

Labour market and training observatories in the Maghreb countries

as possible tools to monitor labour market and training trends

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SUMMARY

In applying structural adjustment policies and preparing their economies for entry into the Free Trade Area with the European Union, the three Maghreb countries (Algeria, Morocco, Tunisia) face major changes in how their labour markets function, coupled with an increase in graduate unemployment. In response, they have swiftly introduced a series of measures to promote employment and vocational integration.

The Maghreb countries have also introduced more structural reforms to their vocational training systems. To improve job market information and thus to match training provision with demand, they have attempted to set up labour market and training observatories. However these efforts have come up against numerous difficulties, the establishment of the observatories proving to be a long and painstaking task.

Keywords:

Training system;
labour market; training
employment relationship;
youth unemployment;
information needs;
social partners

The labour markets of the Maghreb countries have been undergoing profound change since the mid-1990s, triggered by both internal trends (demographic, political and economic developments, structural adjustment programmes, etc.), and external factors such as the impact of globalisation, and changing relations between the Maghreb countries and the European Union with the perspective of entry into the Free Trade Area (FTA).

Entry into the FTA requires the EU's partner countries to improve the performance of their enterprises, upskill their workforce and generally upgrade their education and training systems, the aim being to narrow the gap between the northern and southern shores of the Mediterranean. The pressures of migration into the European countries is another key issue

for vocational training. Human resource development must be redesigned on a 'demand-driven' basis.

Faced with these issues, and with rapid change, the Maghreb countries are seeking to set up instruments that will allow them to manage the transition and to meet the agreed deadlines. The Maghreb countries have signed agreements with funding agencies to develop employment and training programmes, including programmes to improve information on the labour market. One way of achieving this is by setting up labour market and training observatories.

The first part of this article highlights the main labour market trends and related policies in the three countries. The second part examines the approaches adopted by each country to set up labour market information systems, despite the fact that due to the difficulties encountered the establishment of these tools is still in the teething stage.

Labour market change in the 1990s

The introduction of structural adjustment programmes (SAPs) in the 1980s and accession to the World Trade Organisation (WTO) in the 1990s gradually opened up the economies of the Maghreb countries to international competition.

The establishment of a Free Trade Area (FTA) between the Maghreb countries and the European Union marked an important economic and social milestone. The EU now accounts for the main part of the Maghreb countries' trade and capital exchanges (direct investments). Moreover, the EU countries not only provide most of the clientele for the Maghreb countries' tourist industries, but constitute the principal host countries for their migrant workers.

While the SAPs helped to introduce a change of economic 'model', entering the FTA meant that the Maghreb economies had to be prepared for the impact of the new liberalisation policy. This resulted in a strategy of restructuring and modernisation of both the industrial fabric and the education and training systems in order to boost the competitiveness of the Maghreb economies and make them fit for international, especially European, competition.

The new macroeconomic policies introduced from the early 1980s had a profound and long-lasting impact on the labour markets of the developing countries (Vernières, 1995). This has become even stronger in recent years. The most fundamental change involved the transition from a steered economy, dominated by state-owned enterprises, to an open economy assigning a more important role to the private sector. At first, the impact of the SAPs on the labour markets of developing economies was broadly negative. They directly led to a decline in employment, in the wake of public spending cuts, rising unemployment (specifically, the emergence of long-term unemployment among higher

education graduates), a fall in real wages and a rise in poverty. These effects were accompanied by more structural phenomena, such as a rise in casual and informal employment (Charmes, 2004).

Moreover, the education and training systems that the Maghreb countries had developed since independence became largely irrelevant as major gaps emerged between existing training provision and the needs of an economy characterised by a changing labour market and an expanding private sector.

This set of circumstances broadly describes the situation in the Maghreb countries as a whole; but the specifics in each country are different, as are the approaches adopted to manage this process of fundamental change.

In **Algeria**, the impact of the SAPs on an economy geared towards heavy industry and state-owned enterprises triggered a surge in unemployment and an 'informalisation' of the economy ranging from traditional informal commercial activities to illegal and even criminal forms of activity.

According to Musette (1998), the year 1986 can be regarded as a turning point in the labour market ⁽¹⁾. The unemployment rate, which had dipped below the 10 % mark, began to rise again – a phenomenon which was seen as an inevitable effect of the global economic crisis. The 1986 oil crisis precipitated a change in the economic and political direction of the country and the emergence of a new discourse on 'useful employment', 'bloated workforce', the 'costs of employment' and the need for downsizing. Following the revolt of October 1988, legislation on economic reform was adopted and measures on the promotion of youth employment introduced. The State established a 'social safety net', providing allowances designed to compensate for the loss of purchasing power after the abolition of subsidised prices.

This period also marks the end of permanent employment. The law of 1990 introduced new forms of remuneration, repealed the 'general status of the worker' and introduced fixed-term contracts. Employment was no longer guaranteed and the right to employment was revised.

As from 1994, structural adjustment measures were introduced under the aegis of the IMF and the World Bank. Three measures were to have a major impact on the Algerian labour market: the liquidation of state enterprises in deficit, a reorganisation of industry (adoption of internal restructuring plans) and vulnerability management. As a result of the SAPs, 815 enterprises folded, with the loss of 405 000 jobs between 1994 and 1997 (Musette, Isli, Hammouda, 2002). The upshot of these redundancies was a transfer of workers from the public sector – a

⁽¹⁾ This is not as clear-cut as Musette suggests: no household survey was conducted in 1986 as the 1987 census was being prepared at the time; the unemployment rate indicated by the 1987 population and housing census is largely overestimated, while the 1989 labour force survey indicates a lower unemployment rate.

protected segment of the market – to independent and competitive segments (limited liability companies set up by laid-off workers, the return of retirees to the workplace as temporary employees, etc.).

The unemployment rate climbed from 24 % in 1994 to 29 % in 1997. In the view of the National Economic and Social Council (CNES), the rise in unemployment and its new features – the emergence of high female unemployment, the rapid increase in the proportion of housewives seeking employment, unemployment among first-time job-seekers, the typically low skill level of the unemployed – were essentially the fall-out of the structural adjustment measures. Unemployment above all appeared as an urban phenomenon, while many of the jobless gave up looking for work and casual employment spread.

Even more profound effects could be observed in employment behaviour: an increase in occupational activity among women, a return to child labour and a multiplication of small-scale activities. Risk groups faced with falling standards of living were forced to adopt survival strategies which implied behavioural changes not only towards employment, but also towards the family (fewer marriages, lower birth rate).

A further consequence of the SAPs was the loss of social values, the dashed dreams of an egalitarian society (Musette, 2000). Schools, in particular, went through a serious crisis, with very low output, both internal (high drop-out rates between primary and higher-level education) and external (considerable devaluation of diplomas: high rates of unemployment among both graduates and the socially marginalised). As all educational reforms failed, social success was no longer determined by education. Private schools, formally banned but effectively tolerated, flourished almost everywhere. Finally, Algerian society was hit by an explosion of illegal activities extending far beyond the growth of the informal sector.

In fact, a new trend within the informal economy emerged with the introduction of measures to liberalise the Algerian economy from 1989 onwards (Bounoua, 2002). To a much greater extent than before, fraud and tax evasion, corruption, embezzlement of funds and other illegal activities became the new dominant characteristics of the Algerian economy. By applying the definitions adopted by the Conferences of Statisticians (ILO, 1993), Hammouda (2002) puts forward a comparative table of the various types of informal employment which points to a general expansion of the informal sector in Algeria, e.g. an expansion in informal non-agricultural activity from 26.6 % in 1992 to 34.7 % in 2001, and an increase in the proportion of workers employed by individual enterprises from 38.9 % of non-agricultural employment in 1992 to 47.7 % in 2001 ⁽²⁾.

Faced with swelling dole queues, the government introduced programmes to combat unemployment. Four mechanisms 'for the

⁽²⁾ Source: household surveys conducted by the National Statistics Office.

promotion of employment' were set up, targeting various categories of the unemployed: youth (ESIL: paid jobs in local initiatives, TUPHIMO: manpower-intensive community work programmes, CPE: pre-employment contracts), retrenched workers and young first-time job-seekers (creation of micro-enterprises) and, finally, micro-credit. New structures were set up to make sure these mechanisms were implemented: ADS (social development agency), ANSEJ (national agency for the promotion of youth employment), CNAC (national unemployment insurance fund). But as the CNES noted, these mechanisms were not enough to stop youth exclusion as they only offered interim solutions, or at best initial working experience; they did not lead to permanent employment. In 2004, new mechanisms were introduced (micro-credit, business start-up programmes for the jobless aged 35 to 50), while previous ones were reinforced or modified.

In **Morocco**, economic growth has been erratic for many years because of the importance of non-irrigated agriculture, which is vulnerable to climatic fluctuations. The Moroccan economy also faces a structural imbalance in the urban labour market: though labour supply is growing steadily, the growth in employment is much slower and is dominated by unskilled jobs. Morocco is thus faced with structural unemployment, a predominance of long-term unemployment and unemployment among first-time job seekers.

The SAPs introduced from the 1980s led to a sharp increase in unemployment, particularly among graduates, by the early 1990s. Although the number of young people leaving the education system with no formal qualifications is estimated at 240 000 per year, unemployment is not as serious among non-graduates (representing over one half of the active population, but only 29.4 % of the jobless in 2001). The proportion of graduates among the unemployed climbed steadily from 15.2 % in 1992 to 24.7 % in 2001. Overall graduate unemployment rose from 16.8 % to 26.3 %, that is, significantly higher than non-graduate unemployment (more or less around 11 %) in the same period.

To remedy this, in the early 1990s Morocco adopted a series of measures targeted towards graduates. The creation of the National Centre for Youth and the Future (1992) and the consequent series of studies and activities on youth employment and labour market integration, provided the basis for the first state measures in the form of the National Programme for the Integration of Unemployed Graduates (PNIDC). But though this programme aimed to be a large-scale targeted linking operation, its results were very poor.

Starting in 1993, job information and orientation centres (CIOPE) targeted to the graduate market have been set up to improve the information flow. Initially, the task of these centres, which are under the jurisdiction of the Office for Vocational Training and the Promotion of Employment (OFPPT) rather than the employment services, was to

implement the national integration and training programme. In 1997 they took on the implementation of the new action programme for employment (PAE), designed to promote the integration of graduates into private-sector employment. Despite some positive outcomes of this programme, such as a more dynamic role of the public intermediary bodies and an improvement in youth employability and company management, detailed analyses conducted in Marrakech cast a different light on employability and management (Bougroum and Ibourk, 2002).

The social and economic landscape is very different in **Tunisia** where a restructuring and modernisation strategy to make the economy fit for international and especially European competition has been underway since 1986. The strategy was based on the 'Tunisian development model' which emerged in the course of the 1980s. This model chiefly involved striking a balance between achieving economic efficiency – a high and sustained level of economic performance – and maintaining social cohesion and social peace by reinforcing solidarity to fight exclusion. This model helped the country achieve a sound economic performance. Per capita income rose from USD 870 in 1987 to USD 2 170 in 1996, placing Tunisia in the league of medium-income countries. This was due to average annual GDP growth rates of 4.6 % in this period.

The SAPs had a positive effect, so much so that Tunisia was described as the IMF and World Bank's 'best student'. The social cost of the reforms was handled relatively well: the wave of privatisations did not lead to massive unemployment among redundant workers and the unemployment rate apparently stabilised at around 15 % for a number of years. This high level was attributed by some observers to problems encountered in measuring unemployment rather than to the ineffectiveness of the labour market ⁽³⁾. The creation of an 'updating programme' for Tunisian enterprises, with the financial assistance of the World Bank and the European Union (MANFORME project), was also targeted towards the vocational training system. According to the Ministry of Industry, Tunisian enterprises began to enjoy positive effects, in terms of external market penetration and managerial rates, at the beginning of the 2000s.

However, in terms of the vocational integration of Tunisian graduates the situation has deteriorated. This is reflected by long-term unemployment among certain graduates (the unemployment rate among the working population with a higher level of education rose from 3.6 % in 1994 to 7.8 % in 1997 and 8.7 % in 1999⁽⁴⁾), and a certain 'dequalification'

⁽³⁾ According to Rama (1998), the real rate of unemployment, excluding first-time job-seekers, is much lower: 'the unemployment rate excluding first-time seekers is low by any standards'.

⁽⁴⁾ According to the data from the national employment surveys (INS); the figures for the following years had not yet been published.

at the beginning of graduates' careers ⁽⁵⁾. The demand for graduates, especially engineers, nevertheless remains high ⁽⁶⁾.

The informal economy also plays an important role in Tunisia. Thanks to the cushioning effects of 'the non-structured or informal sector of the economy which helped make up for the rest' (Sbouï, 2002), the structural adjustment phase did not have serious social consequences. The destabilisation of the economy triggered a rising trend towards informal employment and self-employment, especially in urban areas. Informal employment expanded by 6.3 % between 1980 and 1994; though this may seem a modest increase, in non-agricultural jobs informal labour rose from 37 % to 49 % in the same period. A typological analysis of informal activities in the town of Sfax (Sbouï, 2002) differentiates between micro-enterprises in the course of development (i.e. partially structured), craft micro-enterprises in stagnation, and marginal activities. This diversity of informal systems of production shows that the informal economy in Tunisia is far from being a last resort. On the contrary, the opportunities, dynamism and potential it offers give it an important role in economic development.

From the late 1980s onwards, rising unemployment prompted the Tunisian government to adopt measures promoting youth employment. 35 000 young people were contracted under the Employment-Training Contracts (CEF). The SIVP programmes, introducing university graduates to professional life, catered for 18 000 young people in its initial and 9 700 in its second phase. Six types of actions for workers were financed by the Vocational Integration and Adaptation Fund (FIAP), targeting a total of 2 800 enterprises and 33 000 workers.

With respect to all these new social issues (emergence of a new precariousness, increasing graduate unemployment, the growing informalisation of the economy and employment, management of the relations between training and employment, female employment), the limits and inadequacies of the traditional statistical information systems of the three Maghreb countries have become obvious. Although traditional statistical information systems identified ⁽⁷⁾ the underlying phenomena, they failed to offer an analysis of their components or contribute to the establishment of effective policies, especially in vocational training.

⁽⁵⁾ Ben Sédrine and Geisser, 1997.

⁽⁶⁾ See especially Ghali, Mohnen, 2002.

⁽⁷⁾ At the cost of some statistical juggling, e.g. by Charnes (1991), to measure informal employment in Algeria.

Setting up observatories in the Maghreb countries: strategies and difficulties

As we have seen, the Maghreb countries initially introduced rapid measures to promote employment and stem unemployment in order to deal with the upheavals affecting their economies and labour markets. More structural measures were also taken to adapt vocational training systems to the requirements of the new economic policies; although key labour market players, these systems had been delivering training programmes that were out of date.

The need to realign vocational training with market demand made it obvious that the quality of information on employment and training was problematic. The creation of observatories was intended to eliminate the most blatant inadequacies.

Although each of the countries adopted its own approach in designing and setting up the observatories, none of them can as yet be described as a fully operational system. In the following, we will seek to identify some of the reasons why this declared intention to upgrade information on employment and vocational training has so far produced such meagre results.

Observatories as a tool for the reorientation of vocational training systems

Algeria

Algeria initially set up a project 'to support the implementation of the policy of job retention and promotion' in conjunction with the UNDP in 1997. This project was designed to shore up a national strategy which was based on offering incentives to private-sector productive investment and on developing SMEs/SMI. It was intended to effectively open up the financial and banking sector to international competition, boost the competitiveness and productivity of Algerian public and private-sector enterprises and restructure the public sector. According to this strategy, public-sector measures were necessary to cushion the social impact of upgrading productive units to international standards, which was a consequence of Algeria's accession to the World Trade Organisation and its association with the European Union.

The aim of this project was to steer the transition by retraining and redeploying workers excluded from the system of production, while reinforcing national solidarity mechanisms to prevent the spread of poverty. The project included three main components which involved promoting better information on employment and training: (i) supporting the implementation of the national employment, training and apprenticeship strategy, (ii) conceptual and operational capacity-building of national institutions, and private partnering in the fields of assistance to

employment, the management of programmes and related measures for the establishment of the statistical system, (iii) building the capacity of the central services and agencies of the Ministry of Labour with a view to producing the information required to steer employment policy and to evaluate the impact of macroeconomic policies on the labour market.

Although the word as such was not yet used, this final component outlined a project for the establishment of an observatory which would deliver the 'information and models necessary for the guidance, follow-up and evaluation of employment and training' and produce an audit based on available sources and data and the identification of new information requirements. The project also entailed harmonising concepts and nomenclature, and designing and developing supplementary surveys, e.g. on the vocational integration of those coming out of training programmes. It included the production of operational information to match vocational training with market needs. The project also envisaged the involvement of the social partners, who were to be trained in handling the concepts and applying international standards to reinforce the conditions of economic and social development. The project finally provided for information dissemination and policy evaluation. Although formulated in very general terms, the project comprised all the basic elements of the training and labour market observatory projects of all three Maghreb countries.

This project folded up in 2001 without achieving the expected results. Although the observatory component at least generated an in-depth evaluation of the information system and the needs of the various stakeholders ⁽⁸⁾, it failed to lead to the introduction of a new information system.

The work was picked up again in 2001: with the assistance of the European Training Foundation (ETF), a task force was set up, bringing together the representatives of the principal stakeholders of the training and employment system (notably the ministries of labour and social security and vocational training, Cerpeq, Indefoc, CREAD, the ministry of finance, UGTA and the NSO ⁽⁹⁾). This group gave impetus to the efforts of the management staff of the Ministry of Vocational Training to establish close links between information on employment and vocational training.

The work of the task force culminated in the design of a Vocational Training and Employment Observatory (OFPE) as an instrument for the early recognition of job and skills requirements. The observatory was not intended as a new structure but as a new task within an intersectoral network. The task force's final report sketched out the OFPE's

⁽⁸⁾ Report drawn up by the Centre for Applied Research and Study on Development (CREAD), 1999.

⁽⁹⁾ CERPEQ (Centre for research and studies on trades and qualifications), INDEFOC (National institute for the development and promotion of continuing training), NSO (national statistics office), UGTA (General union of Algerian workers).

operational and organisational work, areas and fields of observation, indicators, etc. This brainstorming process can be seen as resulting from various research projects and debates which produced a series of reports as a basis for the task force's work: the work of CREAD (referenced above), the CNES report on vocational training (1999), the UNDP experts' study on vocational training (2000) and the ETF report on vocational training (2001). The Ministry of Finance also prepared an audit of the vocational training system (2001).

As a result of the work of this task force, a protocol of agreement for a partnership on the creation of an observatory-type training and employment mechanism was signed by the Algerian ministries of vocational training and employment (November 2001). Although this augured well for the establishment of a network of partners to get the 'observatory function' off the ground, there was no follow-up to the agreement.

Towards dual observatories in Algeria?

The recent emergence of two projects changed the situation concerning the planned network of partners for the establishment of the observatory function in Algeria. The first of these projects is 'a project to support the upgrading of vocational training in Algeria', co-financed by the Algerian government and the European Community, in the framework of the Ministry of Vocational Training. This project includes a significant component to 'support the linkage between the labour market and training', one aim of which is 'to set up a training and labour market observatory'.

The observatory's tasks will be to 'draw up, on the request of the public authorities, employers, trade associations and the social partners, any type of survey: i) to identify, for each branch or sector of activity, labour market data at local and regional level, and at all levels of skilling, as well as the medium and long-term perspectives of the trends related to development projects and programmes already implemented or envisaged; ii) to add value to these data, especially concerning the management of the training system; iii) to ensure dissemination of the outcomes of these surveys among stakeholders and the public; iv) to establish the training and employment observatory network at the resource centre of the strategic mechanism designed to guide the vocational training and education systems'. However, the project management unit has not yet launched the operations to implement this component.

In July 2004, the Ministry of Employment set up a new structure, officially established as the 'Observatory for the Protection and the Promotion of Employment' (OPPE). It is intended as a framework for consultation and coordination, bringing together all the sectors and agencies directly involved in employment issues. The initiative is part and parcel of the presidential programme aiming at the creation of two million

jobs within the five-year period 2004 to 2009. The OPPE comprises representatives of eleven job-creating ministries, six specialised institutes, six economic and social partners and four specialised employment agencies. Its tasks are to carry out a quarterly evaluation of sectoral employment programmes, effect a national audit, issue an employment report and create a job database. Four commissions are responsible for processing information, collecting employment-related data, setting up an employment management strategy across all sectors of activity and compiling information on youth. On the strategic side, the principal sectors offering job-creation opportunities have already been identified (housing, agriculture, SMEs/SMI, tourism and public works). According to the minister for employment, this initiative is expected to create 2.5 million jobs and reduce the unemployment rate from 23.6 % to 11 % over a period of five years.

It is too early to judge whether this dual initiative will generate the appropriate synergies and promote the production of the information necessary to guide employment and vocational training policies or whether, on the contrary, it will be a source of new difficulties, giving rise e.g. to conflicts in approaches, as for the measurement of unemployment (Edjekouane, 1998).

Morocco

A series of laws and regulations was enacted starting in the mid-1990s. Their aim was to better organise the vocational training sector, recognised by the National Charter for Education and Training (enacted in December 1999) as an indispensable link in the employment policy chain. Although the Moroccan vocational training system has undergone a substantial process of development and restructuring since the 1980s, these measures have failed to fully meet expectations. Among other things, the system has failed to provide training for the swelling ranks of school dropouts (some 200 000 leave the education system every year with no other option than the informal sector or emigration) and to deliver training that matches the needs of Moroccan industry.

Thus, in the past ten years or so the vocational training system has been subject to a process of upgrading designed to gradually make it fit to deliver the skills required for national development. Clearly oriented towards employer needs, the reforms cater very little for social demand. They seek to develop partnerships with trade associations and to diversify initial training programmes by creating new training streams, restructuring training programmes and developing new forms of training (alternance, apprenticeship, etc.), as well as promoting in-company continuing training.

These reforms are implemented with the technical and financial support of various funding agencies (the World Bank, the European Union, Belgium, Canada, France, Germany, Italy and Spain).

Following the MEDA I project on the upgrading of vocational training,

MEDA II (supported by the European Union and implemented by the Ministry of Vocational Training), chose the sectoral approach as the most relevant. Three sectors (tourism, textiles/clothing industry, new information and communication technologies) were identified as key development drivers in Morocco. The project targets three objectives in each of these sectors: (i) supporting the early recognition of firms' skills needs; (ii) developing knowledge on the job market and compiling the information necessary to pinpoint sectoral requirements; and (iii) developing capacity in public-sector training provision. The production of data to guide the vocational training system is therefore at the heart of the project.

Belated observatory projects in Morocco

Morocco began to address the issue of the information necessary for the transformation of the vocational training system later than the other Maghreb countries. Although the late 1990s saw various studies on the advisability and feasibility of observatories – notably a project to set up a research centre on the relations between training and employment (CELFE) and a study on the creation of a regional employment/training observatory in Casablanca – these projects were not followed up.

It was only recently (2003) that the office of the Secretary of State for Vocational Training (SEFP) revisited the issue. The years 2002 to 2003 saw the transition from the MEDA I vocational training support project, implemented with the assistance of the European Community, to MEDA II, in which (as indicated above) the question of the information necessary for a demand-driven management of the training system was linked to the issue of upgrading training.

Moreover, the SEFP sought the assistance of the ETF to relaunch the observatory projects devised several years earlier. Initially hesitant as to the most appropriate approach – the original preference was for the creation of a regional observatory (in Greater Casablanca) – the SEFP soon opted for a sectoral approach which was to be dovetailed with the activities of MEDA II.

It should be noted that in Morocco, unlike the other two Maghreb countries, the trade associations of these three priority sectors had expressed a strong demand for an improvement in the tools necessary for a better management of trades and skills in their fields. Although not directly involved in the project, in 2003 the dynamic Federation of Mechanical, Electrical and Electronic industries (FIMME) launched a pioneering project to draw up occupational profiles modelled on the 'ROME' directory of trades and occupations used by the French national employment agency, ANPE. Intended as the basis for a sectoral trade observatory, this pilot project could be of interest to other trade associations.

On the basis of the work of an intersectoral working party and various sectoral working parties, the ETF proposed setting up sector-level trade

observatories as a first step towards the creation of a network of partners capable of producing the relevant data for the strategic management of employment and training policies. Although the development of sectoral-level observatories is clearly imperative, this perspective must nevertheless be broadened to a national 'observatory function', with the collaboration of partner agencies (first and foremost the Directorate for Statistics, the National Agency for the Promotion of Employment and Skills and the social partners). However, by the end of 2004 the working parties had barely started their initial meetings.

Tunisia

The Tunisian government accords considerable importance to training within its strategy to boost the country's competitiveness and develop its human resources (MANFORME programme on upgrading enterprises and vocational training). The main institutions involved in these efforts were the vocational training services (in particular the Tunisian vocational training agency, ATPF) and the employment services, the Tunisian employment agency (ATE), recently re-named the Tunisian agency for employment and independent work).

As far as vocational training is concerned, an evaluation of the problems encountered highlights the essential role that must be played by information on employment and the labour market in the future. For a long time, the *manpower approach* was the prevalent instrument for the early recognition of skills requirements and the design of vocational training programmes. 'With the development of a market economy, and the state's reduced role as a supplier of jobs, what is now required is an approach to the planning and deployment of resources in which labour market analysis and the signals relating to skills supply and demand are at disposal of the various economic agents. The focus currently placed on state planning of the future development of training needs must be replaced by an analysis of the labour market, for which there is no viable and specific information' ⁽¹⁰⁾.

The employment services are faced with three major problems: a proliferation of services for first-time job seekers, a lack of precise data on costs and advantages as a basis for an evaluation of the effectiveness of the various programmes managed by the ATE, and, finally, a dearth of employment services for redundant workers.

The principal objective of the second Employment and Training project (financed through a World Bank loan) in support of the governmental strategy to boost the competitiveness of the Tunisian economy was to create a better match between training provision/employment services and the needs of both individuals and Tunisian enterprises by upgrading available information on the labour market. The project had three

⁽¹⁰⁾ Extract from a vocational training evaluation report drawn up by the ministry of vocational training, dated 14 March 1996 (unpublished).

components: A. the creation of a labour market information system, B. development of the employment services, C. development of the training services (accounting for 81 % of the funding).

The project identified the three elements that were necessary for setting up a labour market information system: (i) the development of a labour market information system and reinforcement of the institutional capacity of the Ministry of Education and Vocational Training (MEFP) to monitor labour market trends, accompanied by more effective use of existing labour market information sources; (ii) development of the capacity of the MEFP to monitor and upgrade the profitability and effectiveness of training and employment programmes and services, and the implementation of impact assessments; (iii) the introduction of an information dissemination system, socio-occupational monitoring, small-scale surveys and the production of a bulletin which would help individual enterprises take training decisions based on market signals. Detailed technical specifications were also established.

Several actions were necessary to achieve the objectives of the labour market information. Firstly, in order to 'develop a strategic planning approach in order to improve the effectiveness of the labour market' an employment bulletin, a labour market behaviour model and periodical surveys needed to be introduced. Secondly, 'ensuring the effectiveness of the system of active vocational training and job market management' called for the identification of indicators for the analysis of the vocational training system and the periodical evaluation of employment programmes (on the basis of specific surveys). Finally, 'developing information to assist providers and public- and private-sector promoters to rationalise their recruitment and training methods' implied setting up a system to monitor wages, labour and vocational training costs as a means of developing signals for the labour market.

Results from Tunisian observatory not yet visible

The 'information system' component of the project effectively got off the ground in 1997 when a series of studies was commissioned from private research consultancies. A number of projects were initiated, mainly ⁽¹¹⁾ evaluation studies on the impact of initial training, studies on job market and vocational training indicators, the harmonisation of statistical sources and nomenclatures and the macroeconomic model of job market behaviour, as well as a project on a dictionary of occupations and a national vocational training map. At institutional level, an observatory of employment and qualifications (ONEQ) was set up in 2000 as one of the directorates-general of the Ministry of Vocational Training and Employment (MFPE).

But this flurry of activity between 1997 to 2003 must be assessed on

⁽¹¹⁾ Cf. Tunisian Ministry of Vocational Training and Employment document: Presentation of the national employment and qualifications observatory (undated).

the basis of its results. A computerised database maintained at the ONEQ was only intended for internal use and its indicators did not lead to an operational system. The harmonisation project was not completed. The macroeconomic model did not become official (in fact no document presenting the model exists). The dictionary was not introduced as an operational manual for the departments of the relevant ministries. The evaluation/impact studies remained unpublished, as the method used was not regarded as relevant, the World Bank itself issuing a critical evaluation.

In view of the split within the MFPE (the vocational training portfolio was transferred to the Ministry of Education at the end of 2002 after a cabinet reshuffle), the ONEQ is no longer closely linked to the development of vocational training and is much more involved in the new ministry of employment policy guidelines, focusing on questions such as the employment of managerial staff, the cyclical monitoring of employment or the creation of micro-enterprises. The bottom line is that the Tunisian observatory has not yet managed to play the role it should be playing within the Tunisian employment information system.

A comparison of national approaches

The above is a simplified but uncaricatured account of the three Maghreb countries' painstaking efforts to set up observatories in order to improve employment and make vocational training more effective. What emerges from this account is that these endeavours have not yet (at the end of 2004) produced the data and information expected.

In all three countries, seven years was evidently not long enough to bring together the various employment and training stakeholders and their counterparts in the field of statistical production and have them set up effective structures or networks capable of handling the issues addressed in the vocational training reform projects and in relation to the job market and company needs. Although the projects cite lengthy lists of actions to be carried out, these have not been convincingly implemented and frequently have not got off the ground at all. Admittedly, initial signs of project implementation can be observed in Tunisia – i.e. the creation of an observatory within the Ministry of Employment – but its results are still not visible. In Algeria, the creation of an observatory by the Ministry of Employment is too recent to judge its relevance and effective impact. As for Morocco, the observatory project has not yet even reached the drawing-board stage.

However, this is not to say that there has been no improvement in the production of employment-related data in the Maghreb countries. For instance, employment surveys conducted by the national statistics agencies have improved. Quarterly surveys are now conducted in Morocco, while annual surveys are carried out in Tunisia, with quarterly surveys in the pipeline. A further sign of progress are the new surveys conducted at the level of industry (notably among micro-enterprises).

However, the approaches developed by the public statistics agencies do not always match the needs of the training providers and the institutional structures that are responsible for measures to promote employment. In the first place results tend to be too general, providing no answers to questions raised at a regional or a local scale – this is due largely to the small size of the samples. Secondly, since there is no nomenclature of trades/jobs adapted to vocational training needs, specialised services are not provided with a breakdown of data according to job type.

Another key issue is to clarify not just the objectives, but also the *modus operandi* to be adopted for setting up observatories. The two possibilities are either a ministerial structure or a partnering (network) approach. Although the latter appears much better suited to training and employment realities, it is manifestly more difficult to put into practice. The question of partnering has been more or less evaded in Tunisia and Morocco; in Algeria, by contrast, it has been directly addressed, but with no concrete result. Above all, employment services, the cornerstone of such mechanisms, are in themselves inadequate (except in Tunisia). Moreover, the exact nature of the information to be produced, the methods to be applied and the responsibilities of the various players (distribution of tasks) have yet to be addressed.

As we shall see, the efforts already undertaken with a view to develop observatories have come up against numerous obstacles.

Strategies face a series of difficulties

It is not the intention of this article to conduct a full-scale evaluation of the attempts of the Maghreb countries to set up labour market and training observatories but, less ambitiously, to point out the extent to which obstacles to these projects were underestimated.

Even when financial resources were available, the design and establishment of the observatories turned out to be full of pitfalls in all three countries. For one thing, the gestation process was very slow. And even if we accept that significant progress has been made in recent years compared to the previous situation of standstill (Fourcade, 2000), the question remains why the observatories are still not operational in the Maghreb countries.

Three major factors have hindered the process: the lack of an adequate information culture, institutional hurdles, and technical considerations.

The lack of a communication culture is especially noticeable in the functioning of the public administrations of the three countries. Ministries and administrations – important and powerful players within steered economies – developed highly compartmentalised practices in producing and processing information within a jealously guarded scope of competences. The information at their disposal was ordinarily reserved for internal use; it was not published or disseminated or intended for

circulation, other than within very restricted circles. A whole raft of examples could be quoted to show the serious dearth of information flows between departments of the same specialised ministry, or between services of the same ministerial department. The new structures which took on job market action programmes, and were responsible to the ministries, tended to adopt the same approach. As a result, they failed to develop an effective information system at their own level ⁽¹²⁾.

Retaining information long remained the (tacit) rule governing administrative operations, especially concerning data classified as strategic or sensitive (such as on unemployment). It will be difficult to switch to a culture of exchange, openness and debate on data and data production in the short term, especially as the design and implementation of an information, publication and dissemination policy remains a delicate issue. Although the creation of websites is an important step forward, it nevertheless offers no guarantee that information made available on line will be useful or even relevant. The transition from a steered economy to an open market implies a change of 'governance' and the introduction of new ways of disseminating the social data required by stakeholders.

Institutionally, there is potential for conflict between the ministries of employment and of vocational training concerning responsibility for the observatory projects. Of the three countries, only Tunisia succeeded in combining the two sectors in the same ministry (Ministry of Vocational Training and Employment); for a period of some ten years, it attempted to set up an observatory that would produce information concerning both areas. However, the separation of the vocational training and employment portfolios in 2002, without the established observatory managing to impose itself as an effective and innovative institution, underlines the obstacles to satisfactory institutional relations between training and employment – which nevertheless remain imperative.

Attempts to set up the observatories within support projects to the ministries of labour – which generally have meagre resources and are permeated by an authoritarian culture of control, as symbolised by the labour inspectorate – have come up against a reluctance to provide indicators which might reveal the meagre impact of policies.

Furthermore, the technical ministries responsible for training and/or employment have experienced real difficulty in recruiting or training competent technical personnel with genuine expertise in handling social data and familiarity with the job market and with links between training and employment. Although the research departments of these ministries are generally staffed by graduates, these are rarely specialists in the relevant disciplines and are almost never professional statisticians trained at specialised schools at home or abroad ⁽¹³⁾. When they do

⁽¹²⁾ Apart from a few exceptions, e.g. the Algerian national unemployment insurance fund (CNAC), the Tunisian national agency for employment and independent work (ANETI).

⁽¹³⁾ Tunisia is currently conducting an interesting experiment involving collaboration with students of the national school of statistics.

succeed in recruiting or training suitable staff representing the 'technical capital of the institution', ministries almost always lose them to more effective, and certainly more lucrative, organisations – and seem unable to replace them.

In the production of data there is a manifest lack of contact and cooperation between ministries of employment and vocational training and national statistics institutes. All three countries lack serious links between these structures, particularly with regard to implementing industry-wide employment surveys. The dearth of professional statisticians inside the ministries is a further obstacle to collaboration.

In technical terms, the implications of building capacity to produce new job market data were evidently not clearly researched and established. No determining innovation can be observed in the concepts applied, the methods deployed or the survey mechanisms established. No genuine reflection informed the areas to be prioritised, the most relevant sets of indicators to be used or the most economical methods to be applied. For example, preliminary research conducted in Algeria was more concerned with the organisational architecture of the future observatory than its technical and design requirements.

The most serious deficits concern data on how the job market functions – specifically, the follow-up and study of mismatches between supply and demand at the level of the public intermediation services. The difficulties Algeria and Morocco have encountered in organising their employment agencies in a way that would allow them to produce viable and relevant data deprive the observatories of a precious source of information.

If technical progress is to be achieved and data and information on employment and training effectively produced, there is a very strong argument in favour of a networking approach, as propagated by the ETF. This however appears to be a maximalist approach which comes up against deeply-rooted reflexes of self-withdrawal. To get things moving, initiatives on the labour market/training observatories must come from the highest political level, as was the case for the programmes for the upgrading of enterprises. Being intrinsically multi-sectoral, the employment and training field calls not so much for the establishment of multi-sectoral bodies as for a process which brings together, on an ad hoc basis and in varied configurations, the partners directly involved in the production of the priority categories of data. By way of example, this process would link the Ministry of Employment and the National Statistics Institute for the implementation of surveys within industry, the Ministry of Employment and of Vocational Training for the implementation of surveys on the vocational integration of skilled youth, etc.

The observatories will not be able to limit their scope to the relations between vocational training and employment for long. They will soon have to cover all types and levels of education and its relations with employment. This means taking lifelong learning into account and

integrating all education, including higher education, into their work.

Furthermore, as recommended by the ILO, among others, the observatories should function as instruments of social dialogue, with partners who seek or even produce information. But the independence of these partners from political authorities is not always guaranteed, and dialogue is still hesitant. Moreover, there is frequently no guarantee that the organisations involved will be representative. Social partners also lack the technical capacity regarding new aspects of labour market functioning (What is the necessary relevant information? What are the training needs? How can they be defined? etc.).

Finally, it has to be said that countries entering the Free Trade Area with Europe and seeking to boost the competitiveness of their economies are not capable of setting up observatories on their own. External experts can provide supplementary training, especially on methodology, and transfer their experience to the national managers responsible for this new social function. Networking with European partners should also aim to improve the analytical capacities of national managers. The recent launch of the ETF's Education and Training for Employment programme (ETE) shows that an area of technical exchange is now opening up, designed to get the observatories up and running in the MEDA region. An area in which some countries have managed to set up effective systems or mechanisms more rapidly than others may help hasten the setting up of these observatories.

Conclusion

Labour market and training observatories were essentially designed by the Maghreb countries in the 1990s as one of the tools intended to give a new impetus to vocational training, promote industry competitiveness and pave the way to the Free Trade Area with the EU. The initial projects in support of these mechanisms saw the light of day in 1997. There is no escaping the conclusion that the Maghreb observatories were still not operational in 2004 and at best lead no more than an administrative existence. In any case, the observatories are barely 'visible' in the social environment. Designed as tools for monitoring changing employment and training systems, they have not yet succeeded in imposing themselves as such.

As a result today it is difficult to identify, much less analyse, any positive results contributed by the observatories to the production of social information that is adapted to open economies and to the management of vocational training systems.

The establishment of labour market observatories, with the support of various funding agencies within projects targeted towards vocational training, has come up against both the old reflex of hoarding information

and the inexperience of the stakeholders. It has also revealed shortcomings in design and methodology.

Nevertheless, we can expect that this function of market watch and early recognition of skills requirements will be effectively launched in the three countries in the few years to come. The fundamental difficulty is that there is no quick-fix solution to the establishment of these observatories. Specific national approaches are inevitable, which does not rule out an exchange of good practice and convergence between partner countries of the European Union.

Although a genuine policy of partnership is imperative for the production of social data, this elementary idea – which is only common sense – has had difficulty in gaining acceptance. Setting up an observatory, which should be perceived more as a function than as an institution or a structure, requires rethinking all the conditions for the production of social data: Who produces these data? What are the objectives? What concepts and methods are to be applied? The magnitude of this task has so far been largely underestimated. The Maghreb countries must therefore quickly get down to work, both individually and collectively, to reinforce their investment in this undertaking, if – as required by their entry into the FTA – they are to acquire an instrument guiding their human resources development policies. ■

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