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ARAB TRADE UNION CONFEDERATION

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Tunisia :Dependence on Europe Fuels

Unemployment Crisis and Protests

The recent suicide of an unemployed 24-year-old man in Tunisia -- who electrocuted himself by touching a high-voltage electrical pole after shouting "no for misery, no for unemployment" — and the ensuing unrest are signs of the frustration and despair felt by the country's youth as Tunisia's economy slows .

Even as the level of education among job seekers in Tunisia has improved, the government has failed to make policies guaranteeing enough job creation to absorb new entrants to the labor market, especially among those with university degrees .

As a result, Tunisia has one of the highest levels of unemployment among Arab states: more than 14% overall and 30% among those between age 15 and 29 .

Many of those with degrees -- after failing to find work commensurate with their qualifications -- wind up launching small businesses in the informal sector, which leaves them asking their families for financial help. Others choose to emigrate to other countries, be it legally or illegally.

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Sadly, the suicide rate among young people has increased as well. Some youths have even set themselves on fire in public to draw officials' attention to their depressed state. As the latest incident demonstrates, these acts are neither isolated nor exceptional. Rather, they express a deep sense of despondence among many youth that their chances for employment and a dignified life are dwindling .

The lack of job opportunities for Tunisia's educated youth exists for several reasons.

First, Tunisia's growth model suffers from excessive specialization and over-dependence on one market -- the European Union -- that has not matched Tunisia's supply with demand .

Second, Tunisia based its growth strategy on low-skill sectors that depend on cheap labor, such as textiles and clothing manufacturing, as well as tourism aimed at Europeans with medium-to-low incomes. These sectors do not provide enough job opportunities for the highly educated newcomers in the labor market .

Third, the demand for highly skilled labor has not kept up with the increased level of education in Tunisia. Over the last decade, the proportion of job seekers with higher education rose from 20% of the labor force in 2000 to

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more than 55% in 2009 .

Fourth, the business environment in Tunisia offers little protection for investors -- especially local ones -- due to the absence of transparency and the rule of law. In addition, small- and medium-size institutions suffer from limited funding opportunities. Both of these factors limit initiative and restrain private-sector investment, hurting job creation.

Fifth, the restrictive eligibility criteria for Tunisia's labor-market policies limit the number of people who benefit from them and make the average amount of money spent per participant very high .

To provide more employment opportunities that better match job-seekers' education levels and increase economic growth, Tunisia's leaders must design incentives to direct resources toward knowledge-intensive sectors and industries, stimulate technological innovation, and overcome weaknesses in the business climate and administration. The return on investment in education is a central component of the Tunisian social model that is currently being wasted at both the individual and collective level.

Tunisia's policymakers must develop a strategic vision for

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growth that will enable the economy to absorb the available human capital -- and they must do so quickly. This will not only help young people find jobs now, but will reassure them that a better future lies ahead.

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