Labour supply, education and migration in Southern Mediterranean Countries (SMCs): Policy challenges and options
Authors: Cinzia Alcidi, Nadzeya Laurentsyeva

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

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.

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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.

Migration:

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

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.

Oversized public sector

- SMCs have the highest ratio of public employment wage bills to GDP of all regions.
- Both financial actors and newcomers to the labour market prioritise jobs in public entities over private firms.

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.

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