

Executive summary

Despite years of strong economic growth prior to the revolution, Tunisia experienced growing inequalities in opportunities to obtain good jobs, translating into rising unemployment among young people in particular – a situation which further deteriorated in the wake of the global economic crisis and during the transition to democracy.

A key priority for policy makers is to set the country on a path of economic recovery, grounded in a new, more sustainable and inclusive growth model, which will generate productive employment opportunities, and tackle regional disparities and other inequalities head-on.

Policy makers will also need to factor in the additional challenge of climate change and environmental pressures as they tackle youth unemployment, since these are likely to change demand for both skills and employment. As this report argues, a well-functioning labour market together with an effective safety net will be essential in this transition to a greener economy, as will a high quality vocational education and training system and strong entrepreneurship support structures.

Boosting youth employment in Tunisia will first of all require improving the country's record on job creation. This means implementing a mixture of appropriate macroeconomic policies and addressing a range of structural weaknesses that have to date prevented economic growth from being inclusive. The latter must include action to bring down structural labour market barriers that affect the willingness and ability of employers to hire youth.

Social protection systems will also need to be strengthened, given the key role they play in providing an adequate safety net for youth who are out of work. Such policies shield youth from poverty and enable them to look for new and productive employment – a process which can be reinforced further by effective public employment services. Even though Tunisia has a comprehensive social insurance system in place, high unemployment and informality rates mean that a large portion of youth are not contributing to – and therefore cannot benefit from – such protection.

The school-to-work transitions of young people can further be improved through an effective vocational education and training (VET) system, particularly where it contains a strong element of work-based learning. In the context of a greening economy, a well-functioning VET system can also help young people acquire the necessary skills to seize opportunities in areas where rapid employment growth is expected, such as clean technology, energy, tourism, agriculture, and waste and recycling.

Similarly, effective entrepreneurship support structures can help young people make the most of the new opportunities that green growth is likely to bring. While a relatively well-developed support system is already in place in Tunisia, with the provision of information, training, finance and follow-up services, significant scope for improvements remains.

Many of the recommendations in this report rely, for their effective development and implementation, on a successful partnership between stakeholders. This is of particular importance in Tunisia, where responsibility for labour market, VET and entrepreneurship policy is highly fragmented.

Key recommendations

Make hiring young people more attractive

- Be more sparing in the use of wage subsidies to encourage hiring and target them more on the disadvantaged, the low-skilled and the long-term unemployed.
- Future sectoral wage negotiations should carefully consider the situation of youth by setting wages for younger workers that more accurately reflect their productivity.
- Reduce differences in remuneration and benefits between the public and private sectors, and resist the urge to use public sector job creation as a means of social appeasement.
- Reduce the gap in employment protection between permanent and temporary contracts.

Raise the employability of youth through effective social and labour market policies

- Set up an unemployment insurance system.
- Extend and better target non-conditional cash transfer programmes (*Programme National d'Aide aux Familles Nécessiteuses*) to offer a basic safety net of last resort.
- Revive public works programmes that can provide an insurance function to the unemployed.
- Develop a comprehensive strategy to tackle informality.
- Strengthen the capacity of the public employment services, through a mixture of additional investment, expansion of the system, and closer collaboration with the non-governmental sector and private employment agencies.
- Improve social policies to help young families balance work and caring responsibilities more effectively.

Improve the effectiveness of vocational education and training to smooth school-to-work transitions

- Make vocational education and training more attractive to prospective students, by making it easier to switch between academic and vocational tracks and improving the quality of options at the upper secondary level.
- Further strengthen the links between the vocational education and training system and social partners to ensure that the mix of provision becomes more demand-driven.
- Make mandatory work-based learning the standard.
- Improve advice and guidance for prospective students.

Further strengthen entrepreneurship support

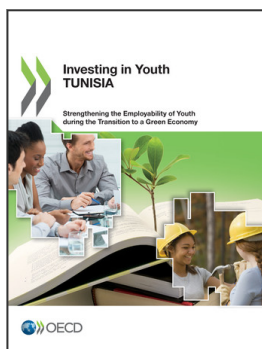
- Develop a general strategy that clearly defines roles of stakeholders as well as short- and long-run objectives in developing entrepreneurship supports.
- Improve the co-ordination between training centres and business start-up support structures and address the duplication in the provision of entrepreneurship support services.
- Equalise the quality and accessibility of entrepreneurship training across regions.
- Provide more support for business start-ups in the medium- to long-term.
- Provide additional support to potential female entrepreneurs.

Key recommendations (cont.)**Act to stimulate green employment opportunities for youth**

- Expand the existing and successful Prosol initiative to other areas of renewable energy.
- Ensure appropriate support for social enterprise to stimulate employment opportunities in the fields of waste recycling and of local energy production.
- Create cost-effective strategies to facilitate the development of eco-tourism, export of organic agricultural products, and the upgrading of skills in construction.

Improve co-ordination to develop an effective policy response

- The Ministry of Vocational Education and Training and the Ministry of Social Affairs, both responsible for different aspects of labour market policy, should work together more closely.
- The various ministries and bodies responsible for VET will need to develop a coherent strategy to address the overall needs of the labour market.
- The roles of various ministries and other organisations in entrepreneurship support would equally benefit from clear strategic direction.



From:

Investing in Youth: Tunisia

Strengthening the Employability of Youth during the Transition to a Green Economy

Access the complete publication at:

<https://doi.org/10.1787/9789264226470-en>

Please cite this chapter as:

OECD (2015), "Executive summary", in *Investing in Youth: Tunisia: Strengthening the Employability of Youth during the Transition to a Green Economy*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264226470-3-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.