

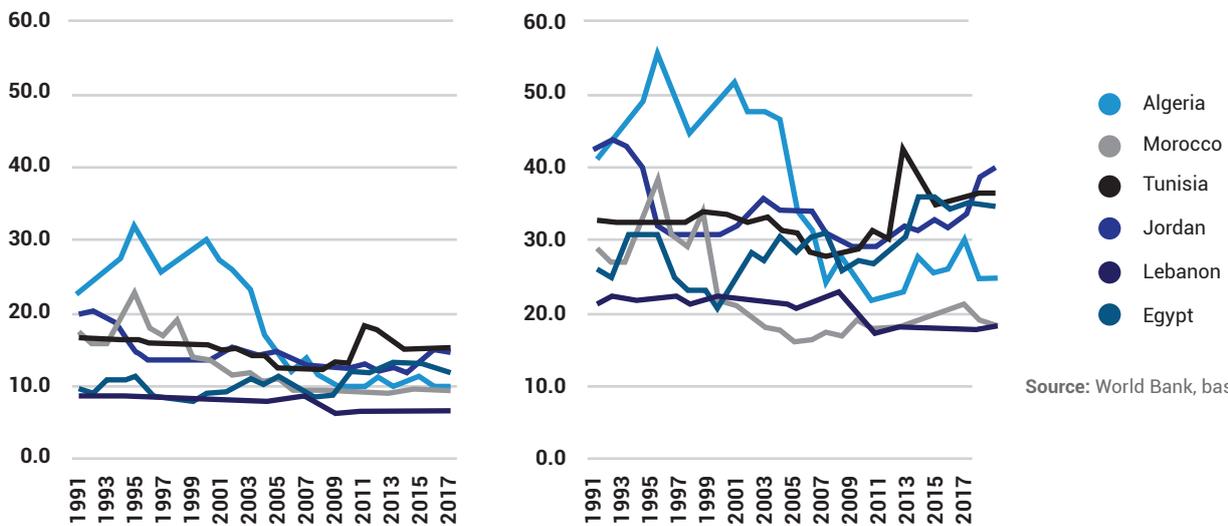
Labour supply, education and migration in Southern Mediterranean Countries (SMCs): Policy challenges and options

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Critical Issue:

SMCs face persistent, high unemployment – the sign of a dysfunctional labour market in both demand and supply.

Unemployment (LHS) and Youths (aged 15-24) unemployment (RHS) rates, % of Labour Force, South Mediterranean Countries.

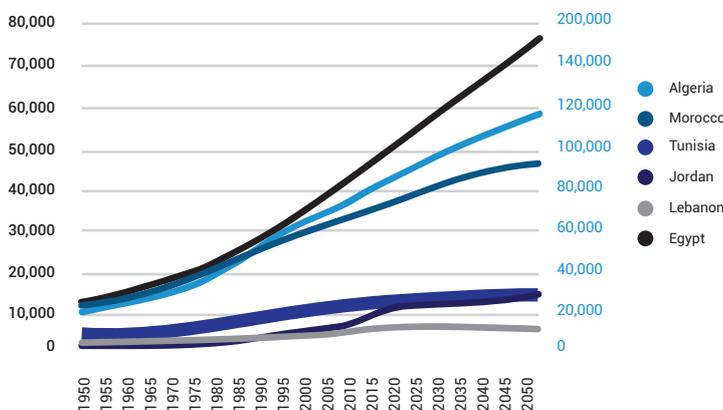


Source: World Bank, based on ILO



Demographics – fast growing population, particularly amongst working age youths

Population evolution (Egypt on RHS scale), thousands



Skill mismatch and educational policies focused on quantity

Resulting in:

- Dominant education choices by students do not match labour demands, e.g. social sciences versus STEM.

- Low quality education – curricula do not meet competence and skill demands.

Existence of large informal economy



- Small-scale projects fostering migration between South Med countries and the EU can have positive effects, if used strategically.

Only 30% of workers in Morocco, 46% in Tunisia and 50% in Egypt have employment contracts.

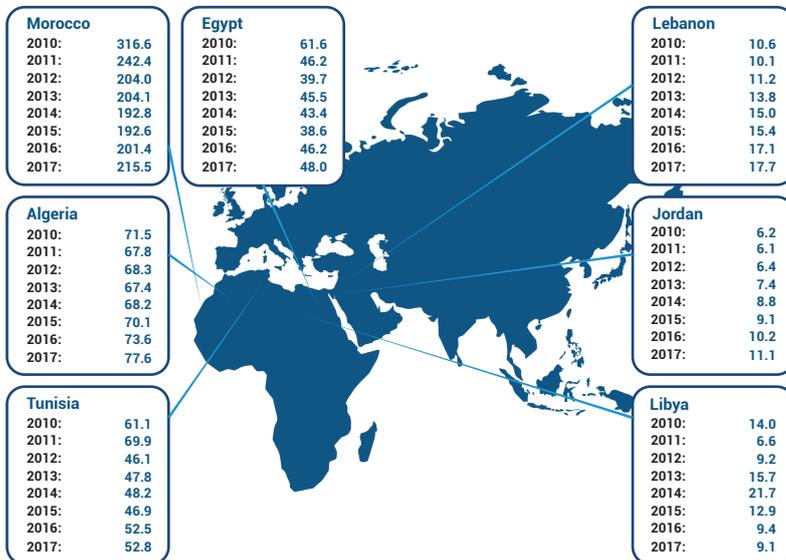
Less than 40% of the North African labour force actively contribute to pension schemes.

Migration:



- Growing population and high unemployment rates
- work as push factors for migration.

First time permits into the EU, by country of origin (LHS) and by type (RHS), in thousands



Oversized public sector



- Both financial actors and newcomers to the labour market prioritise jobs in public entities over private firms.

SMCs have the highest ratio of public employment wage bills to GDP of all regions.



Problem:

Lack of data in the region is a major obstacle to identifying labour market problems and formulating appropriate policy measures.

Every year, 400,000 people move from SMCs to the EU using legal pathways.



Problem:

- Limited existing legal pathways for international labour migration.
- Many would-be economic migrants from SMCs resort to family or even illegal entry channels.

Policy Proposals



- Creation of new information systems at the national
- intra-regional level, to match candidates with available positions.



- Creation of legal channels for labour migration in the region,
- established collaboratively by the countries concerned.



- Initiatives to make the private sector more attractive to workers
- and to promote social security as an disincentive to informal labour.