterranean Partnership, it was not until the 2005 Barcelona Summit when, among the priorities articulated for the next five years, the need to create jobs was highlighted, in order to absorb the rapid pace of population growth in the MPC's. This is a significant development, given that, until then, specific issues related to employment were hardly on the agenda.

COMPLEMENTING COOPERATION FRAMEWORKS

On the other hand, there still seems to be some confusion about the most appropriate framework (either the ENP or the Euro-Mediterranean Partnership) in which to locate action plans for employment. In this regard, a bilateral approach, such as that of the ENP, seems the most appropriate in order to define the actions on employment, given the MPC's own interregional diversity. The ENP would be an appropriate framework for a translation, for example, of basic employment guidelines, which are specific to the EU, to the neighbouring countries in the southern Mediterranean. Furthermore, this framework opens up a wide field of possibilities for the economic and social agents of the EuroMediterranean partners through various consultative bodies and *ad hoc* mechanisms.

However, despite the specific features of each country, the EU experience demonstrates the usefulness of an integrated regional strategy, which could be developed through the cooperation framework established by the Euro-Mediterranean Partnership. As noted in the proposals which appear in the Rabat Joint Report 2008, such a multilateral approach, in the framework of Euro-Mediterranean cooperation, would make it possible to make progress in the definition and development of an integrated strategy for employment in the region. This integrated approach to employment could follow similar lines to those adopted by other international bodies such as the OECD and the G20 (Tables 1 and 2 in the Appendix), which have recently addressed the problem of youth unemployment in the world.

EMPLOYMENT IN THE CONTEXT OF THE ENP

The European Neighbourhood Policy progress report states that the legal framework for productive investment in the MPC's improved in 2012, although there are still significant barriers to access to credit, insufficient investment protection and development of intellectual property rights, which slow down the pace of job creation. The new generation of European Neighbourhood Policy Action Plans devote special attention to legal security issues and the convergence of legislation of the MPC's with the EU tradition, as several programmes have been launched in relation to investment security in the Mediterranean (including the ISMED support programme – *Investment Security in the Mediterranean*). Support for SME's is another priority, and this is developed both on a regional basis and through specific plans in Jordan, Morocco, Egypt, Tunisia and Libya¹⁶.

The creation of decent jobs and employment policies, both aspects which, in contrast to other areas of activity of Euro-Mediterranean cooperation, have received less attention despite acknowledgment that employment is the main economic and social challenge, should emerge as the centrepiece of action plans and cooperation projects, including in all cases a systematic assessment of their impact on employment. In this regard, it is essential to increase the weight given to employment within the ENP, both in terms of number of actions that are undertaken and in terms of funding, which must translate into action plans for employment in the form of concrete programmes with specific resources.

¹⁶ European Commission, *Joint Staff Working Document. Implementation of the European Neighbourhood Policy in 2012 Regional Report: A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean*, 2013.

Nevertheless, the need for a country to country approach does not mean that progress in multilateral cooperation within the framework of the Euro-Mediterranean Partnership does not allow moving forward in social issues and giving relevance to issues related to employment. In this regard, an open method of coordination, which has provided flexibility in making a large number of decisions within the Union, is another strategy that could be applied to the coordination of employment policies, in this case at the interregional level.

Mention needs to be made of the efforts undertaken for the progressive inclusion of employment in the political agenda of Euro-Mediterranean cooperation. The celebration in Marrakech of the first Interministerial Conference of Ministers of Labour and Employment, in November 2008, is evidence of this interest in cooperation on employment in the region. At this conference, an Action Plan for job creation was adopted, for the employability of human capital and for decent employment, which was ratified in November 2010 in a second Ministerial Conference, held in Brussels, which also appealed to the implementation of the plan through actions at regional and national level. Interministerial Euro-Mediterranean Conferences are thus set up as a regional framework which could in turn evolve into an integrated strategy for employment.

The objectives of the first summit focused especially on issues related to working conditions and social protection; the promotion of entrepreneurship and the creation of SME's; the promotion of decent work and the problem of underemployment, or the operation of the public employment services and active labour policies in general. The second summit set new priorities in employment: supporting small and medium enterprises and granting micro-credits, improving the quality of jobs, increasing efforts to provide employment opportunities for young people, strengthening the role of women in society, reinforcing vocational training systems and public employment services so that job supply and demand are matched, making poverty reduction a national priority, strengthening basic social protection systems and promoting social dialogue. It also provided for the creation of a network of experts and specialists on employment issues and strengthening the actions undertaken by the social agents in the context of the Euro-Mediterranean Partnership.

The Working Group for the preparation of the 3rd Summit reaffirmed the challenges identified in the 2nd Conference of Labour Ministers, considering that they still remained active, and stressed the urgent need for an integrated approach to the setting of objectives in employment, social, educational, economic and fiscal policies. In this context, the exchange of experiences and examples of best practice among member countries of the Euro-Mediterranean Partnership are worth highlighting, as well as the

dynamics of the Europe 2020 Strategy, with its commitment to the objectives of smart, sustainable and inclusive growth. The road map of the Europe 2020 Strategy in matters of employment, innovation and competitiveness, climate change, education and the fight against poverty could well be integrated within the objectives of Euro-Mediterranean cooperation and help support reform efforts carried out by the MPC's.

MAKING PROGRESS IN COOPERATION FOR EMPLOYMENT

Deciding on the effective implementation mechanisms of such a framework of actions, which should be one of the central questions of the next summits, would require, for example, standardisation of the annual national progress reports on the plan, in accordance with examples of good practice of member states under the open method of coordination and integrated employment guidelines, or the specification of objectives and indicators for each of the nine priorities of the action plan. As in neighbouring regions such as the Balkans, it would be advisable to set up programmes to review, evaluate, monitor and coordinate national employment policies and public employment services, in accordance with a common analytical model for all MPC's, where the guiding principle would be the modernisation of such policies. Promoting youth employment, especially the employability of unskilled young people and promoting youth entrepreneurship has to remain their greatest priority.

The analysis of the Euro-Mediterranean Partnership process in various international fora has highlighted the need to define a strategic framework for long-term cooperation based on the principles of economic sustainability, comprehensiveness and gradualism as reform plans are undertaken¹⁷. Among the proposals for action in employment is the development of a programme of review and modernisation of national employment policies, a EuroMediterranean strategy for mobility or a Euromed programme for young people's access to employment. The latter could be inspired by the recent European youth employment programme which seeks to deal with unacceptable levels of unemployment and social exclusion among young people by providing them with jobs, education and training.

In terms of education and training, some of the initiatives which are currently running include the Tempus IV project for higher education, the Erasmus-Mundus or the Euro-Mediterranean University (EMUNI), which, to date, is the only one of the six priority actions set by the UfM which has so far taken off, in addition to national support projects in the sectors of higher education and vocational training especially. It is still necessary to make further progress in the integration of the region in the areas of

¹⁷ *20+10. 30 Proposals to Develop a Genuine Social Dimension in the Euro-Mediterranean Partnership*, Friedrich Ebert Stiftung and Euromed Non-Governmental Platform, Rabat, 2010.

education and employment, with regional systems of information on available opportunities, or exchange programmes which also include vocational training students and internships, among others.

In the field of immigration there are also specific programmes, such as the programme for cooperation with third countries in migration and asylum (AENEAS), launched in 2004 and continued through the Programme for cooperation in migration and asylum, in the context of the financial perspectives 2007-2013, or the Euromed MIGRATION programme.

6. CONCLUSIONS AND PROPOSALS

1. The economic outlook has been overshadowed throughout the Mediterranean both by the international crisis and by political instability in the southern bank, and regardless of the outcome in the medium and long term (it will certainly be positive if the liberalisation and democratisation processes are consolidated), it still generates strong uncertainties and causes a decrease in external demand. In this context, the crisis has especially revealed the limitations of the model followed in recent years. A growth model whose main feature is that it is based on a larger input of factors, mainly population, with very limited gains in total productivity and insufficient to decisively reduce social inequalities.

2. In order to overcome the limitations of this model it is important for MPC's to increase savings and domestic investment, show a firm commitment to R&D and innovation and the deployment of infrastructures (including those that relate to ICT), and promote increased flows of FDI. At present, with the acute shortage of credit which one of the banks of the Mediterranean is undergoing (which is derived from the crisis, but also from problems and design flaws in the governance of the Eurozone), and the political processes that generate strong uncertainties on the other bank, such recommendations should be preceded, logically, by a solution to these issues.

At any rate, measures should be adopted, since the medium-term stability and the viability of democratic reforms in the region will also depend on the articulation of a new model of sustainable and inclusive economic growth, which can raise decisively the standard of living of their populations.

3. The keystone of this “economic transition” is the creation of jobs for the largest cohorts of young people that the region has ever seen. In fact, young people are regarded as the main forerunners of demand for social and political changes on the southern bank of the Mediterranean. This is a numerically large population group which

has reached high levels of frustration at the inability to see their expectations rewarded, in terms of upward mobility (among other issues, with better job opportunities), which are derived from higher educational attainment than of previous generations.

3. SME's account for over 90 per cent of the business fabric in the region, and they all share the difficulties of attracting sufficient investment and skilled human resources. Special consideration should be given, therefore, in the design of youth employment policies, to this real business situation in the Mediterranean, by promoting both young entrepreneurship and self-employment. In particular, entrepreneurship must be established as a real alternative for the new generation of young people with higher qualifications in the MPC's, rather than the traditional and almost single way into the job market through employment in the public sector.

For this purpose, existing resources for cooperation in the Mediterranean may be used. The Euro-Mediterranean Charter for Small Enterprises, adapted to the Small Business Act of 2008, may be a good starting point, by supporting SME's in the region through the identification of best practices, mutual learning, the institutionalisation of public policy or the establishment of political priorities for these enterprises in relation to the involvement of young people.

Social economy solutions may contribute to the development of entrepreneurship and the creation of productive fabric, especially in rural areas and in areas which are less attractive to foreign investment; these solutions also allow the progressive creation of association networks for the provision of social services, thus also contributing to attaching people to the area and, ultimately, to local development.

4. On the other hand, the existence of an inadequate regulatory framework has led, in a context of very small companies, to the emergence of a large informal sector. This sector may theoretically play an important role in the generation of dynamic productive fabric. This is not, however, the case of the underground economy in its strictest sense; this must be made to emerge as an objective which is acknowledged and shared by the whole of society.

This may require reforms in the fiscal and regulatory framework, as well as the design of support programs that facilitate adaptation for compliance with the regulations. The priorities which should be defined in relation to this concern must be: sustainable growth and quality job creation, improvement of labour productivity, eliminating any discrimination in the labour markets, strengthening the role of labour rights within the existing legal framework, improving governance in labour market institutions in the context of liberalisation and privatisation, strengthening the capacity of the social agents, promoting social dialogue and developing sustainable social security systems.

For all this, joint action is needed with the social agents, and the Euro-Mediterranean Partnership should contribute with greater intensity.

5. In relation to specific actions in employment, it is necessary to further promote the development of specific employment policies for young people. In this regard, it would be fitting to review these measures, which range from those which are clearly directed at improving access to the labour market (employment aid, guidance and monitoring of the unemployed or public employment initiatives) and improving career prospects, to those that promote self-employment and entrepreneurship, and training in entrepreneurship and business management skills, including management training, both for SME's and for cooperatives and other types of social economy.

This would also involve enhancing and improving public employment services and promoting cooperation and the exchange of experiences between the two shores of the Mediterranean.

It would also be necessary to evaluate these actions in order to verify their effectiveness, which must also include an analysis of the resources that have been employed.

6. For job creation, even with the objective of creating jobs for young people, it is important to consider the case of women differently. The development of legislation and policies that prevent discrimination and promote equality of opportunity must be stressed; it is equally important that women realise the significant potential which their participation in the labour market generates, which enhances their own individual, family and social development.

In the specific area of employment policies, the actions which should be promoted should be directed at achieving several objectives with regard to women, with some of them being more directed at MPC's, and others being applicable throughout the region: reducing female illiteracy rates, with actions that promote improved access of girls to education, especially in rural areas; increasing the training and qualifications of young women, thus preparing them for the labour market; ensuring recognition of labour rights, in particular by designing measures which promote work-life balance.

7. Investment in education on both shores of the Mediterranean has produced significant results, especially in enrolment rates at primary and secondary levels among the MPC's. However, there are still common problems such as high early dropout rates, a lesser participation in vocational secondary education, and even a low percentage of technical and scientific disciplines in higher education, which all result in serious difficulties for young people to move from education to employment. At the same time, young people who are in employment tend to work in poor conditions, especially in the MPC's, where cases of vulnerable and informal employment are very frequent, something which,

coupled with low levels of social protection, involves a high risk of poverty and social exclusion for this population group. This situation is indicative of a huge waste of human capital and a high risk of social instability.

In this sense, it would be desirable to undertake strategies that combine preventive and corrective measures, especially as far as early school dropout rates are concerned, and to improve the quality of education in all its dimensions, so that education and labour market demands are better matched.

8. In terms of a major action instrument for the achievement of a better fit in the transition from education to employment, entrepreneurship should be encouraged at schools, as well as promoting the development of vocational training, all with an emphasis on encouraging flexible and decentralised management systems, where there is a greater involvement of businesses and social agents in the design of the training system in order to meet the needs of the production model.

In connection with the above, positive attitudes towards entrepreneurship can be promoted through education. In this regard, the educational and training levels of the population are still low and training directed at the promotion of entrepreneurship is insufficient. All of this, moreover, in a social context in which the business culture is largely dominated by its local nature and strongly rooted in the informal economy.

It would be desirable, therefore, to make greater efforts in the areas of education and training, particularly in regard to improving access and quality in the educational systems, while also paying special attention to entrepreneurship as part of the basic skills that the system must provide.

9. The main points for the promotion of vocational training in the Euro-Mediterranean Region are still, in the opinion of the economic and social agents, those which were stated in the 2010 Rome Joint Report. Among the issues that were then discussed, those which are most directly related to the objective of youth employment can be summarised as: the need for greater efforts to enhance resources for vocational training (financing) and its quality (training centres, teaching staff and learning processes), the promotion of career guidance services, the adaptation of training programmes and closer links between vocational training and work, through various forms of cooperation between the training centres and enterprises.

Given that these objectives are common to all countries, and include economic modernisation, competitiveness and social cohesion, vocational training systems should choose the best elements of each of the models which have so far been followed in the Euro-Mediterranean Region.

10. Hence also the importance of regional cooperation and participation by economic and social agents across the region, which is also evident in the work of identifying the skills and qualifications necessary in each economy, and the development of common systems that enhance the solidity of vocational training systems: tools for the classification of qualifications, standard, comparable licensing and accreditation systems so that skills and qualifications may be recognised, assessment of non-formal learning and work experience, including experience acquired in the informal economy, and ensuring that there are training programmes for teachers.

Flexibility in the organisation of vocational training systems is about finding ways in which the combination of training and work activities can be promoted, vocational training opportunities for adults can be provided, or the existence of pathways between vocational training and general education. This requires that the availability of programmes offered allows flexible access, including the promotion of distance learning using ICT.

11. In order to promote a quality vocational training system, it is necessary to have a sufficient number of properly trained teachers. The studies which show a deficit of qualified vocational training teachers point to problems such as the preponderance of overly academic profiles or scarce social and economic appreciation.

It is also necessary to have training centre networks which have sufficient resources, a good supply of modern and up-to-date equipment, and appropriate management, including providing the centres with greater autonomy, which would allow for more intensive use of the facilities, longer hours of operation and the commitment to collaborate with the productive business fabric.

The provision of teachers in such conditions and the modernisation and improvement of the equipment of centres undoubtedly requires a solid funding base for vocational training.

Moreover, it is necessary to improve educational processes and innovation in the teaching of vocational training programmes. In these areas there is ample scope for cooperation, for instance through the creation of networks of centres of reference and through mobility programs for teachers.

12. In addition to promoting the improvement of schools and training centres, vocational training policies should promote training in business and in the workplace through different instruments.

Especially in the case of young people, the possibilities offered by the development of work-based learning programmes must be explored, including dual training schemes

which alternate training and employment, or the regulation of labour contracts which are educational in nature, among others.

13. The gradual process of cooperation between the EU and southern Mediterranean countries, which started in the 70's under the denomination of Mediterranean Policy, culminated in 1995 with the creation of the Euro-Mediterranean Partnership, also known as the Barcelona Process, and in 2008 with the creation of the Union for the Mediterranean (UfM). In 2003 these processes were complemented by the European Neighbourhood Policy (ENP), which was brought forward with the aim of strengthening cooperation from a country to country perspective. However, nowadays, in part because of the social movements, political changes and conflicts that have occurred in the region since 2011, as a result of the so-called "Arab Spring", the goals of prosperity and respect for human rights which were much sought after by both the UfM and the ENP have not yielded the expected results.

It is necessary to revise these strategies, under an incentive-based approach, whereby conditions of compliance are increased, but there must also be sufficient financial provision.

14. The two-pronged dimension of cooperation in the region (multilateral (UfM) and bilateral (ENP)), creates some confusion about the most appropriate framework in which to locate certain policies, such as employment, and also youth employment.

In this sense, it would be essential to emphasise two aspects. Firstly, the necessary complementarity and therefore continuity of both approaches, given that, despite the evident national diversity of the region, a comprehensive strategy is needed which may complement the "country by country" policies. Secondly, the necessary coordination of policies in specific sectorial strategies which integrate both the multilateral and the bilateral approaches, in order to overcome any gaps between them.

In terms of employment, if the suggestion contained in the 2010 Rabat Joint Report is to be followed, it would be necessary to develop a joint strategy for youth employment throughout the Mediterranean region, which would allow closer cooperation between the countries of the two shores. This strategy could follow similar lines to those adopted by international bodies such as the OECD and the G20, in order to address the problem of youth unemployment in the world.

15. Cooperation in the field of employment, which is progressing through the Euro-Mediterranean Interministerial Conferences of Ministers of Labour and Employment, still lacks sufficient implementation, and thus, there are no standardised assessment tools for the entire region.

Therefore, it is recommended that the operational objectives of the policies be more precisely outlined, and that some of them specifically focus on key groups (including young people without qualifications).

Two-way integration between Euro-Mediterranean cooperation on employment and social dialogue is also of paramount importance, so that the content of the policies which result from such cooperation prioritises the strengthening of channels of participation for the social agents and so that the latter are involved in the design of cooperation in social matters and employment.

APPENDIX OF TABLES

The Euro-Mediterranean Region in the World

TABLE I

THE EUROMEDITERRANEAN REGION IN THE WORLD: POPULATION, RESOURCES AND GDP (2011)

	Demography					Labour Market		Economic Context				
	Total Population		Population aged < 15		% population growth	Activity rate	Unemployment rate ^a	GDP		% real GDP growth		
	Million	% world	Million	% world				Current USD (Million)	% world	2009	2010	2011
MENA Region ^b	389.6	5.6	117.7	6.3	1.9	50.5	9.7	3,048,998.0	4.4	1.8	4.5	5.2
European Union	503.7	7.2	78.3	4.2	0.3	71.3	9.6	17,574,405.4	25.1	-4.3	2.2	1.5
World	6,973.7	100.0	1,853.9	100.0	1.2	69.3	5.9	69,981,921.9	100.0	-2.2	4.3	2.7
OECD	1,245.2	17.9	231.3	12.5	0.6	70.5	7.9	46,065,362.0	65.8	-3.9	3.2	1.5
Arab League	354.8	5.1	118.2	6.4	2.1	51.7	9.6	2,409,544.9	3.4	2.0	4.4	5.3

a) Data from several years (2008-2011)

b) MENA Region includes: Algeria, Bahrain, Djibouti, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Malta, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, Palestine and Yemen.

Source: World Bank, World Developments Indicators & Global Development Finance, 2012.

Social and Economic indicators

TABLE 2

MACRO-ECONOMIC CONTEXT OF THE EU AND MEDITERRANEAN PARTNER COUNTRIES

(Data by country and regional average)

Countries	Average GDP Annual Growth (%) ^a		GAV by sector (%GDP) ^b			Gross National Income per capita in PPP (in USD) ^b
	2001-2010	2011	2010			2011
			Agric.	Indust.	Serv.	
MPC	4.6	3.0	9.0	34.3	56.6	11,696
Algeria	3.8	2.4	6.9	62.1	31.0	8,31
Egypt	4.9	1.8	14.0	37.5	48.5	6,12
Israel	3.2	4.6	n/a	n/a	n/a	28,07
Jordan	6.3	2.6	2.9	30.6	66.5	5,93
Lebanon	5.2	1.5	6.4	21.5	72.2	14,47
Morocco	5.0	4.9	15.4	29.7	55.0	4,88
Palestine A.	n/a	n/a	n/a	n/a	n/a	n/a
Syria	4.5	n/a	n/a	n/a	n/a	n/a
Tunisia	4.5	-1.8	8.0	32.3	59.7	8,85
Turkey	4.0	8.5	9.6	26.7	63.8	16,94
UE-27	2.4	1.7	2.6	26.4	70.6	30,965
Germany	1.0	3.0	0.9	28.2	71.0	40,19
Austria	1.6	2.7	1.5	29.1	69.4	42,03
Belgium	1.4	1.8	0.7	21.8	77.5	39,15
Bulgaria	4.2	1.7	5.4	31.4	63.3	14,4
Cyprus	2.8	0.5	n/a	n/a	n/a	n/a
Croatia	2.5	0.0	5.0	26.8	68.2	19,1
Denmark	0.6	1.1	1.2	21.9	76.9	41,92
Slovakia	4.9	3.2	3.9	34.9	61.2	22,3
Slovenia	2.8	0.6	2.5	31.6	65.9	26,5
Spain	2.1	0.4	2.7	25.7	71.7	31,44
Estonia	3.9	8.3	n/a	n/a	n/a	20,85
Finland	1.8	2.7	2.9	29.0	68.1	37,66
France	1.1	1.7	n/a	s.d.	s.d.	35,91
Greece	2.1	-7.1	n/a	18.1	s.d.	25,11
Holland	1.4	1.0	2.0	23.9	74.2	43,15
Hungary	2.0	1.6	3.5	31.0	65.4	20,31
Ireland	2.8	1.4	n/a	n/a	n/a	33,52
Italy	0.4	0.4	1.9	25.2	72.9	32,42
Latvia	4.6	5.9	4.1	21.8	74.1	19,09
Lithuania	2.8	1.7	3.5	28.2	68.3	20,76
Luxembourg	2.0	1.6	0.3	12.8	86.9	64,11
Malta	1.7	1.6	n/a	n/a	n/a	n/a
Poland	3.9	4.3	3.5	31.6	64.8	20,26
Portugal	0.7	-1.6	2.4	23.1	74.5	24,62
United Kingdom	1.8	0.9	0.7	21.7	77.6	35,95
Czech Rep.	3.4	1.9	2.4	37.7	60.0	24,49
Romania	4.3	2.2	7.1	26.2	66.7	15,78
Sweden	2.2	3.7	1.9	26.7	71.5	42,21

a) Average GDP growth data are sourced from Eurostat for all EU countries and for Turkey. For the rest of MPC's, they are sourced from the IMF.

b) GAV and GNI (PPP) are sourced from the World Bank.

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TABLE 3
POPULATION FEATURES IN THE EU AND MEDITERRANEAN PARTNER COUNTRIES
 (Data by country and regional average)

Countries	Total population ^a	Annual population growth	Human Development Index (HDI) ^b		Population under the age of 15	Population aged 15-30 ^c	Old-age dependency ratio (over 65s) ^d	Fertility rate
	Million	%	Value	Rank	(% of total)	(% of total)		
	2012	2010-2015	2012	2012	2012	2011-2012	2011	2011
MPC's	282.2	1.5			29.8	27.9	8.8	2.71
Algeria	36.5	1.4	0.713	93	26.6	31.3	6.8	2.22
Egypt	84.0	1.7	0.662	112	31.0	30.2	8.1	2.69
Israel	7.7	1.7	0.900	16	27.4	28.7	17.0	3.00
Jordan	6.5	1.9	0.700	100	36.1	s.d.	6.7	3.70
Lebanon	4.3	0.7	0.745	72	23.7	22.5	10.7	1.78
Morocco	32.6	1.0	0.591	130	27.3	s.d.	8.3	2.24
Palestine A.	4.3	2.8	0.670	110	41.4	s.d.	5.1	4.45
Syria	21.1	1.7	0.648	116	35.4	29.2	6.7	2.87
Tunisia	10.7	1.0	0.712	94	23.1	s.d.	10.0	2.13
Turkey	74.5	1.1	0.722	90	25.6	25.2	9.0	2.06
EU-27	503.2	0.2			15.7	19	24.4	1.56
Germany	82.0	-0.2	0.920	5	13.3	17.2	31.2	1.36
Austria	8.4	0.2	0.895	18	14.3	18.7	26.4	1.42
Belgium	10.8	0.3	0.897	17	16.9	18.4	26.9	1.84
Bulgaria	7.4	-0.7	0.782	57	14.1	18.1	25.9	1.51
Cyprus	1.1	1.1	0.848	31	17.2	24.2	16.7	1.47
Croatia	4.4	-0.2	0.805	47	15.0	18.9	25.6	1.46
Denmark	5.6	0.3	0.901	15	17.7	18.3	25.9	1.75
Slovakia	5.5	0.2	0.840	35	15.0	21.5	16.9	1.45
Slovenia	2.0	0.2	0.892	21	14.1	17.8	24.1	1.56
Spain	46.8	0.6	0.885	23	15.3	16.6	25.3	1.36
Estonia	1.3	-0.1	0.846	33	15.9	20.6	25.8	1.52
Finland	5.4	0.3	0.892	21	16.5	18.7	27.0	1.83
France	63.5	0.5	0.893	20	18.4	18.3	26.4	2.03
Greece	11.4	0.2	0.860	29	14.8	16.5	28.0	1.43
Hungary	9.9	-0.2	0.831	37	14.7	18.9	24.3	1.23

TABLE 3 (CONTINUED)

POPULATION FEATURES IN THE EU AND MEDITERRANEAN PARTNER COUNTRIES

Countries	Total population ^a	Annual population growth	Human Development Index (HDI) ^b		Population under the age of 15	Population aged 15-30 ^c	Old-age dependency ratio (over 65s) ^d	Fertility rate
	Million	%	Value	Rank	(% of total)	(% of total)		
	2012	2010-2015	2012	2012	2012	2011-2012	2011	2011
EU-27	503.2	0.2			15.7	19	24.4	1.56
Ireland	4.6	1.1	0.916	7	21.5	19.8	17.8	2.05
Italy	61.0	0.2	0.881	25	14.1	15.6	31.5	1.41
Latvia	2.2	-0.4	0.814	44	14.2	19.8	26.2	1.34
Lithuania	3.3	-0.4	0.818	41	14.8	20.2	23.4	1.76
Luxembourg	0.5	1.4	0.875	26	17.5	19.1	20.3	1.52
Malta	0.4	0.3	0.847	32	14.4	20.6	20.6	1.38
Netherlands	16.7	0.3	0.921	4	17.4	18.3	23.6	1.76
Poland	38.3	0.0	0.821	39	14.7	21.6	19.3	1.30
Portugal	10.7	0.0	0.816	43	14.9	16.8	27.2	1.35
United Kingdom	62.8	0.6	0.875	26	17.4	19.9	25.6	1.98
Czech Rep.	10.6	0.3	0.873	28	14.3	18.5	21.5	1.43
Romania	21.4	-0.2	0.786	56	15.2	20.4	21.5	1.25
Sweden	9.5	0.6	0.916	8	16.7	19.4	28.6	1.90

a) Regional population data refers to the total population of the region, rather than the countries average.

b) HDI is expressed on a scale of 0 to 1.

c) Data for 2011 except MPC's (excluding Turkey), Cyprus and Romania (2010).

d) Population aged 65 or over / population aged between 15 and 64 (per 100 inhabitants).

Source: Eurostat; World Bank, *World Development Indicators & Global Development Finance*; United Nations Development Programme, *Report on Human Development 2012*, and UN, *World Population Prospects and Social Indicators*.

Education indicators

TABLE 4
EDUCATION INDICATORS

(Data by country and regional arithmetic mean)

Countries	Adult Literacy Rate		Literacy Rate ages 15 to 24		Net Rate ^a of Primary Schooling		Net Rate ^a of Secondary Schooling		Gross rate ^a of Tertiary Schooling	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
MPC's	73.6	86.7	91.6	95.3	93.6	94.7	72.1	71.0	43.1	37.5
Algeria	63.9	81.3	89.1	94.4	94.6	96.6	68.5	64.9	37	25
Egypt	57.8	74.6	81.8	87.9	94.1	97.4	75.3	79.6	26	33
Israel	n/a	n/a	n/a	n/a	97.2	96.6	88.6	86.5	71	55
Jordan	88.9	95.5	98.9	99.0	90.6	88.8	85.9	82.6	44	39
Lebanon	86.0	93.4	99.1	98.4	91.2	92.2	78.9	70.6	59	49
Morocco	43.9	68.9	72.1	86.7	95.1	96.3	32.1	38.0	12	14
Palestine	91.7	97.4	99.2	99.2	85.6	87.4	86.5	80.6	58	43
Syria	n/a	n/a	n/a	n/a	92.8	94.2	67.2	66.7	n/a	n/a
Tunisia	71.0	86.4	95.8	98.1	97.8	99.1	66.3	64.0	41	28
Turkey	85.3	96.4	96.6	99.0	96.7	98.2	71.3	76.9	40	51
EU-27	97.7	98.4	99.4	99.2	96.4	96.4	90.0	88.8	72.6	54.4
Germany	n/a	n/a	n/a	n/a	97.1	97.5	n/a	n/a	n/a	n/a
Austria	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	65	55
Belgium	n/a	n/a	n/a	n/a	99.0	98.7	86.5	89.8	75	60
Bulgaria	98.0	98.7	97.4	97.5	98.0	97.4	81.6	83.9	60	46
Cyprus	96.9	99.1	99.9	99.8	98.4	99.0	96.5	94.6	48	56
Croatia	98.2	99.5	99.7	99.6	86.6	87.1	93.7	88.4	62.1	46.5
Denmark	n/a	n/a	n/a	n/a	96.6	94.6	90.8	88.0	88	61
Slovakia	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	67	42
Slovenia	99.7	99.7	99.9	99.8	96.6	96.9	92.4	91.4	103	71
Spain	96.9	98.5	99.6	99.6	99.8	99.8	95.7	92.8	81	66
Estonia	99.8	99.8	99.8	99.7	93.3	94.6	93.1	91.1	79	47
Finland	n/a	n/a	n/a	n/a	97.5	97.4	94.7	93.9	101	82

Table 4 (Continued)

EDUCATION INDICATORS

Countries	Adult Literacy Rate		Literacy Rate ages 15 to 24		Net Rate ^a of Primary Schooling		Net Rate ^a of Secondary Schooling		Gross rate ^a of Tertiary Schooling	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
EU-27	97.7	98.4	99.4	99.2	96.4	96.4	90.0	88.8	72.6	54.4
France	n/a	n/a	n/a	n/a	98.6	98.4	99.1	97.4	61	48
Greece	96.1	98.3	99.3	99.4	98.5	98.0	89.8	90.5	94	85
Hungary	99.3	99.4	99.5	99.3	91.7	93.0	90.8	91.4	71	52
Ireland	n/a	n/a	n/a	n/a	98.9	97.5	90.3	87.2	69	56
Italy	98.6	99.2	99.9	99.9	97.5	98.2	92.9	92.8	77	55
Latvia	99.8	99.8	99.8	99.7	94.0	93.3	86.2	83.5	86	47
Lithuania	99.7	99.7	99.8	99.8	92.7	93.9	91.7	90.4	93	62
Luxembourg	n/a	n/a	n/a	n/a	95.9	94.2	86.4	83.8	10	11
Malta	93.5	91.2	99.1	97.5	89.3	88.5	74.4	78.2	39	28
Netherlands	n/a	n/a	n/a	n/a	99.3	99.8	88.0	86.7	66	59
Poland	99.4	99.7	99.9	99.8	95.7	96.0	91.8	90.2	83	58
Portugal	93.2	96.7	99.7	99.7	99.3	99.1	85.6	77.8	68	57
United Kingdom	n/a	n/a	n/a	n/a	99.5	99.7	97.4	94.7	69	49
Czech Rep.	n/a	n/a	n/a	n/a	n/a	n/a	84.4	82.7	71	51
Romania	97.0	98.3	97.5	97.2	87.0	87.4	83.1	81.6	73	55
Sweden	n/a	n/a	n/a	n/a	99.0	99.6	95.9	95.8	87	55

Data for several years (2004-2011), except Internet users (2010).

a) Schooling rates (net and gross) are calculated on the basis of the total population who is theoretically in the age bracket for specific schooling. Net rates include, in the numerator, only those people who are schooled at the proper age and educational sector, and the gross rate includes everybody schooled at that level, regardless of age.

Source: UN, Demographic and social statistics; World Bank, World Development Indicators & Global Development Finance, and UNESCO.

TABLE 5

EDUCATION INDICATORS (II)
(Data by country and regional arithmetic mean)

Countries	Public expenditure on education (by student, % of GDP per capita)	Participation in technical/professional programmes (% of total secondary education)	% women (over total participation in technical/professional programmes)	Internet users (% over total population) 2010
MPC's	17.1	10.8	39.3	35.7
Algeria	n/a	9.7	35.2	12.5
Egypt	n/a	18.5	42.9	26.7
Israel	19.8	18.6	44.4	65.4
Jordan	n/a	4.0	37.6	38.9
Lebanon	6.2	14.8	42.0	31.0
Morocco	n/a	5.6	38.6	49.0
Palestine	n/a	1.3	35.4	36.4
Syria	18.6	3.9	40.0	20.7
Tunisia	23.8	11.9	35.0	36.6
Turkey	n/a	20.0	42.2	39.8
EU-27	25.1	26.1	41.0	69.6
Germany	n/a	20.3	38.8	82.5
Austria	26.9	39.5	43.9	72.7
Belgium	28.8	41.7	44.0	73.7
Bulgaria	25.4	30.1	39.1	46.0
Cyprus	34.9	6.7	16.5	53.0
Croatia	n/a	36.9	49.0	60.3
Denmark	30.9	25.9	43.5	88.8
Slovakia	16.4	35.5	45.5	79.9
Slovenia	25.2	35.7	41.3	69.3
Spain	23.1	16.7	46.6	65.8
Estonia	24.8	18.8	34.5	74.2
Finland	26.0	30.8	46.7	86.9
France	24.4	20.0	43.6	77.5
Greece	n/a	16.0	35.2	44.6
Hungary	24.2	14.4	37.5	65.2
Ireland	n/a	18.7	52.6	69.8
Italy	24.7	36.9	39.7	53.7
Latvia	27.0	23.6	39.4	71.5
Lithuania	20.2	11.2	32.9	62.8
Luxembourg	n/a	30.6	47.7	90.1
Malta	28.8	15.0	33.6	63.1
Netherlands	24.0	47.3	46.1	90.7
Poland	22.7	27.6	37.1	62.5
Portugal	24.8	25.0	42.6	51.3
United Kingdom	24.8	12.5	47.9	84.7
Czech Rep.	20.6	39.2	45.4	68.6
Romania	20.6	33.4	42.6	40.0
Sweden	29.0	32.1	43.8	90.0

a) ISCED Levels 2 and 3.

Source: UN, Demographic and social statistics; World Bank, World Development Indicators & Global Development Finance, and UNESCO.

Labour Market

TABLE 6
ACTIVITY AND EMPLOYMENT RATES (2011)
 (Data by country and regional arithmetic mean)

Countries	Activity rate, ages 15-24			Activity rate, general			Employment rate, ages 15-24			Employment rate, general		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
MPC's	17.6	44.6	31.4	25.9	73.9	49.9	12.6	34.6	23.8	20.4	62.7	41.5
Algeria	8.9	46.3	28.0	16.0	75.6	46.2	5.6	36.5	21.3	11.7	63.6	37.8
Egypt	20.0	47.5	34.0	25.5	78.3	52.0	7.6	35.8	21.9	17.4	68.9	43.0
Israel	33.9	29.0	31.4	61.3	68.6	65.0	30.0	25.5	27.7	49.6	58.8	54.1
Jordan	11.3	42.0	27.2	16.6	69.5	43.9	5.9	30.8	18.7	12.0	58.9	36.2
Lebanon	17.6	40.6	29.3	25.0	75.4	49.3	13.5	30.6	22.2	20.3	64.6	41.6
Morocco	18.9	52.6	35.8	26.7	78.3	51.7	15.7	43.2	29.4	23.8	68.1	45.2
Palestine	8.4	41.6	25.4	15.7	68.6	42.5	5.4	28.7	17.3	12.6	51.7	32.4
Syria	9.2	49.0	29.9	13.9	74.7	44.5	5.4	41.5	24.2	10.2	67.3	38.9
Tunisia	21.8	43.8	33.0	27.7	74.4	51.0	15.1	28.8	22.0	21.2	60.0	40.5
Turkey	26.4	53.3	40.1	30.3	75.5	52.9	21.4	44.9	33.3	25.3	65.4	45.1
EU-27	38.6	44.6	41.7	65.0	77.2	71.1	30.3	34.6	32.5	46.4	59.2	52.7
Germany	49.2	55.3	52.3	71.0	82.6	76.9	45.3	50.2	47.8	50.0	62.4	56.0
Austria	54.1	63.5	58.9	69.4	80.7	75.1	49.4	58.5	54.0	51.7	64.7	58.0
Belgium	29.8	35.6	32.7	62.1	73.6	67.9	23.7	28.6	26.2	44.1	56.4	50.1
Bulgaria	26.9	36.4	31.8	63.0	72.0	67.5	20.3	26.6	23.5	43.5	53.3	48.2
Cyprus	40.0	40.5	40.3	66.8	78.9	73.1	31.3	31.1	31.2	52.7	66.0	59.5
Croatia	30.9	42.5	36.8	59.1	70.2	64.6	19.6	27.4	23.6	39.6	52.1	45.5
Denmark	67.3	67.8	67.6	76.0	82.7	79.4	58.7	57.2	57.9	55.7	63.5	59.5
Slovakia	26.3	36.9	31.7	61.7	76.4	69.1	17.3	24.5	21.0	44.1	59.2	51.4
Slovenia	35.4	43.5	39.5	67.4	75.2	71.4	29.6	37.0	33.4	49.1	59.5	54.2
Spain	40.8	46.2	43.5	66.3	81.1	73.8	22.3	23.6	23.0	39.8	53.2	46.4
Estonia	36.0	44.5	40.3	71.6	77.8	74.6	28.6	33.9	31.3	50.6	58.5	54.2
Finland	50.2	52.0	51.1	72.7	76.8	74.8	41.0	40.6	40.8	51.9	58.9	55.3
France	36.4	44.0	40.3	66.4	75.1	70.7	27.4	34.4	31.0	46.0	56.0	50.8
Greece	27.8	34.5	31.3	58.3	79.1	68.9	13.7	21.4	17.7	35.4	55.5	45.3

Table 6 (CONTINUED)

ACTIVITY AND EMPLOYMENT RATES (2011)

Countries	Activity rate, ages 15-24			Activity rate, general			Employment rate, ages 15-24			Employment rate, general		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
EU-27	38.6	44.6	41.7	65.0	77.2	71.1	30.3	34.6	32.5	46.4	59.2	52.7
Hungary	22.3	28.3	25.3	56.7	68.5	62.5	16.9	20.6	18.8	39.3	51.8	45.1
Ireland	41.9	45.1	43.5	62.0	77.2	69.7	32.1	29.3	30.7	47.1	56.4	51.8
Italy	23.6	33.3	28.5	51.3	73.8	62.7	16.1	24.5	20.4	34.2	55.2	44.4
Latvia	39.9	45.7	42.9	71.8	77.2	74.4	27.8	32.0	30.0	47.7	55.3	51.2
Lithuania	27.4	34.1	30.8	69.3	73.1	71.2	19.1	22.3	20.7	46.8	52.8	49.6
Luxembourg	23.2	27.6	25.4	60.4	75.5	68.1	19.2	24.1	21.7	46.3	62.6	54.4
Malta	49.1	55.1	52.2	43.2	78.0	60.8	42.3	47.6	45.0	32.7	63.2	47.8
Netherlands	69.6	68.9	69.3	72.9	84.0	78.5	64.2	63.8	64.0	55.6	68.2	61.8
Poland	30.6	40.1	35.4	58.9	72.6	65.7	21.7	30.6	26.3	43.2	58.4	50.5
Portugal	35.1	39.0	37.1	70.2	78.5	74.3	24.0	27.8	25.9	48.8	59.7	54.0
United Kingdom	56.9	61.0	59.0	69.6	81.3	75.5	46.3	46.4	46.4	51.8	62.1	56.8
Czech Rep.	25.2	35.9	30.7	61.6	78.5	70.2	20.6	29.3	25.1	45.6	64.2	54.7
Romania	26.4	36.5	31.5	56.5	72.1	64.3	20.2	27.9	24.2	45.4	59.6	52.3
Sweden	51.8	52.5	52.2	77.0	82.4	79.7	40.3	40.0	40.2	55.0	62.8	58.9

Source: World Bank, World Development Indicators & Global Development Finance, 2012.

TABLE 7

UNEMPLOYMENT RATES (2012)
(Data by country and regional arithmetic mean)

Countries	Unemployment rate, ages 15-24 ^a			Unemployment rate, general ^a			Unemployment rate by educational level ^b			
	Women	Men	Total	Women	Men	Total	Primary ^c		Secondary ^d	Tertiary ^e
MPC's	33.4	24.9	25.2	18.5	9.9	11.8	Pre-primary	Primary	13.0	15,8
							10.4	15.7		
Algeria	46.3	42.8	31.1	20.0	10.0	11.4	7.6	10.7	8.9	20,3
Egypt	47.9	17.2	24.8	22.9	5.2	9.4	2.2	s.d.	12.8	18,9
Israel	12.9	14.5	13.7	6.5	6.8	6.6	12.2	11.1	8.0	4,4
Jordan	45.9	22.6	27.0	24.1	10.3	12.9	n/a	n/a	n/a	n/a
Lebanon	21.5	22.3	22.1	10.1	8.6	9.0	n/a	n/a	n/a	n/a
Morocco	19.4	22.8	21.9	10.5	9.8	10.0	6.7	16.4	17.7	17,4
Palestine	47.3	38.8	40.2	38.6	17.7	24.5	25.4	24.6	19.6	24,1
Syria	40.2	15.3	19.2	22.5	5.7	8.4	n/a	n/a	n/a	n/a
Tunisia	29.3	31.4	30.7	17.3	13.1	14.2	n/a	n/a	n/a	n/a
Turkey	23.1	21.0	21.7	13.0	11.4	11.9	8.3		10.7	9.4
EU-27	24.6	25.5	25.0	10.5	10.7	10.6	18.4		10.2	5.8
Germany	7.3	8.9	8.2	5.2	5.7	5.5	13.4		5.8	2.5
Austria	8.8	7.9	8.3	4.3	4.0	4.2	8.6		3.6	2.4
Belgium	18.1	19.8	19.1	7.4	7.3	7.3	14.1		6.8	3.8
Bulgaria	24.6	30.1	27.9	10.6	13.6	12.2	27.1		10.4	5.0
Cyprus	26.3	27.3	26.8	11.2	12.9	12.1	8.0		8.7	7.2
Croatia	44.3	42.3	43	15.6	16.2	15.9	17.6		14.6	8.8
Denmark	13.5	14.8	14.1	7.5	7.5	7.5	11.6		6.8	5.3
Slovakia	33.1	35.3	34.5	14.5	13.6	14.0	42.4		13.4	5.8
Slovenia	21.5	22.0	21.8	9.6	8.5	9.0	14.4		8.7	5.0
Spain	51.8	54.4	53.2	25.4	24.7	25.0	29.2		21.5	12.7
Estonia	18.0	23.4	20.9	9.3	11.0	10.2	27.4		13.0	8.2
Finland	18.0	19.9	19.0	7.1	8.3	7.7	16.7		8.3	4.0
France	24.6	24.7	24.7	10.4	10.1	10.2	15.3		9.0	5.4
Greece	63.4	48.5	55.4	28.1	21.5	24.3	18.5		20.1	14.0

TABLE 7 (CONTINUED)

UNEMPLOYMENT RATES (2012)

Countries	Unemployment rate, ages 15-24 ^a			Unemployment rate, general ^a			Unemployment rate by educational level ^b		
	Women	Men	Total	Women	Men	Total	Primary ^c	Secondary ^d	Tertiary ^e
EU-27	24.6	25.5	25.0	10.5	10.7	10.6	18.4	10.2	5.8
Hungary	27.3	28.8	28.1	10.6	11.2	10.9	6.9	4.1	2.8
Ireland	24.2	36.6	30.6	11.0	17.9	14.8	24.9	10.6	4.5
Italy	37.5	33.8	35.3	11.9	9.9	10.7	24.1	17.1	7.7
Latvia	29.3	27.6	28.4	13.8	16.0	14.9	10.8	7.9	5.5
Lithuania	21.9	29.9	26.4	11.5	15.1	13.3	28.0	17.6	6.8
Luxembourg	16.5	19.3	18.0	5.6	4.5	5.0	39.5	19.2	6.4
Malta	15.9	14.2	15.0	7.6	5.9	6.5	8.3	4.4	3.7
Netherlands	10.0	8.9	9.5	5.2	5.3	5.3	9.1	4.4	s.d.
Poland	29.9	24.1	26.5	10.9	9.4	10.1	19.2	10.5	5.3
Portugal	39.2	36.4	37.7	15.8	16.0	15.9	14.6	13.4	9.3
United Kingdom	18.0	23.7	21.0	7.4	8.3	7.9	14.6	8.7	4.4
Czech Rep.	19.0	19.9	19.5	8.2	6.0	7.0	24.7	6.5	2.9
Romania	23.2	22.3	22.7	6.4	7.6	7.0	8.6	8.1	5.2
Sweden	22.3	25.0	23.7	7.7	8.2	8.0	16.7	6.9	4.2

a) Data for 2012 in Europa except Austria (2011) and most recent year's available data for MPC's

b) Data for 2011 in the EU and Turkey, for 2010 among MPC's.

c) ISCED 0-2, except MPC's, where a differentiation is made, ISCED 0-1 and ISCED 2

d) ISCED 3-4

e) ISCED 5-6

Source: Eurostat and World Bank, World Development Indicators & Global Development Finance, 2012.

TABLE 8

PART-TIME AND VULNERABLE EMPLOYMENT (2011)

(Data by country and regional arithmetic mean)

Countries	Part-time Employment ^a			Vulnerable Employment ^b		
	Women (% of women's employment)	Men (% of men's employment)	Total (% of total employment)	Women (% of women's employment)	Men (% of men's employment)	Total (% of total employment)
MPC's	19.5	6.7	11.1	29.5	27.1	27.9
Algeria	n/a	n/a	n/a	34.0	34.4	34.4
Egypt	n/a	n/a	n/a	48.7	21.6	27.3
Israel	21.0	7.0	13.8	5.3	8.9	7.2
Jordan	n/a	n/a	n/a	2.8	10.6	9.4
Lebanon	n/a	n/a	n/a	15.9	31.6	27.8
Morocco	n/a	n/a	n/a	64.6	47.3	51.9
Palestine	n/a	n/a	n/a	31.3	26.3	27.2
Syria	13.3	6.6	7.7	15.9	35.4	32.9
Tunisia	n/a	n/a	n/a	n/a	n/a	n/a
Turkey	24.3	6.6	11.7	47.1	27.4	33.1
EU-27	20.9	7.4	13.5	9.6	13.5	11.8
Germany	38.0	8.5	22.1	6.0	7.7	6.9
Austria	32.8	7.0	18.9	8.6	9.1	8.9
Belgium	32.4	7.0	18.8	8.6	11.5	10.2
Bulgaria	2.6	2.1	2.3	7.2	9.8	8.5
Cyprus	12.8	7.0	9.6	10.6	16.0	13.6
Croatia	11.9	7.2	9.3	18.7	17.4	18.0
Denmark	25.2	13.8	19.2	3.8	7.0	5.5
Slovakia	5.7	2.7	4.0	7.6	16.2	12.4
Slovenia	10.9	6.7	8.6	11.3	14.8	13.2
Spain	21.9	5.5	12.9	9.0	13.2	11.3
Estonia	12.4	5.1	8.8	3.6	5.7	4.6
Finland	16.0	9.6	12.7	6.6	11.8	9.3
France	22.1	5.9	13.6	5.5	8.7	7.2
Greece	14.0	5.6	9.0	27.3	29.6	28.7
Hungary	60.5	17.1	37.2	9.5	12.6	11.2
Ireland	6.4	3.4	4.7	5.3	8.0	6.8
Italy	39.3	12.6	25.7	5.2	17.5	11.8
Latvia	31.3	6.6	16.7	14.6	20.9	18.3
Lithuania	10.8	7.5	9.2	6.7	8.8	7.7
Luxembourg	10.4	6.8	8.6	7.5	9.0	8.2
Malta	30.2	5.0	16.0	5.5	6.0	5.9
Netherlands	25.6	6.5	13.1	4.5	11.9	9.3
Poland	12.4	4.9	8.3	16.7	19.8	18.4
Portugal	14.4	8.8	11.5	14.0	17.7	16.0
United Kingdom	39.3	11.7	24.6	7.9	14.9	11.7
Czech Rep.	6.6	1.9	3.9	11.1	17.0	14.4
Romania	11.5	9.6	10.5	31.9	31.2	31.5
Sweden	18.4	9.8	13.8	4.3	8.9	6.7

a) Data for 2011, except Syria (2010).

b) Data for 2011, except Israel and Morocco (2008), Egypt and Lebanon (2007) and Algeria (2005).

Source: World Bank, World Development Indicators & Global Development Finance, 2012.

YOUTH EMPLOYMENT: A G20 PRIORITY

The dire situation of young people in the labour markets of most G20 countries has been the subject of discussions and deliberations of the G20 summits. At the G20 London Summit on Stability, Growth and Employment (April 2009), the leaders adopted a global plan for recovery and reform pledging “to support those affected by the crisis by creating employment opportunities.” They also made an appeal to the ILO for it to make, in conjunction with other relevant organisations, “an assessment of the actions taken and those required for the future”. This was followed by the Pittsburgh Summit, where leaders pledged to put quality jobs at the heart of the recovery process and decided to convene the First Meeting of Ministers of Labour and Employment, and requested the ILO to prepare a training strategy for the G20.

In the second G20 Meeting of Ministers of Labour and Employment (Paris, September 2011), discussions centred on the main employment challenges faced by young people in the G20 countries and the important role of policies to increase both the quantity and quality of jobs for young people was highlighted (OECD and ILO, 2011). The recommendations of the ministers in matters of policy, which focused on improving employment policies, particularly for young people and other vulnerable groups, the establishment of public-sector housing, the promotion of international labour standards and strengthening coherence between economic and social policies, were all supported by the leaders in Cannes (November 2011). The Summit also established a working group on employment with the priority task for 2012 to focus on youth employment.

The Working Group on Employment was convened under the presidency of Mexico with a request for support from the ILO and other stakeholders to review the policies and programmes for youth employment, especially learning and other measures to facilitate the transition from school to work. The main conclusions of the Working Group on Employment on strategies for youth employment among G20 countries were supported by the Ministers of Labour and Employment (Guadalajara, May 2012) and the leaders of the summit (Los Cabos, June 2012). The conclusions include: i) strengthening quality learning systems and other programmes for transition from school to work, in collaboration with the social agents, ii) providing career guidance and facilitating the acquisition of experience in the workplace with a view to promoting decent work, iii) supporting the implementation of measures to promote youth entrepreneurship iv) analysing voluntary technical cooperation, either bilaterally, or in collaboration with international organisations, as a means of exchanging “best practices” in the promotion of youth employment, and v) requesting the ILO, the OECD and other international organisations to cooperate with national institutions in order to help better understand the situation of young people in G20 countries and to implement national employment initiatives for young people with the support of the social agents. The leaders extended the mandate of the Working Group on Employment for another year under the chairmanship of the Russian Federation

Social partners actively participated in the G20’s priority to promote youth employment. The B20 Group (business organisations of the G20 countries) and L20 Group (trade union organisations of the G20 countries) urged leaders to address the general employment situation and the employment of young people in particular in order to “avoid the risk that an increasing proportion of the population will lose confidence in the global economy.”

Young people expressed their concern about the lack of decent jobs through their representatives, as selected by each G20 country. In May 2012, representatives of young people gathered at the Y20 Summit (Puebla, Mexico) and prepared a number of conclusions to draw the attention of G20 leaders on global priorities (global stability and financial inclusion, international trade, sustainable development and green growth, food safety and the future of the G20, among others). A number of specific conclusions focused on creating quality jobs for young people

Source: ILO, *World Trends in Youth Employment 2013. A Generation in Danger*. Executive Summary.

KEY ELEMENTS OF THE OECD ACTION PLAN FOR YOUNG PEOPLE

Tackling the current youth unemployment crisis

Coping with weak aggregate demand and promoting job creation.

Providing financial support for young unemployed people until labour market conditions improve, subject to the obligation of actively seeking employment and taking part in measures to improve their employability.

Maintaining and, where possible, expanding active labour market policies that are cost-effective, including entrepreneurship programmes, guidance and job seeking assistance, and providing assistance to disadvantaged young people.

Removing obstacles to the employment of unskilled young people, such as high labour costs.

Encouraging employers to continue or to expand apprenticeship programmes or quality learning, including through additional financial incentives.

Enhancing the prospects for long-term youth employment

Enhancing the educational system and preparing young people for the labour market

Addressing and reducing school dropout rates and providing opportunities for those who have not completed upper secondary education or its equivalent.

Ensuring that all young people acquire basic and cross-curricular skills.

Equipping young people with skills which are relevant to the labour market.

Enhancing the role and the effectiveness of education and vocational training

Ensuring that education and vocational training provide a good level of basic skills.

Ensuring that vocational training programmes are responsive to the needs of the labour market as well as providing young people with the skills needed in jobs for which there is demand.

Ensuring that vocational training programmes contain elements of workplace learning, by adopting a mixture of work-based and classroom-based learning methods which provides more effective learning environments for acquiring the relevant skills and improving the quality of learning.

Ensuring that the social agents are actively involved in the development of vocational training programmes which are not only relevant to the current needs of the labour market but also provide broader skills.

Facilitating the transition to the labour market

Providing appropriate work experience opportunities for young people before they finish their education.

Providing quality career guidance services, supported by quality information about careers and labour market prospects which will help young people make better decisions.

Procuring the commitment of the social agents to support the effective transition of young people into the labour market, especially through the development of career options in specific sectors and occupations.

Reforming policies and labour market institutions in order to facilitate access to employment and prevent social exclusion

Ensuring equal treatment in the protection of workers, and establishing reasonable probationary periods to allow employers to give young people who lack work experience the opportunity to prove themselves.

Tackling informal employment by means of a comprehensive approach.

Intensive programmes may be required for disadvantaged young people with a strong focus on education, work experience and adult mentoring.

Source: OECD, *Giving Youth a Better Start: An Action Plan*, 2013.