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**EXECUTIVE SUMMARY**

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

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



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

By Nicolò Bird and Wesley Silva

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

## ACKNOWLEDGEMENTS

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

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## EXECUTIVE SUMMARY

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

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

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

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

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

### Main findings

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

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

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

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

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

## Recommendations

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

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

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

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

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

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

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

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

## Support the education, TVET and E-TVET systems

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



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