Libya Workforce Market Survey Report

April 2017
# Table of Contents

1 Executive Summary ........................................................................................................... 1  
2 Local Context ..................................................................................................................... 4  
3 Libya Workforce Market Survey Results ........................................................................... 8  
4 Employment Generation and Increasing Employability of Youth in Libya - Recommendations ............................................................................................................................... 25  

APPENDIX I: Workforce Market Survey Analytical Framework and Methodology ............... 28  
APPENDIX II: Case Studies - Libya Workforce Skills Training Programs for Youth and Former Combatants ................................................................................................................................. 42  
APPENDIX III Libya Market Survey Private Sector Entities by Economic Center ................. 40  
APPENDIX IV: Current and Planned International Assistance to Libya in SME and Private Sector Development and Workforce Skills Development ......................................................... 48  
APPENDIX V: Libya Workforce Market Survey Reports for each Economic Center ............ 51
# ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>BDS</td>
<td>Business Development Services</td>
</tr>
<tr>
<td>CPI</td>
<td>Consumer Price Index</td>
</tr>
<tr>
<td>CSO</td>
<td>Civil Society Organization</td>
</tr>
<tr>
<td>DDR</td>
<td>Disarmament, Demobilization, and Reintegration</td>
</tr>
<tr>
<td>EFE</td>
<td>Education for Employment</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>GECOL</td>
<td>General Electricity Company of Libya</td>
</tr>
<tr>
<td>GIZ</td>
<td>The Deutsche Gesellschaft für Internationale Zusammenarbeit</td>
</tr>
<tr>
<td>GNA</td>
<td>Government of National Accord</td>
</tr>
<tr>
<td>GOL</td>
<td>Government of Libya</td>
</tr>
<tr>
<td>IDP</td>
<td>Internally Displaced Persons</td>
</tr>
<tr>
<td>KDS</td>
<td>Korean Institute for Development Strategy</td>
</tr>
<tr>
<td>LECs</td>
<td>Libya Enterprise Centers</td>
</tr>
<tr>
<td>LISCO</td>
<td>Libyan Iron and Steel Company</td>
</tr>
<tr>
<td>Libya PFM</td>
<td>Libya Public Financial Management Program</td>
</tr>
<tr>
<td>LPRD</td>
<td>Libya Program for Reintegration and Development</td>
</tr>
<tr>
<td>LWEE</td>
<td>Libya Women’s Economic Empowerment</td>
</tr>
<tr>
<td>MSMEs</td>
<td>Micro, Small and Medium Enterprises</td>
</tr>
<tr>
<td>OCHA</td>
<td>The United Nations Office for the Coordination of Humanitarian Affairs</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Cooperation and Development</td>
</tr>
<tr>
<td>SME</td>
<td>Small Medium Enterprise</td>
</tr>
<tr>
<td>TVET</td>
<td>Technical Vocational Education and Training</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>UNSMIL</td>
<td>United Nations Support Mission in Libya</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>USG</td>
<td>United States Government</td>
</tr>
</tbody>
</table>
1 Executive Summary

The Libya Public Financial Management (Libya PFM) Activity conducted a Libya workforce market survey focused on the four economic centers of Benghazi, Misrata, Sabha, and Tripoli. The purpose of the survey was to provide workforce market information that could potentially inform future donor-funded investments in employment generation and workforce development activities, specifically targeted for youth, women and former combatants (jobseekers). The market survey covered four major topics:

1. Potential sectors capable of job creation for targeted beneficiaries, primarily youth and former combatants;
2. Skills needs and gaps for the local labor market in the four economic centers;
3. Potential program partners (MSMEs, municipal councils, CSOs, chambers of commerce, business unions, line ministries including the Ministry of Labor, etc.); and
4. Potential program beneficiaries, identified through an in-depth assessment of jobseekers in the four economic centers.

The results of the Libya workforce market survey are analyzed and detailed in the following consolidated report. Key findings include:

- Across the four economic centers, the employers surveyed anticipated at least moderate positive growth for certain sectors including the construction, wholesale and retail trade, transportation, and manufacturing sectors over the next five years.
- Across the four economic centers, the majority of employers surveyed reported that core behavioral skills such as time management, being able to meet deadlines, and assessing the time to complete a job were the most important soft skills for potential employees.
- The industry that employs the largest number of Libyans across all cities is the wholesale and retail trade sector.
- The market survey analysis revealed several workforce employment trends. Overall, across the four cities, the lack of required skills is the most frequently noted reason for employee turnover, followed by salary issues, the working environment, and length of working hours. Libya has traditionally relied on a large number of migrant workers to supplement the local workforce in the private sector. Employers surveyed across the four centers reported preferring foreign workers to Libyan nationals because they are more flexible in their working hours, trustworthy, and typically have higher skills and more qualifications.
- While access to financing is the most common constraint for starting up a small business in Libya, there are a few programs and mechanisms currently in place, or in the process of being implemented/reactivated that support SME lending.

The following are key points and recommendations that can be considered when designing future employment generation and workforce skills development pilot activities and programs in Libya:

- **Focus on sectors and sub sectors with potential for short-, medium- and long-term growth.** Based on the workforce market survey results and earlier market surveys by the World Bank, African Development Bank, GIZ and other international institutions, the key sectors identified for potential short-term growth are wholesale and retail trade, construction, transport, communication and storage and manufacturing. More work is needed to identify the subsectors within these broad sectors that have the most potential for growth.
• Work with firms surveyed that reported available job openings to match youth with the requisite skills and education for employment. Within the growth sectors some of the firms surveyed across the four economic centers reported having job openings. A potential follow-up activity could be to reach out to the firms to gain more specific information about the desired profile of potential hires for their job openings, and then provide some HR, recruitment, and hiring assistance to the firms to build their capacity to do more active searches for potential employees.

• Identify additional medium-sized firms within the potential growth subsectors for business development advisory services. To generate new sustainable employment opportunities for youth, it is important to focus on building the capacity of medium-sized firms that have potential to expand and improve their production, products and services, and operations. Some firms could potentially expand or improve their production, services, or operations to create new job openings if provided specialized technical business development/advisory services. This could be a medium- to long-term activity focused on creating jobs for youth.

• Work with firms with existing paid and unpaid apprenticeship and internship programs to help address skills development for unemployed youth to gain job experience to increase their chances of being employed. The survey results revealed that many of the unemployed youth that were actively seeking jobs would be willing to take an apprenticeship, unpaid or paid internships, or participate in general in-house training programs to increase their employability. Local partners that focus on training youth could be engaged to work with these firms to identify active jobseekers for potential in-house training programs that the firms would provide that could lead to full-time employment.

• Support soft skills training programs for unemployed youth and former combatants to help them build skills that are in demand and valued by potential employers in Libya. Across the four cities, most of the employers surveyed, particularly in the growth sectors, preferred employees with core workplace skills, including: time management and keeping deadlines; following and giving instructions; managing people; and stronger workplace communication skills. Many of the local partners interviewed are experienced in skills development and training and could be potential partners for future soft skills training programs.

• Support former combatants who prefer to work in the private sector in finding gainful employment that matches their education and skills through targeted programs. Many of the former combatants interviewed in the focus group discussions were employed yet underemployed, working in shops and supermarkets. Based on interviews, their general preference would be to work in the private sector in professional jobs that matched their skills. A potential activity could focus on providing information about the profiles of former combatants to employers that may not be aware of their skills, education levels, and qualifications to meet skilled jobs available.

• Support youth to participate in vocational training programs to prepare them for skilled jobs in the growth sectors and dynamic, potential growth subsectors. There was a correlation between the education level and employment status of youth surveyed. Many of the employers surveyed indicated that they would prefer to hire youth with vocational training and skills than with college education in social sciences or general liberal arts. A potential activity could be focused on this cohort of youth seeking jobs but requiring specific vocational training to develop more marketable skills to increase their employability.
This workforce market survey report consists of five sections (including this executive summary) and six appendices. **Section 2** provides an overview of the Libyan economic situation and the local context for the four key economic centers. **Section 3** provides the workforce market survey findings for: (1) the growth sectors; (2) core skills needed for the local labor market; (3) general employment trends (availability of employees in key sectors, part-time vs. full-time employment, and employee turnover); and (4) start-up and business creation potential. International organizations implementing workforce development programs in Libya are described in **Section 4.** **Section 5** provides key recommendations for pursuing employment generation and workforce development initiatives in Libya. **Appendix 1** describes the methodology and approach used to conduct the workforce market survey. **Appendix 2** provides case studies of workforce development programs in Libya and other post conflict countries. **Appendix 3** provides key information on the private sector entities surveyed by economic center and growth sector. **Appendix 4** includes a matrix with the current and planned international donor-funded private sector and workforce skills development programs for Libya. **Appendix 5** provides the detailed market survey reports for the four economic centers.
2 Local Context

2.1 Libyan Economic Overview

From 2010 to 2012, unemployment increased from an estimated 13.5 to 19% (about 360,000 individuals). The 2012 figures are even higher among youth (48%) and women (25%). Informal employment is estimated to account for between 40 and 60 percent of total employment. The high unemployment rate is, as is the overall economic situation, related to both ongoing conflict and critical structural framework of the Libyan economy, characterized by poor quality of education, limited access to private financial services, and a lack of infrastructure.

The inflated public sector and overreliance on oil exports have caused a lack of diversification in the labor force. This is one of the main challenges of the Libyan labor market, as it leaves sizeable productive sectors such as agriculture, construction, and manufacturing underserved regarding the workforce. The service industry in Libya employs 69 percent of workers, while trade and agriculture account for only 6 and 1 percent, respectively, of total employment. This, and the structural mismatch between demand and supply of labor contribute sizably to rising unemployment.

In a 2016 report entitled “SMEs in Libya’s Reconstruction”, the OECD noted that SMEs are particularly important for economic recovery because of their potential to generate jobs generally, and particularly because they are more likely to employ vulnerable segments of the population such as women, youth, and refugees or internally displaced people. However, the limited existing evidence on the SME sector in Libya indicates that SMEs perform with low levels of productivity and competitiveness. Moreover, Libyan SMEs are subscale, lack capital, and do not have the capacity for sophistication in management and marketing. The OECD is partnering with the Government of Libya to implement a two-year project launched in November 2016 aimed at preparing a medium-term strategy for the development of the private sector and SMEs in Libya.

In addition to the structural problems of its economy, Libya is faced with instability and ongoing internal conflicts significantly hampering its possibilities for economic recovery. Ensuring the return of stability in the country requires addressing the root causes of the current fragile security situation. Amongst these, reintegrating former combatants into society and ensuring that the younger generation of Libyans has sustainable alternatives to taking up arms are the most important.

2.2 Background on the Four Economic Centers Surveyed

This section provides general information on the four economic centers including population and unemployment statistics, and a description of the current security challenges.

Benghazi

With about 500,000 inhabitants, Benghazi is the second largest city in Libya. It is the key central city in the Eastern region, and one of the country’s leading economic centers. The city’s

4 Ibid
6 All population data refers to the 2006 Libyan census
Port is vital to the Libyan economy, serving as the main entry point for the import of food and manufactured products. During the 2011 revolution, Benghazi played a pivotal role. The National Transitional Council – the de facto government during and for a short period after the revolution – was established and based in Benghazi.

Like the majority of Libyans, the population of Benghazi has a high literacy rate. Ninety-one percent of the population in Benghazi can read and write, although the literacy rate among women is lower than that of men. Among the literate population, the educational gender gap is small: 53.9% of men and 48.3% of women have completed secondary education, while the proportion of Libyans with a university degree is about 7% for both the male and female population.7

The public sector (including the educational sector) was the primary source of employment in Benghazi prior to 2011. Other relevant sectors for employment were wholesale, retail and trade; agriculture, and transport communication and storage. Energy, mining, and housing infrastructure accounted for about 7.7% of total employment. Additionally, the unemployment rate in Benghazi was one of the highest in the country at 26.5%.8 However, the inactivity rates for the general population and between genders were in line with estimates at the national level.

After 2011, Benghazi was one of three centers (with Tripoli and Misrata) with various “private-sector-promoting” boards and agencies.9 Local chambers of commerce have a relatively broad mandate – to promote business through organizing domestic and international trade – and serve as the primary resource for the development of small and medium enterprises. To obtain an operating license, a firm must register with the local chamber of commerce. The Benghazi Chamber of Commerce has 36,000 registered firms. However, services and support to firms in market development and trade are limited. As such, local firms use the chamber mainly for legal assistance and advice.10

Misrata

With a population of roughly 350,000, Misrata is the capital of the Misrata district and the third largest Libyan city after Tripoli and Benghazi. While Misrata was one of the Libyan cities with the highest education and literacy rates,11 gender differences persist: 93.4% of the male population can read and write, while the literacy rate drops to 78.7% among women. Fifty-four percent of Misratan men have a secondary education, compared to 37% of women. Further, about 8% of the male population has a university degree, compared to only 3.5% of women.

Prior to 2011, the unemployment rate in Misrata was 16.2%.12 While this rate is lower among women than men (15.4% compared to 16.4%), it is important to note that the female population is mostly inactive.13 The inactive male population is almost entirely comprised of students and retirees.

The fighting of the past four years has had a heavy toll on the economy of the city, regarding output and the workforce level. Misrata has two of Libya’s largest private companies: the Libyan Iron and Steel Company (LISCO) and Al-Naseem dairy. LISCO, the country’s largest private company outside the energy sector, has had to periodically cease production due to

---

7 All data on education refers to the Libyan population older than 10.
8 All data on employment refers to the Libyan population older than 15.
10 Ibid
11 Data refers to the 2006 census, the latest available. Figures refer to the population older than 10 years.
12 2006 census. All employment figures refer to the Libyan population aged at least 15 years.
13 Neither employed nor seeking a job.
power shortages, contributing to the 63.6% drop in Libya’s steel output in 2015. Al-Naseem dairy manufacturer provides about 750 jobs. However, the company suffered sizeable losses starting in 2012 due to difficulties selling products to most of the country.

**Sabha**

With a population of roughly 100,000, Sabha is considered the capital of the Southern region. Sabha also serves as the region’s transportation and economic hub.

Youth unemployment is a significant issue in Sabha. Almost a third of the youth are unemployed. While this is somewhat lower than the national average, long-term unemployment is considerably higher in Sabha compared to Tripoli and Misrata; more than half of the unemployed youth have been without a job for more than a year. Contributing to the worrying image, Sabha has the highest inactivity rate among the four economic centers analyzed in this study, as only 25% of unemployed youth is actively seeking jobs.

The southern region of Libya is host to a multitude of armed groups and smuggling networks which connects the Sahel–Sahara region and give the conflicts a regional dimension because of the transnational links of the armed groups involved. Clashes between armed groups continue to be common.

**Tripoli**

With more than a million inhabitants, Tripoli is the largest city and the capital of Libya. Located on a bay on the Mediterranean Sea, the city includes the port of Tripoli and the country’s most important commercial and manufacturing center, Al-Nasr. According to recent OCHA estimates, the city is also home to more than 30,000 IDPs, who have relocated there mainly from Al Jifarah, Sirte, and Benghazi.

Tripoli formerly had one of the highest literacy rates in the country. More than half of the population – both male and female – has at least completed secondary education. As for a university education, 11.6% of men and 8.6% of women hold at least a bachelor’s degree.

Prior to 2011, Tripoli was becoming increasingly attractive for foreign direct investment primarily due to an expanding private sector and an improving business environment. However, the 2011 conflict and the 2014 security situation resulted in a sharp decline in interest for any foreign direct investment in Libya.

After the public sector (mostly education), the largest share of workers are employed in the wholesale and retail trade, agriculture, and transport, storage and communication sectors. More generally, over-employment in the public sector is much higher in Tripoli than elsewhere in Libya.

---

19 All population data and figures are from the 2006 census data
Prior to 2011, Tripoli had one of the highest unemployment rates in the country: overall unemployment was 23.5%, with little difference between male and female unemployment. However, a significant gap still exists for economic activity: 75% of the female population is neither working nor seeking a job, compared to only 34% for men.

Current estimates indicate that unemployment in Tripoli is in the range of 20-24%. Although six employment bureaus exist in the city, due to lack of information, it is unclear how the registration process works, or which proportion of the unemployed Libyans registers. Business and trade unions have taken on an increasingly important role to address the high unemployment rate in Tripoli. The Tripoli City Council’s Economics Department (the local representative of the Ministry of Economy) manages a database of 37,200 firms, and conducts reviews to monitor types, numbers, and needs of these firms. Local chambers of commerce have a relatively broad mandate – to promote business through organizing domestic and international trade – and are increasingly oriented towards becoming the main actor in the development of SMEs. To obtain an operating license, a firm must register with the local chamber of commerce.

However, the security situation in Tripoli is worrisome. Tripoli is one of the areas most affected by the 2014 conflict, and starting in July 2014, it became the stage for serious international human rights violations. Since 2011 Tripoli has had a large presence of multiple armed groups, which often clash for control over the city.

---

21 All employment related figures refer to the Libyan population aged more than 15.
3 Libya Workforce Market Survey Results

This section presents the main results from the Libya workforce market survey conducted in each of the four economic centers. The empirical foundation for the results is based on data collected from August – September 2016 from four different sources for each economic center:

- A household survey of 100 randomly selected youths;
- A household survey of 25 employers, chosen from the main private sector entities;
- Four focus groups with former combatants each containing 8-10 respondents;
- Ten in-depth interviews with potential partners.

The category ‘youths’ is defined as Libyans in the 15 - 35 age group. The category ‘former combatants’ is defined as men that at some point have been part of an armed group. The two categories ‘youths’ and ‘former combatants’ are not mutually exclusive. Most former combatants are in the 15 - 35 age group, however, not all in this age group are former combatants. Thus, it is expected that there is some overlap between the two categories. The youths category includes both men and women, while most former combatants are men. Employers are defined as managers of businesses in the largest sectors.

3.1 Growth Sectors and Core Skills

3.1.1 Growth Sectors and Potential Job Creation

3.1.1.1 Key Findings from Previous Studies on Potential Competitive Sectors

The OECD 2016 report summarizes key findings from previous studies prepared by international organizations on the sector competitiveness of the Libyan economy. In a 2006 study, the Libyan Institute of Planning and the Monitor Group identified agriculture, construction, energy, tourism, and financial services as the sectors with the most potential for competitiveness and growth for the Libyan economy. The Korean Institute for Development Strategy (KDS) prepared a study in 2010 for the Libyan National Economic Board which identified priority sectors based on two criteria: market potential (demand) and national competitiveness (supply). Based on those criteria the KDS identified five priority sectors:

- **Energy**: oil and gas, petrochemical, metal processing, renewables;
- **Construction**: engineering, construction, construction materials and equipment;
- **Hospitality and tourism**: restaurants, hotels, resorts and entertainment;
- **ICT**: software development, system integration, database management, and network management;
- **Repair and maintenance**: automobiles, buildings and infrastructure.

The KDS study goes further to match the types of jobs demanded by the five priority sectors to employment promotion policies and skills development. The study recommended the preparation of national development plans for the priority sectors and the development and implementation of related employment promotion plans and programs.

Similarly, a 2009 GIZ study ranked sectors according to their growth potential based on the perceptions of general managers from the Libyan private sector. The sectors perceived with growth potential included construction, energy and energy-dependent industries, trade, ICT and transport while financial services and insurance, health services, agriculture and manufacturing were perceived as the least dynamic sectors. A later 2013 study conducted by Altai Consulting assessed sector competitiveness in the cities of Benghazi and Misrata.

---

on interviews with private sector representatives and businesses, the study noted that the sectors with growth potential were domestic private construction and the trade sector, manufacturing was performing better than before 2011, and building materials and food processing were considered the most promising activities for the longer term. The Altai Consulting study also identified opportunities in ICT and private healthcare services as limited due to strong regional competition.

The World Bank in a 2015 study identified potential growth sectors for Libya noting the following:

- **Substantial growth in the trade sector since 2011 due to high demand for imported products and an increase in private supermarkets, grocery stores, and clothing retailers. Most of the growth is from the private sector creating demand for more manufactured food products.**
- **The construction sector has potential for growth due to the high demand for new housing, reconstruction in the Libyan post-conflict environment, as well as anticipated metro, railway and other infrastructure projects in the long-term. The construction sector creates demand for building materials and jobs for highly-skilled workers.**
- **The real estate sector (hotel investments, resorts, shopping malls, apartment complexes) has potential for future expansion with anticipated growth in 2015 to be 50% higher than in 2014. The sector is attractive to foreign investors and has potential for significant job creation and supplier opportunities for domestic SMEs in the long-term.**
- **Private healthcare and education sectors have growth potential in the future. The sectors have value chain supply needs, creating demand for medical equipment importers, diagnostic laboratories, ambulance services and medical training centers. Private schools, colleges and universities have been expanding since the education system opened to private establishments in the 2000s.**
- **Restaurants, cafes and catering businesses have been growing rapidly in the larger cities. This sector has significant job creation potential as well as opportunities for entrepreneurial start-ups.**
- **The transport and shipping sector has private sector and SME development potential as it facilitates the distribution system for imports and exports. As demand increases for the movement of consumer goods, raw materials, production equipment, exports, and people, there will be more opportunities for new businesses to meet the growing demand.**
- **The food manufacturing sector is also expected to grow, creating opportunities for SMEs to produce food products for domestic markets and exports, and in the value chain of packaging, distribution and waste management and other ancillary services.**

The World Bank suggested that the sectors with the strongest short-term and long-term employment potential are construction, manufacturing, wholesale and retail trade, agriculture/fishery, hospitality and services\textsuperscript{25}. The next section details the workforce market survey report findings on potential growth sectors which are in line with the 2015 World Bank’s findings on potential growth sectors in Libya.

### 3.1.1.2 Market Survey Findings on Potential Growth Sectors

Across the four economic centers, the employers surveyed anticipated at least moderate positive growth for certain sectors including the construction, wholesale and retail trade, transportation and manufacturing sectors over the next five years. For those sectors expected

to achieve some level of growth in the near-term, employers also noted the potential for youth job creation. This section summarizes key findings by economic center related to potential growth sectors and job creation potential. It also summarizes information related to job openings reported by the employers interviewed for the growth sectors providing specific information on the current labor market demand for both skilled and non-skilled workers.

**Benghazi**

Across sectors in **Benghazi**, the overall economic outlook of the employer respondents is negative, though certain industries expected some positive growth. The construction, wholesale and retail trade, transportation, and education sectors all expect moderate positive growth over the next five years. However, four out of five private sector entities reported flat to negative growth in the construction sector and two out of three also expect flat to negative growth in the wholesale and retail trade sector. Thus, across and within sectors there are variations regarding not only the rate of future growth, but also if growth will be positive.

The expected growth in the sectors seems to correlate somewhat with the employer’s assessment of which sectors and industries are most likely to produce jobs for youths in Benghazi. 90% of businesses identified the wholesale and retail trade sector as having potential for youth job creation. The transportation, communication and storage sector businesses anticipate flat or moderately positive growth and most expect the sector to generate jobs. The majority of employers also highlighted electricity and education as sectors with potential for job creation.

Within the sectors where employers reported positive growth and job creation potential, some employers already had job openings. Among the three employers interviewed in the wholesale and retail trade sector all three had job openings primarily for supervisors and store managers.

Within the transport, communication and storage sector, of the eleven employers interviewed in Benghazi, one was looking for new employees. The job openings sought both skilled (experienced accountants, supervisors, shop workers, system programmer) and unskilled (drivers) workers. The available positions for skilled workers generally required relevant work experience, and strong managerial and behavioral skills. In other sectors, such as education, fishing, food production, real estate and construction, the employers surveyed reported having job openings. The job openings sought both skilled (teacher with a formal educational background, administrative worker with strong behavioral skills, general supervisor with excellent managerial skills, accountants with formal education background in accounting, receptionist with excellent English language skills, and a web designer) and unskilled (mechanic) workers.

**Misrata**

The overall economic outlook of the employers surveyed in **Misrata** is generally positive. More than half of the employers expect moderate or positive growth in their respective sectors (especially manufacturing, wholesale and retail trade, and transport, communications and
storage) though 50% percent of the manufacturing businesses surveyed also expected flat growth. Within the wholesale and retail trade and the manufacturing sector, the two sectors with the largest growth potential, a number of employers reported having job openings.

Among the employers surveyed in wholesale and retail trade, seven of the thirteen reported having available positions primarily for accountants and salesmen, and an IT-support employee. The most desired skills among the employers recruiting salesmen were excellent behavioral skills including excellent customer service skills. Three out of eight employers interviewed in the manufacturing sector had job openings for skilled (mostly accountants and administrative workers with bookkeeping and administrative skills, respectively and shop workers) workers. All of the employers who reported having job openings were seeking employees with strong behavioral and workplace skills such as excellent manners, the ability to organize their work effectively, and being punctual and reliable.

On potential job creation for former combatants, 67% of employers in the manufacturing sector indicated that there is low employment potential while employers in the transport and wholesale and retail trade sectors indicated higher potential for employing former combatants within their sectors. About 50% and 75% of the employers surveyed within the transport and wholesale and retail trade sectors, respectively, reported some or a high potential for employment of former combatants.

Most of the former combatants interviewed suggested that the highest potential for job creation for their group was in the private sector. As one former combatant explained: "it is less difficult to be hired by a business owner because there is no need to go through complicated procedures." Almost all former combatants stated that the industry with the highest potential for employing members or former members of armed groups is the private security sector.

Sabha

The general economic outlook of the employers surveyed in Sabha is mixed. Only three sectors - wholesale and retail trade, health, and transport, communications and storage expected positive growth. Most, and in some cases all, of the employers surveyed of the other sectors in Sabha (manufacturing, construction, hotels and restaurants, public sector and other services) expected flat growth. More worrisome is that 20% of employers surveyed in the manufacturing sector compared to 9% in the wholesale and retail trade sector expect negative growth. An employer in the wholesale and retail trade sector stated that while he expected moderate to positive growth, the most significant challenge to expanding his business is lack of financing in Libya.

The expected growth in the certain sectors seems to correlate with the sectors and industries the employers identified as the most likely to produce jobs for youth in Sabha. Employers in the wholesale and retail trade, health, and transport, communications and storage sectors expect positive growth and were listed by all of the businesses as the sectors with the highest potential for youth job creation. Some employers reported that industries such as mining, fishing, and foreign organizations (international enterprises) have a high potential for youth employment. The other sectors expect flat growth (construction, hotels and restaurants, and the public sector) and 20% of employers in the manufacturing sector expect negative growth.

Within the manufacturing and the wholesale and retail trade sector a number of employers reported job openings. Eighty percent of the employers interviewed in the wholesale and retail trade sector and manufacturing sector had job openings including skilled positions for an electrician, maintenance workers, and a welder with the required technical skills as well as a receptionist with excellent customer service skills. One out of thirteen employers in the wholesale and retail trade sector had job openings including a position for a car electrician and
an IT support employee with the requisite technical skills. Seven out of eleven employers interviewed for the other sectors such as health, construction, transport, communication and storage, and the public sector are seeking new hires mostly skilled workers including an electrician, computer engineer, administrative worker, translator and office assistant.

Employers reported a higher employment potential for former combatants in the wholesale and retail trade and health sectors than the other sectors. Within the wholesale and retail trade sector, most of the employers reported some or a high potential for employing former combatants. This finding is in line with the reported preference among former combatants, where 80% reported they would like to work in the wholesale and retail trade sector. Overall, the wholesale and retail trade sector has the largest potential for employing both former combatants and youth. Within the manufacturing sector and the wholesale and retail trade sector, two sectors with large growth and employment potential, a number of employers reported having current job openings.

Tripoli

For Tripoli, the sectors with the largest percentage of companies reporting both high and moderate growth were from the wholesale and retail trade, transport, communication and storage, and manufacturing sectors. All of the employers from the construction sector expected some positive growth though not high positive growth. A small segment of the manufacturing sector expected negative growth (only 10%). Most of the employers surveyed from the wholesale and retail trade and manufacturing sectors reported the potential for job creation for youth, followed by public administration and state services, finance, agriculture and hunting.

Within the wholesale and retail trade sector and the manufacturing sector, two sectors with expected positive growth and employment potential, a number of employers reported having job openings. Six out of eight employers interviewed in the wholesale and retail trade sector are currently looking for new hires including workers to trade and buy goods for shops, an experienced sales manager, and workers to handle marketing and accounting for the shops. Within the manufacturing sector six out of twelve employers reported having job openings including a manual worker, a production worker with a bachelor’s degree, a machine operator and carpenter with the required technical skills, and accountants with the proper experience and educational background.

Five out of six employers surveyed in the transportation, communication and storage and health sectors had job openings including a position for a machine operator, an IT employee with programming skills, and an accountant. Transport companies were mostly seeking drivers and manual workers.

The workforce market survey results are in line with the World Bank 2015 private sector mapping report for the country-wide sectors with the most potential for growth and job creation. Additionally, job matching activities could have some impact in Libya to address the high unemployment rates as the majority of firms surveyed have immediate job openings.

3.1.2 Core Skills and Skills Gaps Findings

Across the four economic centers, the majority of employers surveyed reported that core behavioral skills such as time management, being able to meet deadlines, and assessing the time to complete a job as the most important soft skills for potential employees. This section describes the key findings on core skills desired by the employers surveyed and the gap between the market demand for such skills and the supply for each economic center. An overall finding across the four cities is that a higher education level can increase the chance of being employed.
Benghazi

Among the core skills in demand by employers surveyed in Benghazi, basic literacy and numeracy were found to be important by the majority of the employers, though more advanced numeracy and literacy skills were not considered as important. Communication skills were assessed to be only somewhat important across the different sectors. The most important communication skill identified by the employers surveyed was workplace communication. Across all the skill types surveyed, behavioral skill types are the most important for potential employees to have for employers. Time management, especially meeting deadlines and assessing time needed to complete a job, and following instructions are core desired skills, which the employers rated as important.

While unemployment is low among the educated youth in Benghazi, there are considerable differences across specializations. Youth educated in business and engineering reported the lowest unemployment level at just 10% unemployed. For youth without a university education, the unemployment levels increased to 67%. For other areas of specialization such as medicine and health, social sciences and liberal arts (English), half of the youth reported being employed.

Employers were asked to rate how important computer skills were for a potential employee on a scale from 1 to 4 with 1 being ‘not important’ and 4 being ‘very important”. The employers had an average rating of 1.99 with computer skills being somewhat important overall. The highest individual rating for the specific computer skills were 2.32 for using a computer and 2.55 for finding information on the internet out of a high score of 4. In general the employers surveyed in Benghazi considered workplace skills more important than computer skills with a slightly overall rating of 2.05 compared to the average rating of 1.99 for computer skills. Of the workplace skills rated, managing other people and giving instructions were the highest individual ratings by the employers.

There is a correlation between the education and employment level among youths in Benghazi. Youth with a university degree reported the lowest level of unemployment (24%) while youth with only a secondary education reported the highest level of unemployment (75%).

Misrata

Across sectors, a third of employees are categorized as low-skilled workers by the employers surveyed in Misrata. Skilled workers represent half of the workforce in the manufacturing, and transport, communication, and storage sectors. The wholesale and retail trade sector employs the largest share of high-skilled workers.

The optimal education level required for employees varies across sectors. Sixty-three percent of the businesses surveyed from the transport, communication and storage sector reported that the optimal educational level is a secondary education and/or vocational training while all of the employers interviewed in the manufacturing sector and half of the employers in the wholesale and retail sector reported the optimal level to be primary education. Compared to the youth interviewed, the former combatants interviewed are more educated (58% bachelor’s degree, 8% Ph.D., 17% vocational training). About two-thirds have completed a university education or higher and a fifth have attained vocational or college education.

Across all skill types, the employers surveyed identified behavioral skill types as the most important for potential employees. Keeping deadlines and following instructions are considered the most important skills. Communication skills are assessed to be more important than literacy and numeracy skills. Specifically workplace communication is on average assessed to be an important skill for the demand side of the labor market.
Employers were asked to rate how important computer skills were for a potential employee on a scale from 1 to 4 with 1 being 'not important' and 4 being 'very important" with an average rating of 2.64. Employers gave the highest ratings to finding information on the internet (3.12) and the ability to use a computer (2.96) compared to specific computer software skills such as word processing (2.56), working with spreadsheets (2.16), and using bookkeeping, accounting and financial software (2.56). On the importance of individual workplace skills, the employers rated the ability to adopt new technologies (3.00) and learning new skills (3.28) the highest compared to other workplace skills (e.g., solving complex problems, giving instructions, managing other people, taking risk, doing bookkeeping and accounting, preparing a business plan, preparing a budget, understanding and implementing a regulation) with an average rating of 2.71.

About 90% of the youth surveyed are willing to participate in an apprenticeship for on-the-job training to improve their skills, while only half of the businesses surveyed in Misrata provide apprenticeships. Similarly, more than 75% of youth are willing to accept paid internships while only about a fourth of employers provide paid internships. About half of the Misrata youth would participate in an unpaid internship though only 27% of businesses provide unpaid training programs.

**Sabha**

Based on the survey findings, employers in Sabha, in general, consider behavioral skills such as respecting deadlines, following instructions and problem solving as very important for potential employees as compared to other skill types such as literacy and numeracy skills. Although employers reported an undersupply of high-skilled labor, they also consider basic workplace skills more important for potential employees.

The lack of required skills is reported to be an issue in Sabha, which might be related to the high-skill demand in certain industries such as health, transport, communications and storage and wholesale and retail trade, where respectively 64%, 44%, and 34% reported that they currently employ individuals with a university degree. The demand for high-skilled labor is however concentrated in certain sectors. The construction sector and hotels and restaurants primarily seek employees with a secondary education or less.

Most of the employers surveyed in Sabha hire more high-skilled workers and require higher educational levels. As with the other economic centers, there is a correlation between education and employment level among youths in Sabha. As such, 87% of the youth surveyed who had a university degree were employed compared to 76% with vocational college/education, 75% with primary school, and secondary education (67%). While unemployment is low among the educated youth in Sabha, there are varying levels of unemployment across the specializations. Among the youth surveyed who specialized in computer science, only half were currently employed compared to at least nine out of ten being employed who specialized in English language skills, business, finance and marketing and engineering, mathematics and other sciences.

Employers were asked to rate on a scale from 1 to 4 with 1 being 'not important' and 4 being 'very important” with an average rating of 2.64 how important certain computer and workplace skills were for a potential employee. On average, the employers surveyed rated general workplace skills higher (2.79) than computer skills at 2.36. General workplace skills such as preparing a business plan, giving instructions, learning new skills, and adapting new technologies were scored higher and slightly more in demand than workplace skills such as managing other people and taking risk. For computer skills, the employers surveyed rated using a computer, finding information on the internet, and using bookkeeping, accounting and financial software as the most important skills that are valued in employees.
On skills improvements through on-the-job training, about one-third of the youth surveyed are willing to work in an apprenticeship with 24% of the businesses surveyed in Sabha providing in-house training programs. In general, there is a low supply of on-the-job training programs available in Sabha. Almost none of the employers surveyed provide unpaid internships or unpaid training programs though one-third of youth surveyed reported a willingness to participate in unpaid training programs.

**Tripoli**

As with the other Libyan cities, the employers surveyed in **Tripoli** considered core behavioral skills as the most important for potential employees with an average rating on a scale of 1 to 4 of 2.71 compared to communication skills (2.31), numeracy (2.32) and literacy (2.2). Of the core behavioral skills, the employers rated keeping deadlines and time management the highest.

In the manufacturing and wholesale and retail trade sectors—which are expected to create the largest number of jobs in Tripoli — employers reported the most significant skills gap in workplace skills. In the wholesale and retail trade sector, the largest gaps are found within core behavioral and workplace skills, which are both critically undersupplied. All of the employers surveyed report technical skills in the highest demand without an adequate supply, followed by English and foreign language (84%), basic managerial (77%), computer skills (65%), life skills (69%), and advanced numeracy literacy skills (62%).

Technical skills are considered important among the employers surveyed. All of the employers interviewed cited a lack of technical skills applicable to their sectors. Seventy-seven percent also expressed a lack of basic bookkeeping skills among the workforce. While computer and advanced numeracy literacy skills were not considered as important as other technical skills, more than two-thirds of employers surveyed noted an undersupply of these skills to meet the existing demand. Foreign language skills were cited by 84% of the employers as currently lacking on the supply side of the Tripoli labor market to meet the demand.

On skills improvements through on-the-job training, more than 75% of the youth interviewed are willing to take an apprenticeship, and almost 90% of the businesses surveyed in Tripoli currently provide apprenticeships. There is more of a gap between youth willingness to participate in paid (64%) and unpaid (46%) training programs and the percentage of businesses providing paid (40%) and unpaid (13%) training programs.

### 3.2 Workforce Employment Trends

#### 3.2.1 Retention of Employees in Key Sectors

The continuing conflict and volatile security situation in Libya has negatively impacted the number of employees retained in several of the largest sectors across the economic centers except Benghazi. Employers surveyed from five out of six of the sectors in **Benghazi** reported having more employees than prior to 2013. Specifically, all of the employers surveyed from the manufacturing and real estate activities reported more employees, compared to half of those surveyed from the wholesale and retail trade and about 20% from construction, and transport, communication and storage.

The trend is much less positive in **Misrata**, the key economic center in Libya, when compared to the other cities. More than one-third of the companies across the three major sectors of manufacturing, wholesale and retail trade and transport, communication and storage in Misrata report that they have fewer employees than prior to 2013. Of note, 33% and 54% of
the employers in the manufacturing and wholesale and retail trade sectors respectively reported roughly the same number of employees and all three sectors reported varying levels of more employees (60% for transport, communication and storage, one-third for manufacturing and only 8% for wholesale and retail trade).

For **Sabha**, in sectors such as construction and public administration, all employers reported a decrease in the number of employees. Only in the manufacturing, wholesale, and transportation sectors about 25% of the employers reported having more employees currently than prior to 2013.

For **Tripoli**, all of the growth sectors reported some level of increase in the number of employees since 2013. As such, half of the employers for the manufacturing and construction sectors reported more employees, compared to wholesale and retail trade (36%) and transport, communication and storage sectors (33%).

The industry that employs the largest number of Libyans across all cities is the wholesale and retail trade sector. However, the extent to which Libyans are employed in this sector varies across the cities. In Tripoli, roughly one-third of the employers surveyed reported having more employees currently than prior to the conflict. In Benghazi, half of the employers in this sector reported more employees currently as compared to Sabha (25%) and Misrata (8%).

### 3.2.2 Part-time vs Full-time Employment

For **Benghazi**, the survey results show various trends across sectors regarding full-time and part-time employment. All of the employers surveyed in the wholesale and retail trade, real estate, and education sectors only have full-time employees while other sectors such as manufacturing, construction, and personal household services employ mostly part-time employees. The employment status of men compared to women differs with about 57% of women working part time compared to one-third of men. About 27% of men are working in full-time jobs compared to only 14% of women. The manufacturing and construction sectors reported the largest percentage of part-time jobs, however; these sectors are less likely to employ women due to the nature of the work and social gender norms.

There is almost an equal percentage of men (18%) and women (14%) who are self-employed, working in their own business or holding a paid internship position in Benghazi.

About 80% of positions across all sectors in **Misrata** are full-time. The largest percentage of employers surveyed in the wholesale sector in Misrata (80%) reported providing full-time employment.

Most sectors in **Sabha** employ mostly full-time employees compared to the employers in other cities. The one exception is the health sector, where 60% of the employers surveyed reported mostly a part-time workforce. Three-fourths of the employers from the wholesale and retail trade sector in Sabha employ mostly full-time employees.

In Sabha, the share of women working full-time (67%), is higher than that of their male counterparts, only half of whom work full-time. There is a larger proportion of male youths working in either paid internships (8%) or temporary jobs (15%), as compared to female youths (3%) working in both paid internships and temporary jobs.

While only 15% of employed women in Sabha work part-time, a higher share of women would prefer to work part-time. Thus, the mismatch between supply and demand for part-time jobs is a significant challenge for integrating women into the labor market.
Further analysis of the employment figures among the consulted former combatants reveals that about half (44%) were working in part-time positions before becoming members of an armed group. However, when asked about how many hours per week they would like to work, all respondents reported that they would like to work full-time.26 Although the reported numbers are from previous employment, they serve as a proxy for current employment. Comparing the figures with youth in general from Sabha, the results indicate that there is less underemployment among youth than among former combatants. Seven percent of male youth in Sabha report they currently work part-time which is six times less than the former combatants’ before the revolution.

Among the youth surveyed in Tripoli, just over half are working full-time compared to 23% working part-time. The trend is fairly similar for men and women with 24% of women working part-time compared to 55% full-time, and 22% of men working part-time compared to 49% full-time. A larger percentage of men (19%) are either self-employed or working in their own business compared to women (only 10%). The manufacturing and construction sectors in Tripoli have the largest proportion of full-time employees among the private sector entities interviewed at 71% and 67%, respectively, as compared to the even 50-50% split between full-time and part-time employees reported by the wholesale and retail trade, and transport, communication and storage sectors.

### 3.2.3 Foreign Workers

Libya has traditionally relied on a large number of migrant workers to supplement the local workforce in the private sector. Foreign workers are considered more reliable, with higher skills and qualifications, more willing to accept flexibility in their working hours and lower hourly wages, better educated, and more trustworthy. Many migrant workers have come to Libya since 1969. Among these workers were construction workers and laborers from Tunisia, teachers and laborers from Egypt, teachers from Palestine, and doctors and nurses from Yugoslavia and Bulgaria. One million workers, mainly from other neighboring African countries like Sudan, Niger, Chad and Mali, migrated to Libya in the 1990s, after changes were made to Libya’s Pan-African policies. 27

All of the employers surveyed in Benghazi reported preferring foreign workers to Libyan nationals because they are more flexible in their working hours and more trustworthy. Most of the employers indicated overall higher skills and qualifications (94%) and lower hourly wages (93%) as additional reasons to prefer foreign workers. Reliability (67%) and better education (57%) are considered less of a reason for hiring foreign workers.

In Misrata, most of the employers surveyed cited better education (84%), lower hourly wages (79%) and flexibility in working hours (79%) for preferring foreign workers over Libyan nationals. Conversely, only one-third of the businesses surveyed in Misrata indicated overall skills and qualifications as a reason to prefer foreign workers.

Most of the employers surveyed in Sabha cited flexibility in working hours and lower hourly wages for preferring foreign workers. About half of the employers indicated reliability as the reason for preferring foreign workers. A smaller percentage of Sabha employers (32%) indicated better skills and qualifications for employing foreign workers. Only 18% of workers reported education as a reason for hiring foreign workers.

For Tripoli, the main factors for hiring foreign workers are reliability, better skills and flexibility in working hours. Only 57% of employers reported education as a factor for hiring

---

26 Full-time employment in the survey is defined as 40 hours a week
foreign workers. This trend suggests that foreign skilled workers are in more demand than those with formal education among the employers surveyed in Tripoli.

### 3.2.4 Job Turnover

Overall, across the four cities, the lack of required skills is the most frequently noted reason for employee turnover followed by salary issues.

Among the employers surveyed in Benghazi the majority (83%) reported salary issues as the key reason for employee turnover followed by the working environment (75%). Interestingly, the lack of required skills was only noted by about a fifth of employers in Benghazi. Only a third of the employers in Benghazi reported that their employees left the company to join the armed forces.

The labor market in Benghazi does seem to favor skilled workers. Only a fifth of employers surveyed noted the lack of required skills as the key reason for employee turnover. As such, across the sectors, half if not most of employers reported their current workforce as either skilled or highly-skilled. All of the employers surveyed in the manufacturing sector reported a workforce comprised of skilled workers followed by transport, communications and storage (72%), construction (65%), manufacturing and personal and household services (50%). Of note, the wholesale and retail trade sector employs the largest share of low-skilled workers at 48%.

Eighty-three percent of the employers surveyed in Misrata cited salary issues as the key reason for turnover followed by a lack of required skills (67%) and the length of working hours (67%).

While the lack of required skills is an issue with employers meeting the labor market demand, the Misrata labor market still favors to some extent low-skilled workers. Across the three key sectors (manufacturing, wholesale and retail trade, transport, communication and storage) employers reported a third of their employees as low-skilled workers. The largest skill group, however, is skilled workers, who constitute half of the workforce for the manufacturing and transport, communication and storage sectors. Additionally, the wholesale and retail trade sector employs the largest share of high-skilled workers (33%) compared to only 18% and 15%, respectively, for the manufacturing and transport, communication and storage sectors. None of the employers in Misrata noted their employees left their company to join the armed forces.

Many of the employers (75%) surveyed in Sabha indicated the lack of required skills as the reason for employee turnover followed by the length of working hours (56%). Salary issues are considered less of a reason for turnover in Sabha (50%).

Employers in Sabha cited both the Libyan security situation and overreliance on the public sector as factors for high turnover. Seventy-five percent of the private businesses stated that employees leave to join the armed forces or public sector, and 78% noted the work environment, and transportation and workplace location as primary factors.

For Tripoli, the highest percentage of employers reported a lack of required skills (92%) and long working hours (91%) as the reason for job turnover. Another significant finding related to employee turnover is that 75% of employers in Tripoli reported that their employees left the company to join the armed forces or the public sector.
3.3 Business Start-up and Expansion

The 100 youths surveyed in each of the four economic centers were asked to identify the factors (answer 'yes' or 'no') that would prevent them from starting up a business or expanding an existing business in Libya. The factors included:

1. Access to finance  
2. Insecurity  
3. Lack of supplies and raw materials  
4. Knowledge of English  
5. Difficulty finding employees  
6. Lack of knowledge of legal procedures  
7. Lack of knowledge of accounting, recordkeeping, and other management procedures  
8. Difficulties in receiving entrepreneurial skills training  
9. Lack of equipment and machinery  
10. Difficulties in finding business development services

Across the four centers, the majority of the youths surveyed in Benghazi, Sabha and Tripoli identified all of these factors as challenges for business start-up or expansion. In Misrata a smaller percentage of youth identified all of the factors as challenges and 50% or less identified knowledge of English, lack of knowledge of legal procedures, and lack of knowledge of accounting, recordkeeping and other management procedures as challenges. Interestingly, the highest percentage of youth in Benghazi, Sabha and Tripoli identified access to finance and insecurity as the key challenges to business start-up or expansion compared to Misrata with access to finance and difficulty finding employees as the key challenges.

To understand the perception of youth in the four economic centers regarding the importance of certain business services and their availability in the local market, the youth were asked to rate on a scale of 1 to 7 the availability and importance of key business services. A “1” represented ‘not available’ with “7” representing ‘fully available’. These factors include:

- Access to finance  
- Legal counseling services  
- Management counseling services  
- Access to equipment and/or machinery  
- Access to supplies and/or raw materials  
- Access to potential employees  
- Access to business development services  
- Access to entrepreneurial training  
- Access to an English language course

Across the four cities, the largest gap between the perceived importance of certain business services and their availability relates to access to finance. The largest numerical scoring gap is +5.59 for Sabha, followed by Misrata (+3.55), Benghazi (+3.43) and Tripoli (+2.69) based on the scores of the youth surveyed. Interestingly, for Sabha, the lowest gap between the scoring for importance and availability is for management and counseling services compared to the lowest gap in scoring being access to an English language course in Benghazi, Misrata, and Tripoli. This suggests that English language courses are more available in those cities than in Sabha while management and counseling services for business are more available in Sabha than the other economic centers.

In the focus group discussions with former combatants in the four cities, the respondents discussed the challenges they face in starting or expanding a business. For Benghazi, as with the youth surveyed, the former combatants noted that lack of access to finance was the most significant challenge. About 10% of the former combatants interviewed noted the lack of
suitable location, qualified workers, and access to supplies as challenges as well. About a third of the former combatants surveyed in Sabha reported the lack of access to finance as a major obstacle to starting or expanding a business and the difficulty of the procedures in starting a business. However, in contrast to the general perceptions of youth in Sabha, only a few of the former combatants interviewed noted insecurity as a key challenge to starting or expanding a business. The former combatants interviewed in Tripoli identified access to finance and insecurity as the largest obstacles to starting or expanding a business.

While access to finance is a key constraint for starting up a small business in Libya, there are a few programs and mechanisms currently in place or in the process of being implemented or reactivated that support SME lending. According to the 2016 OECD SME report, personal equity is the primary funding source for SMEs, including savings and loans from family and friends. This is mostly due to the low level of available bank financing in Libya. Commercial banks concentrate on heavily secured, short-term financing such as export credits, and prefer to provide financing to larger established firms rather than SMEs.

The primary mechanisms to support small businesses and start-ups are the government-sponsored and funded Libya Enterprise Centers (LECs) and business incubators which are administered by the Libya Enterprise and the business centers operated by the Libya Program for Reintegration and Development (LPRD) for former combatants. The Libya Enterprise has created a partial network of 13 LECs in Libya. These centers provide short training courses to assist entrepreneurs to develop their business ideas, prepare a feasibility study, and learn about program management and how to start and operate a small business. The centers also offer some consultation services on feasibility studies and business plans, but not a broad range of business development support services on the operational aspects of running a business.

Several international organizations have been supporting entrepreneurship initiatives in Libya since 2013. For instance, the Mennonite Economic Development Association (MEDA) and the Libya Women’s Forum is implementing a $1.14 million Libya Women’s Economic Empowerment (LWEE) project to enhance women’s entrepreneurship development in Libya. The project aims to assist Libyan businesswomen to create or expand their existing businesses to contribute to private sector development in Libya. The program provides training, coaching and mentoring, networking and procurement support to women business owners to help them develop and expand their businesses. Additionally, the DFID-funded Dutch NGO SPARK established the Benghazi Entrepreneurship Center in 2013 to support youth and women entrepreneurs to establish a start-up and promote the expansion of established SMEs through business skills training, advice and coaching. The center works in collaboration with the University of Benghazi Research and Consulting Center, Libyan banks, and potential investors to support new entrepreneurs.

3.4 Employment Trends of Jobseekers (Youth, Women and Former Combatants)

The high rate of youth unemployment is a significant issue across the four economic centers surveyed.

For Benghazi, about half of the youth are unemployed (60% of women, 40% of men) which is a higher unemployment rate than both Tripoli and Misrata. Contributing to the higher unemployment figures is that among the unemployed youth, only one in four are actively seeking jobs. Additionally, among the unemployed youth, the inactivity rate is much higher among women (90%) than men (55%), which might be explained by traditional gender norms with more women than men working at home. Even among the youth who are actively seeking a job, there are significant challenges. The majority of the unemployed youth surveyed
reported that a lack of sufficient professional experience, information on available job openings, and application skills make it more difficult to find a job.

For the almost 50% of youth that are employed, the majority work for the health, public administration, or wholesale and retail trade sectors. About a third of the young men are working in full-time jobs compared with only 14% of women. A smaller share of male youth (18%) are currently self-employed which is an indication of the challenging environment for starting a business in Benghazi.

None of the former combatants interviewed in Benghazi work in the public sector. As such, two-fifths of the former combatants work in the wholesale and retail trade sector. When asked which type of job is easiest to obtain in Benghazi, the former combatants responded that it is easier to find jobs in shops and supermarkets. Several of the former combatants specifically mentioned the difficulties of finding employment outside the retail sector due to the lack of personal connections. Interestingly, the unemployment rate among the former combatants interviewed in Benghazi is 33%. This percentage is relatively small compared to the youth unemployment in Benghazi, but relatively high compared to the unemployment rates of former combatants interviewed in Misrata (8%) and Sabha (9%).

The unemployed youth surveyed from Benghazi were asked to identify why it is difficult to get a job. A majority of the youths reported that lack of sufficient professional experience prevents them from getting a job. Interestingly, most of the youth also reported the lack of sufficient job information and search resources as obstacles in their job search. Half of the youth reported lacking other job application skills such as preparing a resume and interviewing well which hinders their employment opportunities.

About half of the youth surveyed are willing to take an apprenticeship, and about 43% of the businesses in Benghazi surveyed provide apprenticeships. This trend is similar with paid internships. Two-thirds of the youth in Benghazi would participate in an unpaid internship, compared to only 13% of businesses providing this type of training. Over 90% of the former combatants interviewed in Benghazi noted that they are not interested in formal training.

The distribution of employment among sectors of the economy in Misrata roughly follows the national trend. However, the public sector is less dominant than elsewhere. About 37% of all employment is provided by the education sector, followed by public administration and services (9%). The percentage of female employment absorbed by the education sector is as high as 76%, while 22% of all men employed work in public administration. The wholesale and retail trade sector accounts for about 13% of the overall employment, while manufacturing, agriculture, and transport, communication and storage employ respectively 10%, 9% and 8% of the working population.

A third of the youth surveyed in Misrata are unemployed (22% men, 37% women) which is lower than the national youth unemployment rate estimated by the World Bank at 48.9%. Among the unemployed youth, more than 27% had been without a job for more than a year. A third of the unemployed youth had been unemployed for one to five months. Interestingly, 90% of the consulted former combatants in Misrata are employed.

Among the unemployed youth, less than half are actively seeking jobs. Sixty percent of the unemployed youth are still in school, work at home, have health issues or just do not believe they can get a job or that any jobs are available. The survey results reveal differences in the employment status between male and female youth. As such, the inactivity rate is much higher among women (74%) than men (36%). The majority of youth reported that lacking the desired education level prevented them from obtaining a job while more than two-thirds noted the lack of knowledge of the application process as another key reason making it more difficult to find employment.
Ninety percent of the youth surveyed were willing to take an apprenticeship though opportunities are very limited with only half of businesses in Misrata providing apprenticeships. The public sector is the most desired sector among the unemployed youth for employment with about half reporting wanting to work in the public sector. Additionally, 26% of the unemployed youth stated that they would like to work for a multinational company, while another 17% would prefer to work for a small or medium-sized Libyan company.

Most of the former combatants interviewed in Misrata (92%) were employed with high levels of education (58% bachelor’s degree, 8% Ph.D., 17% vocational college). This differs significantly with the youth surveyed in Misrata, who generally have lower education levels and much higher unemployment rates (30%). In the focus group discussions with the former combatants, almost none of the former combatants reported feeling discriminated against (96%) due to their previous association with an armed group. Misrata has the largest share of armed group members in Libya. Employers in the transportation and wholesale and retail trade sectors indicated that there were potential job opportunities for former combatants. Misrata has a high level of militia members among its population, which are often from the same families as the business owners.

Only 8% of the former combatants interviewed are unemployed, and of those who are unemployed most agreed that the lack of personal relationships or connections was preventing them from finding a job. Interestingly, more than half of the unemployed former combatants indicated that they would not be willing or interested in training programs to increase their employability.

The workforce market survey results reveal that the main sectors that employ youth in Sabha are education, wholesale and retail trade, and the health sector. The education, health, and public administration sectors cumulatively employ 47% of the youth.

About a third of the youth surveyed in Sabha are unemployed. While this is a much lower percentage than the national average (48.9%), long-term unemployment is considerably higher in Sabha compared with Tripoli and Misrata; more than half (57%) of the unemployed youth have been without a job for more than a year. An additional 14% of the unemployed youth have been without a job for 6 to 12 months. The inactivity rate in Sabha is much higher among women (80%) than men (60%). Contributing to this trend is that only one out of four unemployed youth is actively seeking jobs. Sixty-three percent of the youth surveyed reported being enrolled in school as the primary reason for inactivity. A fourth of the inactive youth are working at home. Additionally, 10% believe that they would be unable to find a job or that jobs are not available for their skills and education level.

Both job seekers and the inactive unemployed were asked to identify the reasons they perceive for their inability to get a job. The majority stated that they have insufficient information about job opportunities and the job application processes and that they generally lack professional experience. Half of the youth surveyed had not yet finished their education. Only a third of the youth found that a lack of sufficient skills was a cause of their unemployment. A fifth found that their participation in the fighting prevented them from getting a job.

As expected, there is a correlation between education and the employment status among young Libyans in Sabha as revealed in the other economic centers surveyed. The unemployment rate is much higher for youth who did not complete primary school (75%) than for youth who completed primary school or some vocational training (25%) or a secondary education (33%). The unemployment rate decreases significantly among youth with a university degree; 87% are employed.
While unemployment is low among the educated youth in Sabha there are still some differences across specializations. Only half of the youth who specialize in computer science are employed, while about 90% of the youth with English language skills, engineering, math and science, and business, finance and marketing backgrounds are employed.

The public sector is the most desired sector for potential employment among the unemployed youth in Sabha. About half stated that they would prefer to work in the public or government sector, while an additional 9% would prefer to work for a publicly-owned company. A smaller, but still considerable portion of the unemployed youth (14%) stated that they would prefer to work for a small or medium-sized enterprise.

In Sabha, roughly 90% of the former combatants who participated in the focus group discussions are employed. More than 25% of the former combatants in Sabha work as drivers (taxi drivers or bus drivers) and one-quarter work as shop employees. Most of the former combatants interviewed in Sabha noted that it is easier for them to find employment in the private sector compared to a NGO or a government institution.

While unemployment is low amongst the former combatants, underemployment is still a significant issue. The former combatants noted that they are underemployed due to lack of experience and educational qualifications.

Youth unemployment is a worrying trend in Tripoli as the capital of Libya with the highest percentage of the population. While lower than the national average, more than a third of the youth (38% of women, 28% of men) reported being unemployed. About half of the unemployed youth had been without a job for more than a year and an additional 15% had been unemployed for more than six months. Only about half of the unemployed are actively seeking jobs. Furthermore, the share of unemployed women seeking full-time employment is significantly lower than unemployed males.

Based on interviews with the youth in Tripoli, there is a correlation between level of education attained and their employment status. As such, 54% of the youth who had received a secondary education were unemployed, compared to only 20% and 25% of the youth interviewed who had received vocational college education or a bachelor’s degree or higher, respectively. About 75% of youths with a bachelor’s degree or higher in Tripoli have a job.

Of the university degrees, the specialization that provides the highest likelihood for youth to obtain employment upon graduation is in medicine and the health industry. As such, of the youth interviewed, only 14% who had obtained a degree in medicine and the health industry were unemployed compared to those with degrees in English and liberal arts (40%) and social science degrees (57%).

About half of youth are actively seeking jobs with 47% of the unemployed youths either still in school, are housewives, have health issues, do not believe they can get a job, or believe that jobs are unavailable. The inactivity rate is higher among women (53%) than men (40%). While self-employment is a viable alternative given the current economic environment in Libya, the youth surveyed in Tripoli are less optimistic about the potential for starting a business. This is mainly due to the lack of access to finance and insecurity.

The unemployment rate (12%) among the former combatants consulted in Tripoli is considerably lower than for youth in general (33%). When asked about the challenges they face in finding employment, the consulted former combatants in Tripoli noted the current economic crisis as the largest obstacle. Many of the former combatants noted that the lack of opportunities leads the youth to enter or reenter the militias as a form of employment. While youth surveyed in Tripoli in general prefer to work in the public sector (57%), about half of the consulted former combatants prefer to work in the private sector.
Eighty-three percent of the unemployed youths agreed with the statement “My skills are not relevant to the job opportunities I am finding.” This indicates that there is a mismatch between the available jobs and the skills held by the unemployed youth. Also, 77% of the unemployed youth, who have been a member of an armed group, stated that their involvement in the recent conflicts contributed to their unemployment status, as employers did not want to hire them because of their former association with the militias.

The employed youth in Tripoli are mostly working in the wholesale and retail trade sector followed by the education, health and social sectors. Traditional public sector jobs\(^{28}\) employ about half of the youth. About half of the male and female youth surveyed are working full-time, with a somewhat higher share among women (55%) compared to 49% among men. Only 10% of females who are employed, are self-employed, compared to 19% of men.

At least one-third of employers surveyed from the four growth sectors in Tripoli require employees to have a secondary education or vocational training. All of the employers interviewed from the construction sector compared to transport, communication and storage (33%), manufacturing, and wholesale and retail trade (50% for both) sectors require a secondary education or vocational training for employees. The transport, communication and storage sector is the only sector of the four growth sectors with one-third of the employers interviewed requiring a bachelor’s degree. There was a 50-50% split between the manufacturing sectors’ employers requiring no minimum level of education compared to those requiring secondary education/vocational training.

A third of all the former combatants interviewed in Tripoli are employed in the public sector and an additional 9% work within the traditional public health and social work sector. This proportion is less compared to the percentage of youth employed in public sector jobs. Additionally, 23% of the employed former combatants in Tripoli work in the wholesale and retail trade sector, which is similar to the percentage of youth employed in this sector.

\(^{28}\) Public sector includes education, public administration and health and social work.
4 Employment Generation and Increasing Employability of Youth in Libya - Recommendations

The purpose of this Libya workforce market survey report and the survey effort was to collect data and note trends in key areas related to employment generation and increasing employability of youth in Libya. This information can inform future donor-funded programming for Libya aimed at developing SMEs and the private sector to generate employment while improving the skills and employability of the youth who are key to the future economic growth and stability of the country.

The following key points and recommendations are based on the market survey analysis and can be considered when designing future employment generation and workforce skills development pilot activities and programs for Libya:

- **Focus on sectors with potential for short-, medium- and long-term growth.** Based on the workforce market survey results and earlier market surveys by the World Bank, African Development Bank, GIZ and other international institutions, the key sectors identified for potential short-term growth are wholesale and retail trade, construction, transport, communication and storage, and manufacturing. The companies interviewed for this survey from these sectors also noted the potential for job creation for youth. More work is needed to identify the subsectors within these broad sectors that have the most potential for growth. Subsectors for potential short-term growth could include:
  - ICT: software development, system integration, database management and network management.
  - Construction: engineering; construction materials and equipment; and construction work
  - Manufacturing: food and beverage processing
  - Wholesale and retail trade: shops and supermarkets

- **Work with select firms surveyed that reported available job openings to match youth with the requisite skills and education for employment.** Within the growth sectors some of the firms surveyed across the four cities reported having job openings. A potential follow up activity could be to reach out to the firms to gain more specific information about the desired profile of potential hires for their job openings and then provide some HR, recruitment and hiring assistance to the firms to build their capacity to do more active searches for potential employees. One potential option is to link the firms with NGOs or local partners who specialize in training youth and assisting them with the job search processes to increase their employability. These entities could potentially identify and connect employers with a viable pool of unemployed youth seeking work.

- **Identify additional medium-sized firms within the potential growth subsectors for business development advisory services.** To generate new sustainable employment opportunities for youth, it is important to focus on building the capacity of medium-sized firms (mostly in Tripoli, Misrata and Benghazi) that have potential to expand and improve their production, products and services, and operations. Among the private sector firms surveyed for the report there are several that anticipate growth, and had job openings. Some firms could potentially expand or improve their production, services, or operations to create new job openings if provided specialized technical business development advisory services. This could be a medium- to long-term activity focused on creating jobs for youth with a component providing specific targeted workforce skills development to meet the demand for the new jobs created.
• **Work with firms with existing paid and unpaid apprenticeship and internship programs to help address skills development for unemployed youth to gain job experience to increase their employability.** The survey results revealed that many of the unemployed youth that were actively seeking jobs would be willing to take an apprenticeship, unpaid or paid internships, or participate in general in-house training programs to increase their employability. Local potential partners that focus on training youth could be engaged to work with these firms to identify active jobseekers for potential in-house training programs that the firms would provide that could lead to full-time employment.

• **Support soft skills training programs for unemployed youth and former combatants to help them build skills that are valued by potential employers in Libya.** Across the four economic centers, most of the employers surveyed particularly in the potential growth sectors preferred employees with core workplace skills including time management and keeping deadlines, following and giving instructions, managing people, as well as good workplace communication skills. Employers also considered basic numeracy and literacy skills important for employees to have. Many of the local partners interviewed are experienced in skills development and training youth in general and specifically former combatants for reintegration into society.

• **Support former combatants who prefer to work in the private sector in gainful employment that matches their education and skills through targeted programs.** Many of the former combatants interviewed in the focus group discussions were employed yet underemployed, working in shops and supermarkets. Based on their interviews, their preference would be to work in the private sector in professional jobs that matched their skills. A potential activity could be developing a program that would provide more information about the profile of the former combatants for potential employers who may not be aware of the skills and education level and their qualifications to meet the professional jobs available. The Government of Libya will not be able to sustain paying former combatants to prevent them from taking up arms in the foreseeable future. The government could also support targeted programs that would be focused on encouraging the private sector to employ former combatants through the Ministry of Labor, Ministry of Economy and prominent NGOs.

• **Support youth to participate in vocational training programs to prepare them for skilled jobs in the growth sectors and dynamic, potential growth subsectors.** There was a correlation between the education level and employment status of youth surveyed. Many of the employers surveyed indicated that they would prefer to hire youth with vocational training and skills than with college education in social sciences and general liberal arts. A potential activity could be focused on this cohort of youth seeking jobs but requiring specific vocational training to develop more marketable skills to increase their employability. Such programs could be in partnership with local universities such as Tripoli University and Benghazi University as well as local training institutions and CSOs specializing in vocational training. More work would be needed to survey and identify the viable partners for targeted vocational training programs. The key would be to link the training partners with the firms in the growth sectors that are seeking employees with specific vocational training and skills development programs.

• **Support business start-up and expansion for existing and potential business owners.** All if not most of the youth surveyed across the four economic centers identified the lack of access to finance and insecurity as the key obstacles to starting or expanding a business in Libya. Given the continued insecurity and volatile economic situation, this may not be a viable option in the short-term to address the high unemployment rates in the economic centers. In the medium-and long-term, this is a viable alternative to
public sector employment for youth seeking gainful, sustainable employment. Potential activities could be working with youth to promote business ownership as an alternative to public sector work. This could also involve partnering with a business incubator center and CSOs that specialize in entrepreneurial skills training, and support in developing business and marketing plans for start-ups. A small percentage of youth surveyed in the four economic centers were already self-employed including women who were working from home or small business owners. Targeted programs designed to provide training and assistance to small business owners to improve their management and business skills could be considered. Potential partners for such programs could be the Libya Women’s Economic Empowerment project that provides training, coaching and mentoring, networking and purchasing engagement to women business owners to help them develop and expand their business. Another potential partner could be the Benghazi Entrepreneurship Center within the University of Benghazi that works in collaboration with Libyan banks and potential investors to support new entrepreneurs.
APPENDIX I: Workforce Market Survey Analytical Framework and Methodology
Analytical Framework and Methodology

The purpose of the workforce market survey report for Libya was to provide data on potential growth sectors and the local labor market demand to inform future donor-funded programming focused on employment generation. The workforce market survey research was conducted based on specific tasks:

1. Identify potential sectors capable of job creation for targeted beneficiaries, primarily youth and former combatants;
2. Assess skills needs and gaps for the local labor market in the four economic centers;
3. Identify potential program partners (MSMEs, municipal councils, CSOs, chambers of commerce, business unions, line ministries including the Ministry of Labor, etc.); and
4. Identify potential program beneficiaries through an in-depth assessment of jobseekers in the four economic centers.

The variables and indicators selected in the analytical framework draw upon previous labor market skills assessments and the conditions in Libya to focus on urban youth and former combatants. Seven overall categories are employed for the supply and demand assessments: skills, motivation, education, labor market dynamics, workforce demographics, and businesses’ economic outlook and employee backgrounds.

Both supply and demand side variables include skills assessment and motivation:

- **Skills assessment** identifies gap shortages generated from: excess demand, employer inability to find substitutes for certain skilled workers, and recruitment difficulties. Youth and former combatant skills are disaggregated to capture cognitive, non-cognitive and workplace skills. This disaggregation is also applied to identify business demand for skills, areas of skill shortages and skill mismatches.
- **Motivation** indicators assess the willingness to accept jobs in trades and manual work, and the attitudes towards working in public and private sectors.

The demand side assessment included growth outlook and background of the surveyed companies:

- **Outlook** questions focused on the business’ perception of job creation and the economy to identify growing sectors and to assess future employment demand.
- **Background** including employee types, turnover, retention rates, employee composition and skills gap mapping and needs assessment across employment groups, sectors, and geographical regions.
For the supply side, the skills assessment considered educational level, perceptions of labor market dynamics and workforce demographics:

- **Education levels** are directly associated with unemployment in transition countries and can affect labor availability if students don’t work. Education data allows for an analysis of future trends in the supply of educated labor.

- **Labor market dynamics** are included to understand former combatants’ perceptions of the labor market, such as negative attitudes in particular sectors, or areas.

- **Workforce Demographics** reveal overall trends within socio-demographic groups, employment sectors, and employment levels. Self-assessed reasons for unemployment, including challenges in the job application process are surveyed.

The three data collection approaches used for the workforce market analysis include:

- **Youth household survey** provided data on interest, challenges, and support needed for becoming self-employed.

- **Private business survey** provided data on expected growth, as well as gaps in the current production chain, as well as overall perception of supply and demand for services in the city.

- **In-depth interviews** provided general information on the broader local economic landscape, existing programs, potential partnerships and supply opportunities not currently being met by the private sector actors.

**Methodology, Research Design and Data Collection**

The workforce market survey approach included survey, focus groups, in-depth interviews, and desk research.

*The household youth survey* was conducted using random sampling in each of the four cities. Based on the 2006 Census, Libya was divided into 670 localities (mahala). The selection of Primary Sampling Units was based on a Probability Proportionate to Size sampling from each mahala. Half of the sample (50%) was women and interviewed by women. The sampling did not stratify ethnic minorities or other minorities. Households interviewed followed a pre-determined skip pattern that researchers followed until the target number of questionnaires were filled. Contact sheets were completed for every unit visited. Selected respondents not available were re-contacted at least three times. If still not available, the researcher followed the skip pattern to another household.

*Former combatant focus group discussions (FGDs)* provide an in-depth understanding of skill levels and obstacles to labor market entry, as well as an opportunity for validation of the skills supply and demand surveys through discussion. A brief skills survey was administered
to create directly comparable data. Four FGDs with 6-10 participants were conducted in each city. The former combatants were recruited using local researchers’ networks, recommendations from the Libyan Program for Reintegration and Development, and leads from key informant and militia member interviews. Participants were unknown to the moderators and to each other, and segmented to ensure they were not adversaries.

The private business survey was conducted with general managers or HR representatives from 25 companies in each city. The sampling was based on 2006 census data of employment to identify sectors. In each city, the three sectors with the highest share of private sector employment were selected. Researchers identified businesses from their networks to meet the sector quotas. Ten interviews will be conducted in each city based on the preliminary identification of skills gaps to select actors with the potential of becoming partners in helping to bridge gaps.

Expert interviews were conducted after the data collection and compilation, but before finalization. Persons actively involved in DDR efforts and initiatives in Libya increase an understanding of the current labor market and the economic sectors with the highest potential for reintegration. These interviews informed the recommendations, and validated the findings of the preliminary data analysis.

© 2016 Voluntas Advisory. All rights reserved. Strictly Confidential.

<table>
<thead>
<tr>
<th>Research tool</th>
<th>Sample size</th>
<th>Target population</th>
<th>Research objectives</th>
</tr>
</thead>
</table>
| Survey face-to-face interview | 25 businesses in each city allocated across different sectors Totals 100 | Private sector employees | 1) determine the demand for skills among companies in Libya 
2) the skills gaps and needs analysis in the four economic centers 
3) an assessment of the potential growth sectors in the Libyan economy |
| Household survey face-to-face interview | 100 profile households in each city Totals 400 | Youth: 18-45 years | 4) assess the supply of available skills in the labor market among former combatants and youth 
5) the skills gaps and needs analysis in the four economic centers |
| Focus groups | 6 focus groups in each city Totals 36 participants in each FGD | Potential partners | 6) identify the target groups and the nature of training needs through in-depth assessments and provide a part of bespoke activities for their requirements 
7) key business partners, who are relevant actors to propose sector-wide training for the gap and support the overall program, helping to bridge the gap and support the overall program |
| In-depth interviews | 10 interviews in each city Totals 40 |
| Desk research | | Potential partners, CSOs, Chambers of Commerce, etc. | 8) locate potential partners, who are relevant actors to propose sector-wide training for the gap and support the overall program |

*To obtain a statistically representative data at marginal error 5%, we recommend increasing the sample to at least 200 in each city.

© 2016 Voluntas Advisory. All rights reserved. Strictly Confidential.
APPENDIX II: Case Studies - Libya Workforce Skills Training Programs for Youth and Former Combatants
Case 1. The LPRD SME development project for former Thuwar in Libya

<table>
<thead>
<tr>
<th>Title/Name</th>
<th>The LPRD SME Development Project for Former Thuwar in Libya</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organization</strong></td>
<td>Libya Program for Reintegration and Development (LPRD)</td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>As a result of economic empowerment of former Thuwar through their involvement in SME development programs, 8,000 SMEs were created and up to 70,000 ex-combatants were reintegrated over four years as new entrepreneurs or engaged in existing enterprises operating in different sectors of the Libyan economy.</td>
</tr>
</tbody>
</table>
| **Background** | The Libya Competitiveness Assessment conducted by the Monitor Group in 2006 defined the private sector in Libya as comprised of about 160,000 registered private enterprises and a larger number of firms in the informal economy. The majority of the registered companies were SMEs reporting annual sales of less than LYD 50,000 and employing fewer than five workers. Little was known about the enabling environment in which the Libyan SMEs operated, their level of compliance with tax and social security regulations, and the degree to which informality created biases in cost and wage structures. 

A National Small and Medium Enterprise Program of the Ministry of Economy and Industry had been established to enhance the SMEs potential to generate employment opportunities and provide self-employment or livelihood opportunities for segments of the Libyan labor force. The program aimed at employing youth in the labor market and developing their employable skills, establishing business incubators, preparing feasibility studies for a sample of selected projects, and securing their funding.

Some initiatives were launched with international development partners to promote increasing the competitiveness of SMEs in Libya. In June 2012, the LPRD announced plans to launch a four-year LYD 520 million ($411.2 million) Tumuh (or “Ambition”) project aimed at providing technical assistance, entrepreneurial training, and business start up loans for up to 70,000 former Thuwar that opted for the entrepreneurship and self-employment through SMEs.

**Main actions**

The project aimed at ensuring the provision of immediate SME start-up support while at the same time, building on lessons from earlier initiatives that were canceled prematurely, plagued by corruption or were unable to secure financing for approved business concepts and plans to avoid redundancies. The objective of the project was to empower 70,000 former Thuwar economically through their involvement in up to 8,000 newly established SMEs.

The criteria for participation in the Tumuh project were: (1) to be registered in the LPRD database; (2) to be unemployed or underemployed; (3) to have some business experience; and (4) age (priority to youth). After their selection, eligible former Thuwar were trained by business skills trainers and, subsequently, they were coached by a pool of business counselors operating in the six business centers established by LPRD and 23 Municipal Career Centers (MCCs). The process entailed development of a new business concept and business plan, evaluating the business plan, and providing funding of up to LYD 100,000 per Thuwar (soft loans to be repaid at favorable rates), and coaching and mentoring on starting a business.

The criteria for evaluating a business plan for funding in 2014 included: (1) demonstrating the economic and financial viability of the proposed business plan; (2) innovation; (3) environmental sustainability; (4) the potential of spinning off new businesses; (5) the use of local/national resources; (6) potential link to existing businesses in the value chain/clusters; (7) targeting the underdeveloped areas of the country; and (8) the capacity to create jobs for skilled Thuwar.
The former Thuwar received training to develop essential entrepreneurial skills, obtained assistance from business development services (BDS) advisors, established or reinforced by the project, to develop their individual or partnering business ideas and projects. When approved as economically and financially viable, they were provided loans and business coaching for their new enterprises. Through six LPRD business centers and other existing incubators, a pool of business counselors, recruited from former Thuwar with previous business experience, were trained and hired to support their fellow new entrepreneurs to establish and develop their own business.

The new enterprises were also expected to create employment opportunities for former Thuwar that had received vocational training. The program was designed to apply a value chain or cluster approach, exploiting existing opportunities with producers, traders, processors, and retailers. It aimed to promote innovation and reinforce the critical mass of users of currently underutilized business support services.

LPRD designed the program to strengthen labor market intermediation (initially for former Thuwar) by setting up 23 Municipal Career Centers capable of providing Information, Counselling and Referral Services (ICRS) to the registered former Thuwar, within local municipal services all over the country. The MCCS were established to facilitate active coordination among employers, education and training suppliers, business development and public and private employment services and local communities. Moreover, the program aimed to leverage the network of existing BDS centers in the country to create six new LPRD business centers.

The Tumuh implementation strategy comprised: the outsourcing of the project staff capacity building components (Trainers and counselors) as well as of the setting up and equipment of 6 Business Centres directly under the LPRD; the procurement of ad hoc expertise on the national and international market to devise project management tools (MIS, MandE; QA), build and continuously update the project baseline data and provide information to guide former Thuwar’ choices; the direct management of trainers and Business Centers, Business advisers in the MCCs; the direct management of partnership and networking with stakeholders, relevant national institutions and initiatives, relevant international development partners’ interventions.

LPRD also established partnerships with The Islamic Development Bank (IDB) for building the capacity of the management of Tumuh and in designing the long-term program strategy; GIZ on conducting labor market analysis to gather better information to inform government decisions on in-country and overseas TVET; the World Bank for technical assistance in accessing finance from the private sector, development of local councils in Misrata, Tripoli, Benghazi and Sebrata, financial development for the private sector and BDS institutional framework development (Chambers of Commerce); and USAID and the US Department of State as contributors to the Libya Coordinated Needs Assessment, looking at the reintegration of Thuwar and supporting small grants to new CSOs and the Libya JOBS (Job Opportunities for the Business Sector contributed in the Libya JOBS assessment for evaluating Employment Service provision and SME development Options).

**Results**

- Partnership agreements with MoL, MoE, the Islamic Development Bank were signed, and the TATWEER Research (a Libyan Public Company) was contracted by the LPRD to provide technical expertise for the Tumuh project;
- A pilot group of 5,000 were selected to start their businesses in 2014;
- In 2015 and 2016, the remaining target group was be placed in the project, for a maximum project budget estimated at LYD 500 million;
• 100 Business Skills trainers, 75 counselors too upscale to 200, operating in the six business centers established by the LPRD and in the 23 MCCs;
• Six new Business Centers, established by the LPRD in Tripoli, Benghazi, Misrata, Sebha, Algabal, Elakder, Derna or Bedah, Zintan, became self-supporting, market-operating BDS;
• A business training curriculum that could be adopted by the TVET system and other business training initiatives and schemes;
• A contract was signed with “4us” Consulting from Morocco, for the preparation of the strategic orientation of Tumuh and to provide examples of business development, Business Counsellors’ training curricula and refine business plan eligibility criteria.

Case 2. Youth Entrepreneurial Training Programs supported by International Development Partners

<table>
<thead>
<tr>
<th>Title/Name</th>
<th>Entrepreneurship Training and Business Development Services for youth in Libya</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization</td>
<td>SPARK (Dutch NGO), Libyan Private Sector Development Institutions (LPSDI) and Upper Quartile Consulting</td>
</tr>
</tbody>
</table>
| Outcome | • Investing in entrepreneurial skills development of former combatants for promoting start-ups in Benghazi in the production of goods and services. Enabling former combatants to become entrepreneurs to establish viable enterprises to increase the chances of other ex-combatants to be employed in these new enterprises.  
• Employing former combatants with previous business experience to create a pool of business counselors to support fellow new entrepreneurs, viability, and sustainability of new businesses increased.  
• Supporting the development of a new portfolio of business support services in Libya, with a network of Incubators and Enterprise Centers, more unemployed youth and former combatants consolidated their know-how, skills, and tools to access private sector jobs and/or start successful businesses in the production of goods or development of services. |
| Background | According to key international indicators, Libya’s business environment ranking score in 2014 was improving in line with expectations of the forecast for the period of 2013-17 and compared with the historical period of 2008-12. At the time, the international community assumed the ranking would improve because over time the country could establish more effective institutions and have stronger capacity to improve the security situation.  
Libya also increased its global ranking to be the 75th out of 82 countries worldwide. However, Libya was still at the bottom end of the ranking scale, reflecting the challenges presented by a legacy of opaque bureaucracy, undeveloped policies in support of private enterprise, lack of access to finance, and relatively restrictive foreign trade and exchange controls.  
In a competitiveness analysis, Libya scored poorly, at 113 out of 144 countries, below Egypt at 43 and well below the GCC average of 22.4. In the World Bank’s Doing Business report in 2014, which indicated how easy or difficult it was for a local entrepreneur to open and run a small to medium-sized business when complying with relevant regulations by measuring and tracking changes in regulations in 11 areas in the life cycle of a business, the country was still ranked 167th.  
The main opportunities for job creation and livelihoods for an increasingly large youth population in Libya were expected to develop from micro and small private companies. International development partners launched several initiatives to promote SMEs, from the LPRD to the Islamic Development Bank, the African... |
The Development Bank, the European Commission, the OECD, the World Bank and USAID.

The OECD supported the preparation of a comprehensive SME development strategy to facilitate access to finance for entrepreneurs and existing companies, including SMEs. The European Commission launched a program on Economic Integration, Diversification, and Sustainable Employment to help develop and diversify the economy and create broad-based sustainable employment, through a stronger micro, small and medium-sized enterprise (MSME) sector. The EU program aimed to establish ten additional business development services centers in different areas of the country to facilitate access to finance and administrative and legal support for MSME creation.

The Islamic Development Bank proposed, within its technical assistance package for reconstruction and socio-economic development of Libya, a Young Entrepreneurs Investment Facility for Micro and Small Youth Entrepreneurs development. The main goal was the economic empowerment of the unemployed youth through improved access to business opportunities and comprehensive business assistance. The mechanism was based on $80 million expected to evolve, to yield 45,000 incremental Youth Employment Opportunities (jobs) as a result of 15,000 MSMEs created or developed by 2025.

Due to the deteriorating security situation later in 2014, these initiatives were placed on hold until 2016 with several international development partners reengaging and relaunching their updated MSME development programs.

Main actions
In partnership with Benghazi University and the Benghazi Business Incubator established in 2013 by the Libya Enterprise, SPARK, launched a two-week program to train 100 former combatants in 5 courses on preparing basic business plans and strategic planning.

The Libyan Private Sector Development Institutions (LPSDI) project, funded by DFID, started the capacity strengthening of key national institutions involved in the development of a competitive private sector, including eight incubators and enterprise centers led by Libya Enterprise in Tripoli, Misrata, Benghazi and Sebha Chambers of Commerce with three Job Centers of the Ministry of Labour.

SPARK collaborated with the Business Incubators and the Job Center in Benghazi as partners to deliver entrepreneurship development training. The LPSDI project also supported 85 enterprises in the Benghazi area, including which 45 existing enterprises, and 40 start-ups. Most of registered companies participating in the LPSDI program were SMEs, reporting annual sales of less than LYD 50,000 and employing fewer than five workers.

<table>
<thead>
<tr>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Held a business plan competition, and selected 45 business plans received seed capital of 1900 GBP;</td>
</tr>
<tr>
<td>• An additional 30 youth who developed basic business plans received ten days of additional training on business plan writing;</td>
</tr>
<tr>
<td>• Held a business growth competition, and selected the 40 most promising growth plans who received a trigger grant of 2300 GBP;</td>
</tr>
<tr>
<td>• Developed a curriculum for business coaching and mentoring with the aim of training former combatants to become business development counselors;</td>
</tr>
<tr>
<td>• New enterprises were also expected to create employment opportunities for former combatants that had received vocational training;</td>
</tr>
<tr>
<td>• Conducted an assessment of the SMEs and business development services provided or supported by various government institutions including the Ministries of Economy and Labor between 2009 and 2013;</td>
</tr>
</tbody>
</table>
Completed a review of technical assistance required to strengthen business development services for the Tripoli, Misrata, Benghazi and Sabha Chambers of Commerce.

Case 3. Vocational Training for youth and former combatants in Libya

<table>
<thead>
<tr>
<th>Title/Name</th>
<th>Vocational Training for technical, core, and entrepreneurial skills for Former Thuwar in Libya</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization</td>
<td>The “Qadir” Project of the LPRD and the Libya Enterprise</td>
</tr>
<tr>
<td>Outcome</td>
<td>By investing in technical, core, and entrepreneurial skills relevant to the needs of the local labor markets, former combatants immediately increase their chances to access public or private sector jobs and can apply for jobs or start a business.</td>
</tr>
<tr>
<td>Background</td>
<td>In 2014 the economic reintegration of former Thuwar faced multiple challenges. The key challenges were related to availability of skills training and job opportunities in the Libyan post-conflict economy. The economy was then experiencing high unemployment rates, few salaried jobs in the formal economy, an oversized public sector, high competition by educated youth entering the labor market and foreign skilled workers, damaged physical infrastructures and weak ICT, limited supply of skills relevant to the labor market, limited access to business development services and finance, and low availability of labor market information and guidance and counseling services. TVET training for former combatants was proposed to be launched in early 2014. At the time, Libya’s total had an estimated a total population of 6.4 million, with one-third between 16 and 30 years old, about 4 million, or two-thirds, of working age. Official unemployment (by the Ministry of Labor) was about 12% by September 2013. Actual unemployment was estimated at about 30% consistent with figures for the North African region at that time of 1.6 million formally employed and About 1.3 to 1.6 million Libyans were either underemployed or employed with the informal sector estimated to account for 40% and 60% of total employment. The informal sector served as the sole source of work for low educated and low-skilled workers. There was a general increase in unemployment for educated youth coinciding with an increase of foreign workers. Libya’s adult literacy, primary, secondary and tertiary education gross enrolment rates were among the highest in the region, including 79 of adults who were women that had completed at least a secondary education (2012 Human Development Index of the UNDP). However, Libya had ranked poorly regarding the overall quality of the education system, ranking 128 for primary education and 138 for higher education and training out of 139 countries and 143rd out of 144 countries on the availability of research and training services. (World Economic Forum’s Global Competitiveness Report 2010-2011). Moreover, the removal of English language studies from the curriculum in the 1980’s left a generation of Libyans with limited English language skills. The formal TVET system experienced a rapid expansion of the overall number of vocational and technical institutions. There were 488 training institutions supervised by the National Board for Technical and Vocational Education. These training institutions were located in all of the major cities and towns across the country with a potential intake capacity of about 200,000 students in a wide range of trades. The formal TVET system was complemented by private suppliers such as large enterprises providing workforce training, business development services and academies for entrepreneurial training and, to a lesser extent NGOs. TVET authorities registered lower than expected enrollment.</td>
</tr>
</tbody>
</table>
The reintegration of former-Thuwars into the Libyan society, in general, was a critical factor impacting the Libyan labor market. The LPRD surveyed 225,000 registered former-Thuwars. The study showed that the majority of those who were employed before the conflict had already returned to their work. The key issue related to the large proportion (32%) of those who were already unemployed before the conflict or were not successful in the pre-conflict labor market due to their imprisonment, lack of opportunity, skills, and motivation.

The reintegration of former-Thuwars appeared more difficult when considering the labor market dynamics. In 2012 there were about 340,000 active Libyan job seekers with about 25,000 graduates per year entering the job market. Libya’s economy should have grown at around 6.5% annually over a five-year period, to absorb increased number of job seekers. The announced policy of progressively downsizing the public sector left the job creation responsibility to the private sector, which would have needed to achieve an annual growth of about 17% for ten years to meet the number of job seekers. The capacity to absorb the available labor depended on the growth potential of the different economic sectors and the related companies.

The LPRD decided to provide vocational training opportunities to 30,000 former combatants (about 20% of the total number of students enrolled in formal TVET in Libya) though such a goal would have resulted in a high demand for quality skills for adults for a national TVET system undergoing a radical reform. A realistic estimate of the actual capacity of the public and private suppliers in Libya compelled LPRD to seek complementary skills opportunities through overseas training programs.

Main Actions

The vocational training program for technical, core, and entrepreneurial skills relevant to the needs of the labour market for 30,000 former Thuwar that would receive training inside and outside Libya over 3 years, was identified as the principal means to increase their employability. This was expected to immediately increase their chances to access public or private sector jobs.

Former Thuwar were expected to enter into training programs that would equip them with basic skills in English and IT, and the technical skills that could relate to their former jobs or the new trades they would select by information and counseling through the referral services provided by the Municipal Career Centers.

After a pilot involving 600 former Thuwar had started in 2013, by the end of 2014, the first group of 5,000 was to be trained; in 2015 and 2016 the rest were to be placed in training programs.

The process was as follows: after the selection of the eligible target group, former Thuwar were to enter into an average one-year long training program involving a two-month foundation training in foreign languages and IT in Libya; undergoing an evaluation of individual skill capabilities and aptitudes; and then attending a one-year overseas training program to further increase their foreign language proficiency and acquire technical skills in specific trades or occupations.

Upon returning from overseas training, participants would be supported in their transition to work by the Municipal Career Centers to assist them with counseling and referral to the network of labor market institutions and key stakeholders matching labor demand and supply at local level. The Labour centers of the Ministry of Labor, business and employers’ associations, individual firms, local administrations as well as new SMEs established by former Thuwar under the Tumuh project would provide the career counseling and job placement services.
The LPRD was committed to using the national TVET and skills development resources, by contacting all public and private TVET suppliers in Libya, as well as seeking complementary skills training opportunities overseas to help address the skills gaps. The exposure of former Thuwar to an individual overseas training experience presented several positive aspects such as an increase of their employability in the growing Libyan private and public sectors. An increasing appreciation of vocational training specializations and careers in technical trades, a structured job placement procedure such that at the end of the vocational training program, former Thuwar were supported to find employment through the MCCs at existing public and private entities.

The duration of overseas training was planned to be progressively reduced in favor of the in-country training in line with the growing national TVET and skills development system. This enabled the TVET and skills development suppliers in Libya to provide foundation skills (foreign languages and ICT) but also specialized technical training. The overseas component was to be aimed at assisting former Thuwar to further specialize in a specific technical field for they received basic training in Libya as well as practical work-based learning in firms of the host countries.

The individual overseas training experience was designed to increase the employability of former Thuwar in the growing Libyan private and public sectors, to broaden their culture experience, and to increase their appreciation of technical specializations and careers in a local economy that still imported specialized foreign labor. Once employable, former Thuwar would be accompanied by the MCCs to find employment.
APPENDIX III
Libya Market Survey Private Sector Entities by Economic Center
<table>
<thead>
<tr>
<th>City</th>
<th>Sector</th>
<th>Economic Outlook</th>
<th># of potential new employees</th>
<th>% of low skilled workers</th>
<th>% of skilled and high skilled workers</th>
<th>Currently</th>
<th>Coming 5 Years</th>
<th>Skills needed for vacancies</th>
<th>Training programs, paid</th>
<th>Training programs, unpaid</th>
<th>Apprenticeships, paid/ unpaid</th>
<th>Internship, paid</th>
<th>Internships, unpaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benghazi</td>
<td>Fishing</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Manufacturing</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Fishery</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Informatics training</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Satellite installation and sales</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Telecom company</td>
<td>Moderate positive growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Travel agency</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Language</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Internet company</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>IT M.A.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Cargo company</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Experience and technical skills</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Telecom company</td>
<td>Moderate positive growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Passenger and cargo transportation</td>
<td>Negative growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Experience</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Transfer of passengers</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Appropriate qualification-experience</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Telecom</td>
<td>N/A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Wholesaler</td>
<td>Don't know</td>
<td>0</td>
<td>20</td>
<td>80</td>
<td>0</td>
<td>0</td>
<td>Previous experience</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Construction</td>
<td>General contracting</td>
<td>Moderate positive growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Industry</td>
<td>Growth Type</td>
<td>0</td>
<td>25</td>
<td>75</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-------------</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aluminum industry</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Contracting</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>Yes</td>
<td>NA</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building and construction</td>
<td>Negative growth</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concrete and brick production</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Contracting</td>
<td>Don't know</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building and construction</td>
<td>N/A</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tutorial provision</td>
<td>Moderate positive growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informatics training</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bakery</td>
<td>Moderate positive growth</td>
<td>0</td>
<td>80</td>
<td>20</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plastic can factory</td>
<td>Negative growth</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informatics training</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal and household services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesaler</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesaler</td>
<td>Negative growth</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real estate activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prefabricated housing</td>
<td>Negative growth</td>
<td>4</td>
<td>0</td>
<td>10</td>
<td>1</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Game trading</td>
<td>Flat growth</td>
<td>7</td>
<td>75</td>
<td>25</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesaler</td>
<td>Moderate positive growth</td>
<td>2</td>
<td>20</td>
<td>80</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clothing trade</td>
<td>N/A</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>1</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale &amp; retail trade</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Windows and door production</td>
<td>Fast, positive growth</td>
<td>10</td>
<td>70</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milk and dairy</td>
<td>Flat growth</td>
<td>6</td>
<td>20</td>
<td>80</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Misrata                          |             |    |    |    |    |    |    |    |    |    |    |

<p>| Misrata                          |             |    |    |    |    |    |    |    |    |    |    |</p>
<table>
<thead>
<tr>
<th>Products industry</th>
<th>Flat growth</th>
<th>1</th>
<th>10</th>
<th>90</th>
<th>0</th>
<th>0</th>
<th>NA</th>
<th>Yes</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bread, baking and beverage industry</td>
<td>Flat growth</td>
<td>1</td>
<td>10</td>
<td>90</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>PVC industry</td>
<td>Moderate positive growth</td>
<td>1</td>
<td>20</td>
<td>80</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Marble tile industry</td>
<td>Moderate positive growth</td>
<td>1</td>
<td>0</td>
<td>100</td>
<td>1</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Confectionery manufacturing</td>
<td>Flat growth</td>
<td>0</td>
<td>30</td>
<td>70</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Manufacture and installation of kitchens</td>
<td>Fast, positive growth</td>
<td>8</td>
<td>70</td>
<td>30</td>
<td>0</td>
<td>1</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Industrial inputs</td>
<td>Flat growth</td>
<td>7</td>
<td>30</td>
<td>70</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Transport, communication &amp; storage</td>
<td>Flat growth</td>
<td>2</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Transport (passengers and goods)</td>
<td>Moderate positive growth</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Fast transfer of passengers and mail</td>
<td>Moderate positive growth</td>
<td>1</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Communications</td>
<td>Moderate positive growth</td>
<td>38</td>
<td>15</td>
<td>85</td>
<td>2</td>
<td>4</td>
<td>good behavior</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Freight</td>
<td>Moderate positive growth</td>
<td>0</td>
<td>50</td>
<td>50</td>
<td>8</td>
<td>8</td>
<td>Accounting</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Transport (passengers and goods)</td>
<td>Fast, positive growth</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>1</td>
<td>3</td>
<td>Punctuality</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Wholesale &amp; retail trade</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Sale of aluminum</td>
<td>Moderate positive growth</td>
<td>1</td>
<td>20</td>
<td>80</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Import and sale of meat and dairy products</td>
<td>Flat growth</td>
<td>6</td>
<td>10</td>
<td>90</td>
<td>6</td>
<td>6</td>
<td>chopping and chopping meat</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Sale of men's clothing, women and children</td>
<td>Moderate positive growth</td>
<td>5</td>
<td>60</td>
<td>40</td>
<td>2</td>
<td>5</td>
<td>Use the system</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Foodstuffs</td>
<td>Moderate positive growth</td>
<td>0</td>
<td>25</td>
<td>75</td>
<td>1</td>
<td>2</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Activity</td>
<td>Growth Rate</td>
<td>Percentage</td>
<td>Year 1</td>
<td>Year 2</td>
<td>Year 3</td>
<td>Year 4</td>
<td>Skill or Experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>---------------------</td>
<td>------------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>--------</td>
<td>---------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling furniture and equipped homes</td>
<td>Moderate positive growth</td>
<td>2</td>
<td>90</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carpeting and carpet trade</td>
<td>Refuse to answer</td>
<td>0</td>
<td>10</td>
<td>90</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of electrical materials</td>
<td>Moderate positive growth</td>
<td>2</td>
<td>50</td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade household items</td>
<td>Flat growth</td>
<td>20</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales of clothing and shoes of women and children</td>
<td>Fast, positive growth</td>
<td>4</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales of clothing and furnishings</td>
<td>Don’t know</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling Medical Supplies</td>
<td>Moderate positive growth</td>
<td>4</td>
<td>88</td>
<td>12</td>
<td>1</td>
<td>3</td>
<td>Dealing with people</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade in household items</td>
<td>Moderate positive growth</td>
<td>4</td>
<td>0</td>
<td>100</td>
<td>1</td>
<td></td>
<td>Skill and experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling perfumes and decorative items</td>
<td>Don’t know</td>
<td>3</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration of the state and other services</td>
<td>Flat growth</td>
<td>0</td>
<td>20</td>
<td>80</td>
<td>1</td>
<td>3</td>
<td>Experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and Social work</td>
<td>Flat growth</td>
<td>0</td>
<td>20</td>
<td>80</td>
<td>1</td>
<td>3</td>
<td>Experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treating patients</td>
<td>Moderate positive growth</td>
<td>0</td>
<td>10</td>
<td>90</td>
<td>6</td>
<td>12</td>
<td>Fair treatment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pharmaceuticals and medical supplies</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>3</td>
<td>5</td>
<td>Work experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blacksmith</td>
<td>Flat growth</td>
<td>0</td>
<td>20</td>
<td>80</td>
<td>1</td>
<td>5</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planter decoration</td>
<td>Flat growth</td>
<td>1</td>
<td>0</td>
<td>100</td>
<td>1</td>
<td></td>
<td>Technical skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workshop for aluminum and PVC</td>
<td>Negative growth</td>
<td>1</td>
<td>30</td>
<td>70</td>
<td>0</td>
<td>4</td>
<td>Technical skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pasta factory</td>
<td>Flat growth</td>
<td>0</td>
<td>80</td>
<td>20</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upholstery and manufacture salons and curtains</td>
<td>Flat growth</td>
<td>2</td>
<td>20</td>
<td>80</td>
<td>3</td>
<td>10</td>
<td>High skill</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport, communication &amp; storage</td>
<td>Flat growth</td>
<td>10</td>
<td>15</td>
<td>85</td>
<td>1</td>
<td>2</td>
<td>Electronics Technician</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: NA = Not Available
Yes = Yes
No = No
<table>
<thead>
<tr>
<th>Passenger transportation</th>
<th>Flat growth</th>
<th>0</th>
<th>20</th>
<th>80</th>
<th>0</th>
<th>0</th>
<th>NA</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecom</td>
<td>Flat growth</td>
<td>10</td>
<td>15</td>
<td>85</td>
<td>1</td>
<td>2</td>
<td>NA</td>
<td>Experience in technical computers maintenance</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Transfer and transport</td>
<td>Flat growth</td>
<td>0</td>
<td>20</td>
<td>80</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Selling vegetables and meat</td>
<td>Moderate positive growth</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Construction</td>
<td>Flat growth</td>
<td>2</td>
<td>10</td>
<td>90</td>
<td>1</td>
<td>3</td>
<td>NA</td>
<td>Construction, plastering</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Construction</td>
<td>Flat growth</td>
<td>0</td>
<td>30</td>
<td>70</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Hotels &amp; Restaurants</td>
<td>Restaurant</td>
<td>Flat growth</td>
<td>0</td>
<td>10</td>
<td>90</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Wholesale &amp; retail trade</td>
<td>Sale of building materials and supplies, painting and plumbing</td>
<td>Flat growth</td>
<td>0</td>
<td>10</td>
<td>90</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Car dealership</td>
<td>Moderate positive growth</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>1</td>
<td>3</td>
<td>NA</td>
<td>Technical mechanic skills</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Bird feathers salesman</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Wholesale of foodstuffs</td>
<td>Don’t know</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Perfume salesman</td>
<td>Moderate positive growth</td>
<td>0</td>
<td>15</td>
<td>85</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Foodstuffs and cleaning</td>
<td>Flat growth</td>
<td>1</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Spices and nuts</td>
<td>Moderate positive growth</td>
<td>5</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>1</td>
<td>NA</td>
<td>Computer system operator experience</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Cleaning materials</td>
<td>Moderate positive growth</td>
<td>4</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Perfumes and spices</td>
<td>Flat growth</td>
<td>4</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Meat and poultry</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Sell electrical materials</td>
<td>Flat growth</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Stationery</td>
<td>Negative growth</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Clothes salesman</td>
<td>Flat growth</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Health &amp; social work</td>
<td>Commercial activity</td>
<td>Flat growth</td>
<td>0</td>
<td>20</td>
<td>80</td>
<td>5</td>
<td>7</td>
<td>Accounting skills</td>
<td>NA</td>
<td>No</td>
<td>NA</td>
<td>No</td>
<td>NA</td>
</tr>
<tr>
<td>Industry</td>
<td>Growth</td>
<td>Skill</td>
<td>Health</td>
<td>Accountant</td>
<td>Installation carpentry</td>
<td>Experience</td>
<td>Sales</td>
<td>NA</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-----------------</td>
<td>-----------------------------------------------------------</td>
<td>--------</td>
<td>------------</td>
<td>------------------------</td>
<td>------------</td>
<td>-------</td>
<td>----</td>
<td>----</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biscuit industry</td>
<td>Negative growth</td>
<td>Flat growth</td>
<td>0</td>
<td>30</td>
<td>70</td>
<td>0</td>
<td>5</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aluminium factory for the manufacture of utensils</td>
<td>Flat growth</td>
<td>0</td>
<td>30</td>
<td>70</td>
<td>0</td>
<td>5</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milk and dairy industry</td>
<td>Moderate growth</td>
<td>0</td>
<td>30</td>
<td>70</td>
<td>0</td>
<td>3</td>
<td>Technical skills in maintenance and operation</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mill to grain and legumes</td>
<td>Moderate growth</td>
<td>1</td>
<td>20</td>
<td>80</td>
<td>1</td>
<td>2</td>
<td>Marketing production</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slaughterhouse cattle for meat</td>
<td>Moderate growth</td>
<td>1</td>
<td>20</td>
<td>80</td>
<td>1</td>
<td>1</td>
<td>Cleaning experience</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slaughterhouse cattle for meat</td>
<td>Moderate growth</td>
<td>1</td>
<td>20</td>
<td>80</td>
<td>1</td>
<td>1</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bakery</td>
<td>Moderate growth</td>
<td>0</td>
<td>30</td>
<td>70</td>
<td>1</td>
<td>2</td>
<td>Accountant</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carpenter and painting service</td>
<td>Fast, positive growth</td>
<td>5</td>
<td>30</td>
<td>70</td>
<td>3</td>
<td>4</td>
<td>Technical skills in installation and carpentry</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweets factory</td>
<td>Flat growth</td>
<td>2</td>
<td>20</td>
<td>80</td>
<td>1</td>
<td>4</td>
<td>Specialization in the manufacture of beverages</td>
<td>Yes</td>
<td>NA</td>
<td>Yes</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poultry farm</td>
<td>Don’t know</td>
<td>1</td>
<td>50</td>
<td>50</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bakery</td>
<td>Don’t know</td>
<td>1</td>
<td>10</td>
<td>90</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tile industry</td>
<td>Flat growth</td>
<td>1</td>
<td>30</td>
<td>70</td>
<td>2</td>
<td>5</td>
<td>Technical operator skills</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satellite industry</td>
<td>Moderate growth</td>
<td>8</td>
<td>15</td>
<td>85</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport of goods and passengers</td>
<td>Flat growth</td>
<td>10</td>
<td>60</td>
<td>40</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport of goods and passengers</td>
<td>Flat growth</td>
<td>12</td>
<td>30</td>
<td>70</td>
<td>2</td>
<td>5</td>
<td>Operation and maintenance technician</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger and freight</td>
<td>Moderate growth</td>
<td>0</td>
<td>40</td>
<td>60</td>
<td>3</td>
<td>12</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>NA</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communications and information technology</td>
<td>Fast, positive growth</td>
<td>0</td>
<td>20</td>
<td>80</td>
<td>1</td>
<td>2</td>
<td>Programming technician skills</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger service office</td>
<td>Flat growth</td>
<td>8</td>
<td>25</td>
<td>75</td>
<td>2</td>
<td>7</td>
<td>Transportatio n experience</td>
<td>No</td>
<td>No</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>Moderate growth</td>
<td>1</td>
<td>30</td>
<td>70</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesaler of foodstuffs</td>
<td>Moderate positive growth</td>
<td>0</td>
<td>40</td>
<td>60</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
<td>--------------------------</td>
<td>---</td>
<td>----</td>
<td>----</td>
<td>---</td>
<td>---</td>
<td>----</td>
<td>----</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>Trade in foodstuffs</td>
<td>Fast, positive growth</td>
<td>0</td>
<td>15</td>
<td>80</td>
<td>2</td>
<td>4</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>- Cooking-gas cylinder distribution center</td>
<td>Fast, positive growth</td>
<td>1</td>
<td>50</td>
<td>50</td>
<td>1</td>
<td>1</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Business</td>
<td>Moderate positive growth</td>
<td>2</td>
<td>40</td>
<td>60</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Wholesaler of foodstuffs</td>
<td>Moderate positive growth</td>
<td>0</td>
<td>40</td>
<td>60</td>
<td>0</td>
<td>0</td>
<td>NA</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Food materials</td>
<td>Flat growth</td>
<td>5</td>
<td>40</td>
<td>60</td>
<td>4</td>
<td>20</td>
<td>NA</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX IV: Current and Planned International Assistance to Libya in SME and Private Sector Development and Workforce Skills Development
<table>
<thead>
<tr>
<th>No.</th>
<th>Donor Name</th>
<th>Implementing Partner</th>
<th>Project Title</th>
<th>Objective</th>
<th>Project Activities</th>
<th>Geographic Location(s)</th>
<th>Budget</th>
<th>Timeline (start/end date)</th>
</tr>
</thead>
</table>
| 1   | EU         | Co-funded and implemented by *Expertise France* formerly Technical Assistance France (ADETEF) | Support to Libya for Economic Integration Diversification and Sustainable Employment (SLEIDSE) | Support measures aimed at promoting the development of SMEs in Libya capable of creating employment and livelihoods for Libyans and in particular for women and youth | • Youth job training and job placement  
• On-line business creation training through UN International Trade Center  
• EU Trade Help Desk  
• Loan guarantees to Libyan banks for start-up financing for MSMEs (Central Bank and BPI France) | Nationwide | 8,525,000 (US$) (France contributes 342,000 US$ and the rest is from EU) | 2014 - 2020 |
<p>| 2   | USA        | Mennonite Economic Development Agency (MEDA) | Libya Women Economic Empowerment (LWEE) | To improve entrepreneurship and thereby contribute to Libya’s economic growth and political stability | Women entrepreneurs trained on fundamental business skills, provided mentoring and specialized training and follow-up, and given matching grants to start businesses; capacity building given to local partners that provide services to better meet the needs of women business owners | Tripoli, Benghazi, and Az Zawia | $2,890,000 (US$) | October 2013 – March 2017 |
| 3   | France     | French Agency for Development (AFD); Altai Consulting | Training for entrepreneurs in the agri-food industry | Stimulate economic recovery, diversification and growth through support to the agri-food industry | Training for entrepreneurs in the agri-food industry | Libya-wide | 57,000 (US$) Planned | 1 year |
| 4   | Germany    | Germany | Amica e.V | Strengthening the role of women in Libyan society; contribution to the implementation of UN Resolution 1325 in Libya | The project aims to strengthen the self-help capacities of women in Tripoli and Benghazi and to empower them in socioeconomic roles | Benghazi and Tripoli | 615,631 (US$) | 2016 - 2018 |
| 5   | The Netherlands | SPARK | Local Employment in Africa for Development (LEAD) | Improvement of socioeconomic position of youth through employment and | Creating opportunities for young entrepreneurs (male and female) through education, training, and | Initial regions were identified in the western part of Libya. | 2,000,000 (EU) | 01/2016 – 06/2018 |</p>
<table>
<thead>
<tr>
<th>No.</th>
<th>Donor Name</th>
<th>Implementing Partner</th>
<th>Project Title</th>
<th>Objective</th>
<th>Project Activities</th>
<th>Geographic Location (s)</th>
<th>Budget</th>
<th>Timeline (start/end date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Turkey</td>
<td>Foreign Economic Relations Board</td>
<td>Job creation program</td>
<td>Technical support to the GNA on its efforts to create new jobs</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>7</td>
<td>African Development Bank (AfDB)</td>
<td>UK Adam Smith International</td>
<td>Tamayoz – Leading the Way</td>
<td>A capacity-building project initiated and funded by the AfDB in partnership with the Libyan authorities to strengthen Libyan leadership capacity and support the transition and reconstruction of the country.</td>
<td>Targeting current and future Libyan leaders from the public and private sector and CSOs for management and leadership training. Tamayoz will be implemented in three stages: 1. Foundational leadership (e-learning) 6 weeks, 5 January 2017 2. Sector-specific: February 25-March 25 (4 weeks) 3. Residential course: May 7-19 (2 weeks) comprising a training conference in Tunisia with workshops and speeches from international public speakers Upon completion of the training program, participants join an alumni network.</td>
<td>Currently opportunities in Benghazi, Derna, Adjabiya being explored.</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>8</td>
<td>Government of Libya Ministry of Planning</td>
<td>OECD</td>
<td>Libyan SME Development</td>
<td>To prepare the Libyan SME strategy</td>
<td>2,900,000</td>
<td>2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX V: Libya Workforce Market Survey Reports for each Economic Center
Benghazi Assessment
Table of Content
1 Executive Summary
2 Context
3 Findings
  3.1 Benghazi job market characteristics
  3.2 Opportunities for job creation
  3.3 Employers: Demand for skills
  3.4 Employment profiles of Youths and Former Combatants
  3.5 Youths’ skills availability
  3.6 Youths’ motivation
  3.7 Matching supply and demand for skills
1 Executive Summary

Benghazi (population 500,000) is the second largest city in Libya and one of the primary economic centers due to its port. It serves as a vital entry point for the import of food and manufactured products as well as oil exports. As with the other major cities in Libya, the public sector (including the education sector) was the primary employer prior to 2011. The unemployment rate in Benghazi was then one of the highest in the country at 26.5%.29

Since the revolution in 2011, security has continued to be a challenge, and with the resumption of fighting in 2014, the situation sharply deteriorated. Armed groups with diverging alliances have battled for control of the city, and it has been the central battleground between the Libyan National Army and Ansah al-Sharia. A survey conducted in 2015 by Voluntas shows that 78% of Benghazi respondents believe that armed groups create insecurity rather than security. Eighty-one percent and 84% see the provision of job opportunities and education respectively as potential measures for demobilizing the armed groups.

Main findings on employers
The conflict in Libya does not seem to have had a large negative impact on businesses in Benghazi. As such about 80% of the employers surveyed report more employees than before 2013.

The labor market in Libya has traditionally been characterized by the large presence of migrant workers. Employers surveyed report that more flexibility in working hours is the main reason for hiring foreign workers. However, 93% of employers also identify better skills as a reason for hiring foreign workers. Interestingly, only 56% say that better education is the reason to hire foreign workers, indicating that a targeted approach to upgrading skills for young Libyans may be needed. Aligning expectations between salaries and skills among youth is reported by employers as one of the main reasons for a high turnover rate in the Libyan labor market.

Opportunities for job creation
Across select sectors in Benghazi—construction, wholesale, transportation and education—all expect moderate positive growth. The anticipated growth seems to correlate with the employers assessment for potential job creation in certain sectors. Wholesale and retail trade and transport, communication and storage were the sectors with the most potential for job creation. The wholesale and retail trade sector was listed by nine of ten surveyed businesses as a sector with potential for youth job creation.

Among the various stages of the value chain, processing was considered with the highest potential for job creation by 71% of employers. Over half of employers believed stages such as input and production also have a high potential for job creation. For sectors with both larger growth and employment potential, some employers already had job openings. On the possibility of creating jobs for former combatants, about 33% of employers consider the wholesale and retail trade sector to have the highest potential.

Main findings on youth
Youth unemployment constitutes a significant issue in Benghazi. Almost half of the youth are unemployed (60% of women, 40% of men). Contributing to the worrying unemployment figures is the fact that among the unemployed youth, less than one in four are actively seeking jobs. The inactivity rate, is much higher among women (90%) than men (55%). Even among youths actively seeking a job, there are significant challenges. The majority of unemployed

29 All data on employment refers to the Libyan population older than 15.
youth stated that a lack of sufficient professional experience is preventing them from getting a job. Moreover, a majority of youths also say that a lack of sufficient job information and application skills are obstacles in their job search.

For the almost 50% of youth that are employed, the majority work in either health or public administration emphasizing the overreliance on public employment in Libya. About 33% of men are working in full-time jobs compared to only 14% of women.

A smaller percentage, 18% of the male youth, are currently self-employed, revealing the challenging environment for starting a business in Benghazi. In line with findings across Libya, access to finance and hiring qualified employees are the most significant challenges to starting a business.

Despite the challenges for youths in obtaining a job, most youths in Benghazi are somewhat confident or confident in their own skills. The average confidence level is lower for numeracy and literacy than communication and behavioral skills, while the lowest level of confidence is found in advanced numeracy and literacy.

On-the-job training is a potential intervention that can be used to help address these skills gaps. About one-half of youth are willing to take an apprenticeship, but only 43% of the businesses in Benghazi provide these. The situation is similar for paid internships. Two-thirds of youths in Benghazi would participate in an unpaid internship, but only 13% of businesses provide this type of training.

Main findings on former combatants:
Former combatants in Benghazi experience some of the same challenges as the general youth population, yet specific challenges also exist. The market survey results show that the unemployment rate among consulted former combatants in Benghazi is higher than in other cities, however, it is lower than Benghazi’s total unemployed youth rate. The relatively lower rate is surprising as about 33% of employers report that they would not hire a former combatant. Additionally, 71% of unemployed and 59% of employed youths believe that association with armed groups decreases their chances of employment.

The consulted former combatants also identified administrative (28%), marketing (17%), and management (20%) as the most critical skills for gaining employment. Unlike the general youth population in Benghazi, more than 90% of the consulted former combatants in Benghazi expressed that they are not interested in formal training. Offering free training or providing a stipend for participation in job training programs may generate a higher willingness to participate in future training programs.

For youths wanting to start their own business, the majority of consulted former combatants noted that a lack of access to capital is the main challenge to starting or expanding a business.

Skill gaps
Among the core skills in demand by employers, basic literacy and numeracy were important to a majority of employers while more advanced numeracy and literacy skills are not deemed very important. Across all the skill types surveyed, employee behavioral (core) skill types are the most important for Benghazi employers. Meeting deadlines, managing time and assessing the time to complete a job, and following instructions, are important core skills desired by employers.
Overall the skill gaps between supply and demand are considerably smaller in Benghazi, compared to findings from Tripoli, Sabha, and Misrata. However, basic numeracy and literacy skills, such as comparing numbers and reading instructions, are undersupplied while computer skills such as using different accounting software programs seem to be oversupplied. For those sectors with greatest potential for creating employment for youth, the core skill gaps are similar.

2 Context

With about 500,000 inhabitants, Benghazi is the second largest city in Libya. It is the central city in the Eastern region, and one of the country’s leading economic centers. The city’s port is vital to the Libyan economy, as it serves as the main entry point for the import of food and manufactured products. During the 2011 revolution, Benghazi played a pivotal role; the first demonstration, which eventually led to the toppling of Muammar Ghaddafi, was staged in Benghazi on February 15th. Furthermore, The National Transitional Council – the de facto government during and for a short period after the revolution – was established in Benghazi.

During the former regime, Benghazi – and the Eastern region at large – were left with poor infrastructure apart from those linked to the oil industry. Even before the conflict started, Benghazi was characterized by frequent blackouts. The poor health care system forced those who could afford to travel to Egypt for treatment. Indeed, protests started in Benghazi likely because of the lack of development in the East and the city’s history of tense relations with the central government in Tripoli. After the revolution, it is in Benghazi that the political demands for federalism were the strongest, relating to the desire for self-determination.

Like the majority of Libyans, the population of Benghazi has a high literacy rate. Ninety-one percent of the population can read and write, although the literacy rate among women (87.8%) is lower than that of men (95.2%). Among the literate population, the educational gender gap is minimal: 53.9% of men and 48.3% of women have completed secondary education, while the proportion of people holding a university degree is roughly 7% both among the male and female population.

The public sector (including the education sector) was the primary source of employment during the pre-conflict period. Other relevant sectors for employment were: wholesale, retail and trade (12.4%); agriculture (8%) and transport, communication and storage (7.7%). Energy, mining, and drilling accounted for about 7.7% of total employment.

Before the 2011 conflict, the unemployment rate in Benghazi was one of the highest in the country at 26.5%. However, the inactivity rates for the general population and between genders were in line with estimates at the national level. As shown in the figure below, 67% of the inactive men are still studying, while it is 30% among women. Unemployed women seeking a job only represent 4% of the adult female population. According to recent World Bank estimates, overall unemployment today should be in the range of 10-12%.

---

30 All population data refers to the 2006 Libyan census.
32 Ibid
33 All data on education refers to the Libyan population older than 10.
34 All data on employment refers to the Libyan population older than 15.
After the 2011 revolution, Benghazi was one of three centers (with Tripoli and Misrata) where various “private-sector-promoting” boards and agencies were established. Local chambers of commerce have a relatively broad mandate – to promote businesses mainly through domestic and international trade promotion – and are increasingly oriented towards being the main actor in the development of small and medium enterprises. To obtain an operating license, a firm must register with the local chamber of commerce. The Benghazi Chamber of Commerce has 36,000 registered firms. However, it appears that services and support for market development and trade are limited, and as such, firms use the chambers mainly for legal assistance and advice.

With the resumption of fighting in 2014, the security situation in Benghazi quickly deteriorated. Armed groups in the city mainly refer to the Libya Shield coalition, or to groups of Islamist identification; two of these groups are the 17 February Martyrs’ Brigade, and the Rafallah al-Sahati Brigade. Since July 2016, the Libyan National Army (the armed group of the Tobruk internationally recognized government) has been carrying out air strikes in Benghazi to gain control of the city. Benghazi had higher support for the Tripoli-based Government.

The security situation is reflected in the local population’s perception of armed groups. A survey conducted in 2015 by Voluntas shows that 78% of the Benghazi respondents believe that armed groups create insecurity rather than security, in line with the national average (77%). Moreover, only 60% of the local population considered the integration of armed groups into...
the national police force or military as the best option for demobilization, while 81% and 84% considered the provision of job opportunities and education respectively as more viable options for demobilizing members of armed groups.

1.3 Findings

The following section presents the main results from the labor market assessment in Benghazi. The empirical foundation for the results is various sources of data collected during August-September 2016. The data includes four different sources:

- A household survey of 100 randomly selected youths in Benghazi
- A household survey of 25 employers, chosen from the main private sector entities in Benghazi
- Four focus groups with former combatants each containing 8-10 respondents
- Ten in-depth interviews with potential partners

The category ‘youths’ is defined as Libyans aged 15-35. In total, there are 227,704 in this age group in Benghazi out of a total population of 545,212 according to 2006 Census Libyan data. Thus, 42% of the population in Benghazi belongs to the category ‘youths’. The category ‘former combatants’ is defined as men that at some point have been part of an armed group. The two categories ‘Youths’ and ‘Former combatants’ are not mutually exclusive. Most former combatants are aged 15-35; however, not all in this age group are former combatants. Thus, it is expected that there is some overlap between the two categories. The category ‘Youths’ includes both men and women, but it is understood that most former combatants are men.

Employers are defined as managers of businesses in the largest sectors in Benghazi. The graph above (Figure 2) shows the distribution of employers for the four largest sectors in Libya.
measured by number of employees. The graph also contains a definition of the four targeted sectors.

1.1 Benghazi job market characteristics
This section presents the overall labor market characteristics based on the results from interviews with the main private sector employers in Benghazi. The conflict in Libya does not seem to have a negative impact on businesses in Benghazi. About eighty percent of the employers surveyed report that they have more employees than before 2013. Manufacturing, wholesale and retail trade, and real estate activities report more employees than before.

There are variations across sectors regarding full-time and part-time employment. Wholesale and retail trade, real estate activities and education only have full-time employees (Figure 3), while sectors such as manufacturing and construction primarily have a large share of part-time employees.

The employers were asked to estimate the share of employees within each step of the production process for their respective sectors (Figure 4). Based on the employers’ responses, the production stage employs the largest number of workers. The share of employees for the processing and production stages is the second largest, but varies across the different sectors, with 26% of employees in the manufacturing sector, and only 13% in the wholesale and retail trade sector.
Libya has traditionally relied on a large number of migrant workers. According to Benghazi employers, foreign workers are preferred over Libyan nationals because they are more willing to accept flexible working hours, are more trustworthy, and require lower hourly wages. Fifty-seven percent of the surveyed employers reported hiring foreign workers because they were considered better educated.

About 67% of businesses indicate overall skills and qualifications as a reason to prefer foreign workers. However, almost 100% of employers find flexibility and trustworthiness to be an important and desired skill for employees.

1.2 Employment opportunities

Across sectors in Benghazi, the overall economic outlook of the employer respondents is negative. However, there are certain sectors that expect some positive growth (Figure 5), including construction (20%), wholesale and retail trade (33%), transportation (22%), and education (100%). However, about 80% report flat to negative growth in the construction sector and 66% also expect flat to negative growth in the wholesale & retail trade sector. Thus, both across and within sectors there are variations regarding the projection of future growth.

The expected growth in the sectors seems to correlate with the employer’s assessment of which sectors are most likely to produce jobs for youths in Benghazi. As such the wholesale and retail trade sector was identified by roughly 90% of businesses as a sector with potential for job creation (Figure 6) for youth. The transportation, communication and storage sector, which the businesses within that sector expected to have a flat or moderate positive growth, was also expected to generate jobs by 96% of the employers. The majority of employers also highlighted energy and education as sectors with potential for job creation.
Within the sectors employers considered had potential for positive growth and employment, some employers already had job openings. Among employers interviewed in the wholesale and retail trade one currently had open positions. No technical skills were required by the employer, but a good work ethic was highlighted as necessary.

In other sectors, such as education, fishing, food production, real estate and construction employers also reported open positions. One employer in the educational sector is hiring a teacher with a formal educational background and an administrative worker with behavioral skills. A baker has a position for a general supervisor with managerial skills. One employer in the construction sector is hiring accountants with a formal educational background in accounting, while another employer in construction is hiring a receptionist with English skills. Finally, an employer in real estate has an open position for a web designer with the required technical skills.

On the possibility of creating jobs for former combatants, 66% of the two out of three employers consider the wholesale sector to have the highest potential for hiring former combatants (Figure 7). Four out of seven employers also believe that the construction sector has potential to generate employment for youth.
About 66% of employers state that they would not hire a former combatant. Interestingly this view is also reflected among the youths where 71% of unemployed and 59% of employed youths think that association with an armed group decreases chances of employment. As such more than half of the former combatants stated that they had been affected by discrimination on the job market due to their past association with armed groups.

However, it is interesting that many former combatants describe discrimination as a relatively minor issue. As one FGD participant commented: “Sometimes there is discrimination, but (it is) limited to certain places.” Moreover, another former combatant also mentions cases of positive discrimination: “there are many others who are encouraging (...) fighters (...) to leave the militias and start their civil life by offering jobs”. This points to the strong social networks among combatants which can be mobilized for future programming.

Breaking down the labor market as a generic value chain, the employers in Benghazi across sectors reported that there are better opportunities for employing youth in the processing stage, where 71% stated that there was a high potential for job generation. This is followed by the production and input stages, where a large majority of employers stated either high or some potential for job generation.

### 1.3 Employers: Demand for skills

Employers who noted a high turnover rate of employees cited various reasons. (Figure 8) Salary issues are reported by 83% of employers as a reason for high employee turnover followed by the working environment as reported by 75% of employers. Interestingly, the lack of required skills was only mentioned by around a fifth of employers in Benghazi. A third of employers in Benghazi stated that employees have left the company to join the armed forces or the public sector.
While only a fifth of employers noted that the lack of required skills was a reason for high turnover, the labor market in Benghazi does seem to favor skilled workers. As such, across sectors, most of the current employees are categorized as skilled workers by the employers. (Figure 9) All of the employees in the manufacturing sector are reported to be skilled workers. However, the wholesale and retail sector employs the largest share of low-skill workers, which amounts to 48%.

**Skill types in demand**

This section discusses the skill types employers surveyed in Benghazi deemed important (Figure 10). Neither numeracy nor literacy is reported to be significant to the employers across Benghazi’s main sectors. On a scale from 1 to 4, where ‘1’ is “not important”, and ‘4’ is “very important”, on average the employers found both numeracy (2.22) and literacy (2.37) somewhat important skills. However, basic literacy like reading instructions (2.86) and filling...
out forms (2.79), as well as basic numeracy (2.79) was found to be the most important by the majority respondents.

Communication skills were also assessed to be only somewhat relevant across the different sectors. The most important communication skill is workplace communication, which on average was determined to be an important skill for the demand side of the labor market in Benghazi.

Across all the skill types surveyed, behavioral (core) skill types are deemed the most important for potential employees to have among the Benghazi employers. Here, both being able to meet deadlines, manage time and assess time to complete a job, and following instructions were on average scored as most important.

Among the employers, computer skills were rated as somewhat important for the demand side of the labor market. Finding information on the internet, with the ability to use a computer is reported as the most important skill to Benghazi employers. In general, workplace skills were deemed relatively more important to local businesses. When breaking down the individual workplace skills, note that managerial skills such as giving instructions and managing other people are assessed by the employers as important core competencies for employees (Figure 11).
1.4 Employment profiles of Youths and Former Combatants

Almost half of the youths in Benghazi report being unemployed. This is close to the national youth unemployment rate estimated by the World Bank at 48.9%. Among the unemployed youths, around 8% have been without a job for more than a year. Two-thirds of the unemployed youths have been unemployed for one to five months (Figure 12).
The unemployment rate among former combatants consulted in Benghazi is 33%. This percentage is relatively small compared to the youth unemployment in Benghazi. The majority of employed youth in Benghazi works within the health sector, public administration or the wholesale and retail trade sector, which, combined, accounted for 69% of the employed workforce (Figure 13). Of this, public sector jobs in education, public administration, and health employ over half of the youths in Benghazi emphasizing the overreliance on public employment in Libya.

Conversely, none of the former combatants surveyed in Benghazi currently work in the public sector. Those who participated in the focus group discussions work in a wide variety of jobs in the private sector. For example, two-fifths of the consulted former combatants work in the wholesale and retail sector. When asked, which type of job is easiest to obtain in Benghazi, shops and supermarket jobs were mentioned most often. Several combatants specifically mentioned the difficulties of finding employment outside the retail sector due to the lack of personal connections. For example, one combatant observed: “your work mostly won’t be related to your education because such [public sector] need lots of connections to help you get it. That is why you will find yourself working in a store or as an accountant in some shop”.

*During the past 7 days, did you do any of the following: worked for at least an hour for wage or salary in cash or in kind or for your personal gain; OR worked on your own account; OR worked in a family business or on a farm? © 2016 Voluntas Advisory. All rights reserved. Strictly Confidential.
Thus, the former combatants seem to face underemployment due to a lack of personal relationships.

About 57% of women work part-time while approximately 33% of men work part-time. This part-time status comprises one-third of the total male-employed workforce (Figure 13). About 27% of men are working in full-time jobs compared to only 14% of women working full-time. There are almost equal proportions of men and women who are self-employed, working in their own business or holding a paid internship position in Benghazi.

Of the unemployed youth, less than one in four are actively seeking jobs. Thirty-three percent stated that they do not want to work, while 23% report that they do not think there are any available jobs. Relatively few of the surveyed youths in Benghazi are unemployed because they attend school.

The inactivity rate is much higher among women (90%) than men (55%) (Figure 14). Benghazi stands out with significantly higher rates of inactivity for both female and male than the other cities surveyed.
When asked the reasons for their inability to find work, the unemployed youth provided several explanations (Figure 15). The majority of the youth reported that a lack of professional experience prevents them from getting a job. Interestingly, most youths also stated that a lack of sufficient job information and search resources are additional impediments. About one-half report that other job application skills such as preparing a CV and obtaining a job interview hinder their employment opportunities.

**Start-up and business creation potential**

Access to financing and finding employees are the main challenges for starting a business (Figure 16). About 75% of the youth indicated that all of the listed potential challenges, were impediments in the current business start-up environment. As such, the business creation and self-employment potential seems to be considerably lower in Benghazi.
Figure 16 showed ratings for certain factors that prevent youths from starting their own business. Figure 17 below shows the perceived importance and availability of these business services and inputs. In Benghazi, the main gap between assessed importance and availability is access to finance, i.e. access to finance is the single most valuable service, but also the least accessible service. Access to raw materials and machinery were also deemed very important and had a relatively low availability as well as access to employees. The smallest gap between availability and importance was found to be access to English courses.

The former combatants consulted in Benghazi also mention a wide variety of obstacles towards starting or expanding a business. Overall, the primary challenge was the same as with the youth, as half of the former combatants mentioned the lack of access to capital. Lack of suitable locations, qualified workers and access to supplies were all mentioned by around one in ten of the former combatants.

During the focus group discussions with former combatants, the topic of skills needed to succeed in starting or running a business was discussed at length. As can be seen in Figure 18, the former combatants discussed a wide array of skills. However, the skill mentioned most frequently is administrative skills. When asked, the majority of combatants stated that they already possessed these skills, while others said they are able and willing to learn.
1.5 Youths’ skills availability

Education

There seems to be a correlation between education level and employment among youths in Benghazi. Youths with a university degree reported the lowest level of unemployment (24%) (Figure 19). Those with only a secondary school background reported the highest level of unemployment (75%).

The link between education and employment is in Benghazi but weak correlation was found between educational levels and levels of unemployment.

While unemployment is low among the educated youth in Benghazi, there are considerable differences across specializations. Youth educated in business and engineering reported the highest employment levels with around 10% unemployed. If the youth never attended university, the unemployment levels rise to 67%. All other areas of specialization such as medicine and health, social sciences and liberal arts (English), half report that they are employed. This finding suggests that youth who specialized in business and engineering reported high levels of employment, while medicine and health, social sciences and liberal arts reported lower rates of employment.

The supply of skills

The youth in Benghazi seem to be confident in their skills providing an overall positive image of the labor market supply side (Figure 20). While the average confidence level is lower for numeracy and literacy than communication and behavioral skills, most youths are somewhat confident or confident in their skills. The lowest level of confidence is found for advanced math, such as complex algebra and...
statistics and advanced literacy. Both seem to be a challenge for the youth. Communication does not appear to constitute a problem for the youth whether communicating in a group or with co-workers. Both have very high confidence level averages. In line with the challenges found in the more advanced literacy skills, the youth are only somewhat confident in their ability to express ideas in writing. Overall, the largest supply of skills is found among behavioral skills, where on average the youth state they are confident.

On computer skills and workforce skills, the youth show a somewhat lower confidence in their skills compared to their communication and behavioral skills. The average confidence level is between somewhat confident and confident among the youth for both skill types. Regular computer literacy and the ability to find information on the Internet have a high confidence level rating among all of the youth. Using accounting software is the skill with the lowest level of self-reported confidence among the computer-based skills. Here, the youth report lower levels of confidence in their skills on using statistical programs and accounting software.

Regarding workplace skills youth report the lowest confidence level rating for bookkeeping and accounting and solving complex problems. However, the youth, in general, have a higher confidence in their ability to acquire and learn new skills, which indicates that there is a tremendous potential for workforce skill development.

For skills improvement through on-the-job training, there is potential for expanding the supply and enhancing the demand (Figure 21). Around one-half of the youth surveyed are willing to take an apprenticeship and 43% of the businesses in Benghazi provide apprenticeships. A similar trend is revealed for paid internships with about 50% of youths reporting that would accept an internship, while only 17% of employers provide internships. Two-thirds of the youth in Benghazi noted that they would also participate in an unpaid internship, but only 13% of businesses provide unpaid internships.

Interestingly, most of the former combatants interviewed in Benghazi stated that they are not interested in participating in a training, apprenticeship or other formal training activity that might help them find a job. About 90% of the former combatants were not interested, which is especially surprising given the relatively high unemployment rate among the consulted former combatants in Benghazi. Among the former combatants, around one in ten mentioned the lack of money as the obstacle to participating in a training, apprenticeship or similar activity while...
one fifth stated they did not have time. As one of the unemployed former combatants noted: “I don’t have enough (money) (...) maybe if (the) situation were the same as before regarding money I would have thought about this”.

1.6 Youths’ motivation
Public sector employment is the most desired among the unemployed youths; more than half (57%) state that they would prefer to work in public administration (Figure 22). These findings are not surprising as Libya historically has had an inflated public sector, where more than 50% of the workforce are employed in public sector jobs. As a second best option, (13%) of the unemployed youths stated that they would like to work for a multinational company, and 13% wanted to start their own business.

Among the former combatants consulted in Benghazi, one-half stated that they would prefer to be an employee in the public sector, while the other half prefers the private sector. Also, 37% of the former combatants say they would prefer to be self-employed. Those who prefer working in the public sector, mentioned that employment in the public sector is more secure. Also, several former combatants stated that working in the public sector requires less responsibility.

On which sectors the unemployed youths in Benghazi would prefer to work, a similar trend as the figure above appears. The most popular industry is public administration where all respondents report they want to work followed by the education industry where about one-half

---

prefer employment. Also, the health industry is reported as an attractive sector to work in where a little more than one-third say they want to work.

The least popular industries among youths are found to be physically demanding and traditional low skill jobs such as mining, fishing, and agriculture where almost all respondents say they do not wish to work.

On the unemployed youths’ willingness to accept different job conditions, more than one-half will not take a job that is physically demanding. One-half of the surveyed youth also would not move to another city or take a job that required commuting. Almost all youths in Benghazi (94%) would not accept a job without social security benefits. As such, the only condition which more than one-half of the young people would agree to is working overtime (75%).

For the former combatants consulted in Benghazi the condition most frequently cited is salary (64%), followed by social benefits (29%). As explained by one of the former combatants: “I would undertake any work, which is decent and provides me with a good salary.” Several of the participants in the focus groups specifically mentioned that they will not refuse a job on any condition as long as it offers a higher salary than the one they currently earn.

### 1.7 Matching supply and demand for skills

Overall the skills gaps between supply and demand are considerably smaller in Benghazi, compared to the other economic centers in Tripoli, Sabha, and Misrata. However, comparing the confidence level among the youth in their skills with the importance given by employers indicates that basic numeracy and literacy skills such as comparing numbers and reading instructions are undersupplied.

Computer skills such as using different software skills seem to be oversupplied especially related to accounting software. Communications skills such as writing and communicating with non-co-workers have a higher confidence level rating among the youths than the corresponding demand from the private sector entities surveyed in Benghazi.

*Figure 23* illustrates the relationship between supply and demand for each skill and skill type surveyed. The rating for each skill indicates the size of the gap between supply and demand. All skills above the diagonal have a higher average importance among employers than the confidence among the youth.
Figure 23: Basic literacy and numeracy as well as workplace skills are in under supply

*Indicates the difference between the importance of specific skills as expressed by the employers, subtracted by the confidence in the same skill as expressed by youth.
Figure 24 and Figure 25 show the supply and demand gaps in the sectors where businesses were found to have the largest potential for creating employment for youths in Benghazi. The wholesale and retail trade and the transport, communication and storage sectors are presented since both are expected to generate the largest amount of jobs among all the sectors.

In the wholesale and retail trade sector, the largest gaps are found in basic numeracy and literacy, which are both in critical undersupply. The private sector in Benghazi stands out regarding these findings compared to Tripoli, Misrata, and Sabha, with both numeracy and literacy in oversupply in the three other Libyan economic centers.

For the transportation sector, the largest skills gaps are basic numeracy and managerial skills. While these are similar to the overall gaps, the size of the gaps is considerably larger in the sector-specific analysis than in the overall labor market gaps assessment in Benghazi.
Figure 24: Wholesale & retail trade sector – Demand for skills versus youth supply of skills

*Indicates the difference between the importance of specific skills as expressed by the employers, subtracted by the confidence in the same skill as expressed by youth.

© 2016 Voluntas Advisory. All rights reserved. Strictly Confidential.
Figure 25: In transportation using a computer, respecting deadlines and following instructions are in under supply

*Indicates the difference between the importance of specific skills as expressed by the employers, subtracted by the confidence in the same skill as expressed by youth.
Misrata Assessment
Table of Content

1 Executive Summary
2 Context
3 Findings
3.1 Misrata job market characteristics
3.2 Opportunities for job creation
3.3 Employers: Demand for skills
3.4 Employment profiles of Youth and Former Combatants
3.5 Youths’ motivation
3.6 Youths’ skills availability
3.7 Matching supply and demand for skills
1 Executive Summary

With a population of roughly 350,000, Misrata is the capital of the Misrata district and the third largest Libyan city after Tripoli and Benghazi. Before the conflict, the unemployment rate in Misrata was 16.2\%\textsuperscript{41} The public sector is less dominant than elsewhere in Libya. One of the stabilizing factors following the revolution in 2011 has been the strong business interests in the city. Despite this, the fighting over the past four years has taken its toll on the economy, especially the city’s steel production.

2014 estimates show that there are over 200 Misrata militias totaling 40,000 fighters, the largest fighting force in post-Gaddafi Libya.\textsuperscript{42} Efforts to reintegrate these men into society must take into account that Misrata is a closed society with related high social control, business linkages and relatively higher security. Furthermore, armed groups in Misrata enjoy relatively more popular support than in other cities in Libya. A perception survey conducted by Voluntas in 2015\textsuperscript{43} shows that 49.6\% of respondents from Misrata believe that armed groups create insecurity rather than provide security. However, while this percentage is sizeable, it is much lower than the national average of 77\%. Misrata-based armed groups proved very cautious in the initial phase of the registration and assessment of objectives and core competencies of combatants, carried out by Libya Program for Reintegration and Development (LPRD). In case of a peace agreement, 90\% of Misratans identified the provision of jobs or education as the most appropriate mechanism to demobilize fighters.

Main findings on employers

One third of employers within manufacturing report they have more employees today than prior to 2013 and around two thirds in the transportation sector report more employees today compared to before 2013.

The current labor market in Libya is characterized by many migrant workers. Seventy-nine percent of employers report that lower hourly wages and flexibility in work hours are the main reasons for hiring foreign workers. Although lack of education does not seem to be an obstacle to obtaining employment in Misrata for Libyans, lack of required skills is reported as the main reason for a high turnover rate in the labor market.

Opportunities for job creation

Among the private sector entities interviewed in Misrata, expectations towards future growth and potential for youth employment vary. Very few employers deem sectors such as mining and fishing as having high potential for job creation for youth. The potential for creating new jobs for unemployed youth are projected to be high in sectors such as manufacturing, wholesale and transportation. Related to this, over one-half of employers in the manufacturing sector expect positive growth in the future. In transportation and wholesale, the economic outlook is more positive where more than 75\% of employers within the respective sector expect positive growth.

On job creation for former combatants, there seems to be potential in the wholesale sector where about 75\% of employers reported potential for employment. For the transportation sector, one-half of employers reported some potential for job creation for former combatants, while one-third of employers in the manufacturing sector believe there is high potential for

\textsuperscript{41} 2006 census. All employment figures refer to the Libyan population aged at least 15 years.
\textsuperscript{42} VV.AA. (December 2014). “Libya: Miliitas, Tribes, and Islamists.” Retrieved online at http://www.landinfo.no/asset/3025/1/3025_1.pdf
\textsuperscript{43} Voluntas/USAID 2015
employment. Across sectors, the input stage presents the main potential area for job creation for youth according to the consulted employers. Also the retail and production stages in the value chain are projected to have high or some potential for job creation.

**Main findings on youth**
Youth unemployment is a significant issue in Misrata, where a third of the youth surveyed are unemployed (22% men, 37% women). Contributing to the worrying unemployment figures is the fact that less than half of the unemployed youth are actively seeking jobs. The inactivity rate is much higher among women (74%) than men (36%). Moreover, 42% of women and 21% of men work part-time underlining the gender difference in the labor market.

The two-thirds of youth that are employed mostly work in the public sector, such as education, public administration, and health. To counter unemployment self-employment is a suitable alternative in the current situation where Misrata's youth seems to have an optimistic outlook on starting a business. However, access to finance is the main impediment to starting a business.

While skills can pose a challenge to youth inclusion in the labor market, there is a high willingness to participate in unpaid training and internships, as 90% are willing to take an apprenticeship. Unfortunately, the opportunities are limited as only half of businesses in Misrata provide these. Thus, a low availability of traineeships leaves a rather large unexploited potential for additional on-the-job training.

There are opportunities for future inclusion of unemployed youths as the overall economic outlook of the employers is positive. More than half of employers expected moderate or fast positive growth in their respective sectors. Among employers in Misrata, the wholesale and manufacturing sectors are deemed to have the most potential for job creation for youths.

**Key findings on former combatants**
Overall, the consulted former combatants in Mistrata showed a relatively high level of employment (92%) and a very high level of education (58% Bachelor’s, 8% Ph.D., and 17% Vocational College). These numbers stand out compared to the youth in Misrata who have low levels of education and a higher unemployment rate (30%). In the focus groups, almost none of the former combatants explained that they felt discriminated (96%) for their involvement with militia groups. Regarding job creation for former combatants, employers in the transportation and the wholesale and retail trade sectors indicated potential employment generation, while one-half of the youth reported employment difficulties due to association with armed groups. As noted above, Misrata has a large number of militia members among its population, which are often of the same families as the business owners and one of their tasks have historically been to defend business interests, which might explain the low discrimination against them and their high percentage of employment.

Though only 8% of the consulted former combatants are unemployed, when discussing what could prevent them from finding employment, most agreed on the lack of personal relationships. When asked if they would be willing to participate in training to help with future employment, more than one-half were not interested.

**Skill Gaps**
To ensure that the expected growth for employers translates to decreased youth unemployment, the skills of the youth must match the needs of the employers. Across all skill types surveyed, behavioral skill types are deemed the most important to possess for potential
employees. Here, both being able to keep deadlines as well as following instructions are especially relevant skills. What the youth need to increase their employment is not formal educational skills, but informal skills like communicating with co-workers and respecting deadlines.

2 Context
With a population of roughly 350,000, Misrata is the capital of the Misrata district and the third largest Libyan city after Tripoli and Benghazi.

Gender gaps. According to earlier data, Misrata was one of the cities with the highest education and literacy rates, though gender differences persist: 93.4% of the male population can read and write, while the literacy rate is lower at 78.7% for women. The gender gap increases with the level of education: 54% of the Misratan men have reached a secondary level of education, compared to 37% of women. Further, about 8% of the male population holds a university degree, while only 3.5% of women completed university.

Before the 2011 conflict, the unemployment rate in Misrata was 16.2%. While this rate is lower among women than men (15.4% as opposed to 16.4%), it should be noted that the female population is mostly inactive. As Figure 1 shows, the general inactivity rate is 62%. Inactive women make up 86% of the female population, whereas among men the inactivity rate is 38%. More significantly, the inactive male population is almost entirely students and retired men (91% in total) while 71% of all inactive women are housewives, 26% students, and less than 1% are retired.

Less dominant public sector. The distribution of employment among sectors roughly follows the national pattern. However, the public sector is less dominant than elsewhere. About 28% of all employment is provided by the education sector, followed by public administration and services (20%). The percentage of female employment absorbed by the education sector is as high as 76%, while 22% of all males employed work in public administration. Wholesale and retail trade account for about 13% of the overall employment, while manufacturing, agriculture and transport and communication employ respectively 10%, 9% and 8% of the working population.

The fighting of the past four years has had a heavy toll on the economy of the city, both regarding output and workforce. Misrata is home to two of Libya’s largest private companies:

---

44 Data refers to the 2006 census, the latest available. Figures refer to the population older than 10 years.
45 2006 census. All employment figures refer to the Libyan population aged at least 15 years.
46 Neither employed nor seeking a job.
The Libyan Iron and Steel Company (LISCO) and Al-Naseem dairy. LISCO, the country’s largest private company outside the energy sector, has had to periodically cease production due to power shortages, contributing to the 63.64% drop in Libya’s steel output in 2015. Al-Naseem dairy is also located in the city. The dairy manufacturer provides about 750 jobs in the city alone. However, the company suffered sizeable losses starting in 2012 due to the challenge of selling products to most of the country.

Additionally, since 2011 many young Misratans left employment or education to join the armed groups. Strategically positioned 150 miles from Tripoli and with access to one of the country’s main commercial ports (Qasr Ahmad), Misrata was the theater of one of the longest battles of the 2011 civil war. Held by opposition forces, it was under a long siege until government forces eventually were able to secure control of the city. In the past, the regime could never get a real hold on Misrata, due to its active business community and related independence. Indeed, within days after the fierce fighting during the revolution, the shops reopened even in severely damaged buildings. Despite having suffered significant infrastructure destruction and severe human loss – both among combatants and civilians – the city of Misrata quickly reclaimed a sense of normality and held in February 2012 the first election in the country in forty years. Misrata was always characterized by a sense of independence due to its strong business culture. Further, the Misratan community has played a significant role in the transition process and was able to successfully establish a dialogue between different parts of society.

Since fighting resumed in 2014, Misrata has been controlled mainly by armed groups identifying with the Libya Dawn coalition. Armed groups in the city are autonomous, self-armed and self-trained. Reportedly, since the beginning of this year, many of the Misratan fighters appear to have drifted from Libya Dawn. In recent months, Misrata has been the target of several ISIS attacks.

2014 estimates show that the Misrata armed groups comprise over 200 armed groups with a force of 40,000 fighters, the largest fighting force in post-Gadhafi Libya. Efforts to reintegrate these men into civil society had to take into account that Misrata is a closed society with related high social control, business linkages and related higher security. Furthermore, Misrata-based armed groups proved very cautious in the initial phase of the registration and assessment of objectives and competencies of combatants, carried out by the Warriors Affairs Commission (WAC). Subsequently, in the early steps of the economic reintegration, former combatants

---

from Misrata adhered to the LPRD. It is likely that future economic reintegration programs will able to involve more ex-combatants from Misrata then from other regions.

Today, Misratans largely wish for security to be enforced by formal police corps. Indeed, almost 60% of them identify the military and religious councils as providing security, a percentage that increases to 68% for the municipal council and 77% for the local police. Also, the local population reports being increasingly upset for having to undergo security checks by different and rival armed groups. A perception survey conducted by Voluntas in 2015 shows that 49.6% of respondents from Misrata believe that armed groups create insecurity rather than provide security. However, while this share of the population is sizeable, it is much lower than the national average of 77%, thus hinting that the armed groups are more positively perceived in Misrata than elsewhere in Libya. In the case of a peace agreement, 90% of Misratans identified the provision of jobs or education as the suitable method to demobilize fighters.

3 Findings
This section presents the main results from the workforce market survey in Misrata. The empirical foundation for the results is various sources of data collected during August-September 2016. The data includes four different sources:

- A household survey of 100 randomly selected youth in Misrata
- A household survey of 25 employers, chosen from the main private sectors in Misrata
- Four focus groups with former combatants each containing 8-10 respondents
- Ten in-depth interviews with potential partners and key informants

Over two-thirds of the population is considered as youth. The category ‘youths’ is defined as Libyans aged 15-35. In total, there are 103,115 in this age group in Misrata out of a total population of 256,565 according to 2006 Census Libyan data. Thus, 40% of the population in Misrata is in the category ‘youths’. The category ‘former combatants’ is defined as men that at some point have been part of an armed group. The two categories ‘Youths’ and ‘Former combatants’ are not mutually exclusive. Most former combatants are aged 15-35, however, not all in this age group are former combatants. Thus, it is expected that there is some overlap between the two categories. The category youth includes both men and women, while it must be expected that most former combatants are men. Especially in Misrata, there is a potential overlap as various estimates show that up to 40,000 men have at some point been affiliated with armed groups in Misrata.

Employers are defined as managers of businesses in the largest sectors in Misrata. Figure 2 shows the distribution of employers for the four largest sectors in Libya measured by number of employees. Figure 2 also contains a definition of the four targeted sectors.

---

59 Voluntas/USAID 2015
3.1 Misrata job market characteristics

This section presents the overall labor market characteristics based on the survey results from the employers of the main private sector entities in Misrata.

Wholesale and retail trade is the largest sector. The employers were asked to estimate the share of employees within each step of the production process in their sector. In interviewing employers from different sectors, businesses in retail are employing the largest number of workers (Figure 3).

The conflicts in Libya have negatively impacted the availability of employees in several of the large sectors in Misrata. More than one-third of the companies across all the three major sectors report that they have fewer employees today than before 2013. However, one-third of the manufacturing companies reported that they have more employees today than before 2013 (Figure 4).
Migrant workers are preferred in Misrata. Libya has traditionally relied on a large number of migrant workers. According to employers in Misrata, foreign workers are preferred over Libyan nationals because they are more willing to accept flexibility in their working hours and require lower hourly wages. Educational level does not seem to be a reason for preferring foreign workers over Libyans, as only 8% of the surveyed employers report this.

About 33% of businesses indicate overall skills and qualifications as a reason to prefer foreign workers. If Libyans are to be employed in jobs currently held by foreign workers, programs promoting the acquisition of vocational training and specific technical skills, both in formal courses and in work-based learning modalities, should be given higher priority than general education interventions.

### 3.2 Opportunities for job creation

**Overall positive economic outlook.** More than one-half of the employers expect moderate or fast positive growth in their respective sectors (manufacturing, wholesale and transportation). However, 50% of the manufacturing businesses also report flat growth pointing to the fact that the even within the sector, as well as across different sectors, there is variation in growth trends. In Misrata, there seems to be the most potential in wholesale and the transportation sector where less than 25% report flat growth trends.

**Supply meets demand in sector employment and growth.** In Misrata there seems to be a correlation between the industries where the youth want to work and where employers project potential growth. About 50% of employers in the manufacturing sector project positive growth in the future. Moreover, roughly 75% of four employers in both wholesale and transportation expect positive growth in the near future (Figure 4). On the supply side, respectively 70% and 73% of the youth report (Figure 5) that they would like to work in the manufacturing sector and the wholesale and retail sector, while 64% said that they would work in the transportation sector. Thus, the potential for job creation within these sectors are assessed to be high.

The expected growth in the respective sectors also seems to correlate somewhat with the employer’s assessment of which sectors are most likely to produce jobs for youth in Misrata. As such the wholesale and retail sector is listed by all of the surveyed businesses as a sector with potential for youth job creation. The manufacturing sector, which was expected to have moderate positive growth by the businesses within that sector is also reported to generate youth jobs by 95% of the employers. The vast majority of employers also highlighted building and construction, real estate and public administration sectors to have a potential for job
creation (Figure 5). Within the wholesale and retail sector and the manufacturing sector—two sectors with the largest growth potential—a number of employers reported having current job openings.

Among the employers in Wholesale and retail trade, five of the thirteen interviewed employers reported having available positions. There are two main trends among employers in the wholesale sector: accountants and salesmen. Three positions are open as an accountant and there are three positions open as a salesman. There is also one employer hiring an IT-support employee, another hiring a sanitary worker and. The skill in high demand among the employers surveyed hiring salesmen is behavioral skills. One employer noted he is looking for someone that is good at dealing with people. Among the employers hiring accountants, technical skills are more in demand such as administrative and bookkeeping skills.

About 37% of the employers interviewed in the manufacturing sector have job openings. All of the employers want employees with excellent with behavioral and workplace skills. One consulted employer stated that he is seeking employees with good manners and the ability to organize their work, thus indicating that the skills needed are behavioral rather than strictly technical skills. Another employer emphasizes the role of behavioral skills and says that he is looking for employees who are punctual and reliable. However, more technical workplace skills are also in demand such as bookkeeping and administrative skills for accountants and administrative workers.

The private sector has the greatest employment potential for former combatants. On potential job creation for former combatants, 67% of employers in the manufacturing sector indicated that there is low employment potential for former combatants. Conversely, employers in the transportation and the wholesale and retail sectors acknowledge more potential for employment generation with 50% and 75%, respectively, of the employers reporting that these two sectors provide some or high potential for employing former combatants (Figure 6).

The majority of former combatants surveyed believe the private sector has the most potential for providing them employment. This is attributed to the expected overall growth in the targeted sectors, the lack of public funds and access to finance issues. As one former combatant explained: "it is less difficult to be hired by a business owner because there is no need to go through complicated procedures."
Most of the former combatants stated that the industry with the highest potential for employing members or former members of armed groups is the private security sector. An interesting discrepancy appears with regards to whether unemployed Libyans who have been associated with armed groups can get a job. Around one-half of the youth reported that it is harder to get a job if you have been linked to an armed group, whereas only 11% of the employers say that they would not hire a former combatant. Moreover, there is also a difference in perception between employed and unemployed youth with 35% of the unemployed youth and 47% of employed youth assert that association with armed groups decreases their chances of employment.

Most of the combatants in the FDGs (96%) stated that they had not been discriminated against in the job market due to their previous association with an armed group. This could be attributed to the fact that Misrata is home to the largest number of armed group members in Libya, thus contributing to a normalization of their situation. One respondent among the former combatants described the current state of vast proliferation of arms and armed groups: “No [I do not feel discriminated] because 70% of people in Libya currently work in both armed groups and another sector; so whenever their duty calls them, they go to front line”.

Furthermore, the armed group members among Misrata inhabitants are often from the same families of the business owners, and one of the armed groups’ tasks have historically been to defend business interests. This might explain the low level of discrimination against them and their high percentage of employment. However, one respondent stated that armed group
members might have a reputation for being unskilled and mentally unstable: “Well, it depends, some people don’t prefer ex-soldiers to work with them because some of them are not educated and don’t have skills another is not stable mentally.”

3.3 Employers: Demand for skills

Skills mismatch and inadequate compensation contributes to high turnover. Lack of required skills is listed by 67% of employers as a reason for high turnover (Figure 8). The length of working hours is reported by 67% of employers as a reason for why employees quit their jobs. However, most employers (83%) report that the salary is the primary driver of a high turnover rate in their company.

While the lack of required skills is reported to be an issue, the labor market in Misrata does seem to favor low-skilled workers. As such, across sectors, a third of employees are categorized as low-skilled workers by the employers. The largest skill group, however, is still skilled workers, who constitute half of the workforce in the manufacturing and transport, communication and storage sectors. The wholesale and retail trade sector employs the largest share of high-skilled workers, which amounts to 33%.

Skill types

Demand for high education level varies across sectors. Based on the youth survey findings, there is a positive though not a strong correlation between education and employment as unemployment levels are higher for less educated youth. Interestingly, this is in contrast to the preference of the employers interviewed, who report secondary education or vocational training as the optimal level of education. Employers in the manufacturing sector and transportation sector in Misrata do not require education above vocational training. Only 8%
of employers in the wholesale and retail trade sector reported that they require a bachelor’s degree.

For the youth, the lowest employment rate is found in the secondary school/vocational training category. However, the demand for education varies across sectors. Sixty-three percent of the businesses from the transportation, communication and storage sector reported that the optimal educational level is a secondary education/vocational training, while all of the manufacturing sector and half of the employers in the wholesale and retail reported the optimal level of education to be primary school. While these findings are somewhat surprising, it suggests a need for a targeted approach to skills and educational programs.

Compared to the youth, the former combatants consulted in Misrata are more educated. Two-thirds have completed university or higher. Furthermore, almost a fifth have had a vocational or college education.

Neither numeracy nor literacy is reported to be critical to the employers across Misrata’s main private sectors. On a scale from 1 to 4, where one is not important, and four is very important, the employers found that both numeracy and literacy are less than somewhat important skills.

Communication skills are assessed to be more important than literacy and numeracy skills, with workplace communication on average assessed to be an important skill for the demand side of the labor market.

**Behavioral skills are most demanded.** Across all the skill types surveyed, behavioral (core) skill types are deemed the most important for potential employees (Figure 9). Here, both being able to keep deadlines as well as following instructions are on average associated with the rating “important.” This is an interesting finding that stresses that what Misrata youth may need to increase their employment is not formal educational skills such as numeracy or literacy skills. It is rather simple skills like communicating with co-workers and respecting deadlines.

![Figure 9: Behavioral skills are deemed as most important among employers](image-url)

© 2016 Voluntas Advisory. All rights reserved. Strictly Confidential.
Among the employers, computer skills are rated as somewhat important for the demand side of the labor market. For Misrata employers, finding information on the internet is the most important skill together with the ability to use a computer. In general, workplace skills are considered more important to local businesses. When reviewing the survey results for the individual workplace skills, of note, the ability to adopt new technologies and learning new skills are assessed to be core competencies among employers.

Technical skills are reported by 57% of employers as the skills most lacking in Misrata (Figure 10). This suggests that while employers require higher educational levels, these relevant technical and managerial skills relevant are the most undersupplied. Bookkeeping skills are also reported by just over half of the employers as a skill lacking in the current supply side of the Misrata labor market. While the smallest share of surveyed businesses, around a fourth still see computer skills as lacking.

### 3.4 Employment profiles of Youth and Former Combatants

*A third of the young people in Misrata reported being unemployed.* Among the unemployed youth, more than 27% had been without a job for more than a year. A third of the unemployed youth have been unemployed for one to five months. In contrast, approximately 90% of the consulted former combatants in Misrata are employed, and only 8% face unemployment.

The majority of employed youth in Misrata work within either the education sector or in the wholesale and retail sector, which, combined, accounted for 65% of the employed workforce. Public sector jobs like education, public administration and health and social work employ more than half of the youth, emphasizing the overreliance on public employment in Libya. As for the consulted former combatants, their responses show a very high level of variety of work in private businesses and as medical doctors.

There is a rather large difference between male and female employment status. About 42% of women are working part-time, while men that work part-time are about one-fifth. About 61% of men are working in full-time jobs compared to women who work full-time (45%). There are almost equal shares of men and women who are self-employed, working in their own business or holding a paid internship position in Misrata.
On the unemployed, less than half are actively seeking jobs, with 60% of the unemployed youth either still in school, housewives, have health issues or just do not believe they can get a job or that no jobs are available.

The inactivity rate is much higher among women (74%) than men (36%), which might be explained by the fact that more women are working at home instead of actively applying for jobs. However, compared to findings from Tripoli, Misrata stands out with significantly higher female inactivity (or not participating in the formal labor market) rate of 21 percentage points.

When asking the unemployed youth from Misrata about the reasons for their inability to get a job, some explanations stand out (Figure 11). While the majority state that their education level prevents them from getting a job, more than two-thirds also mention the lack of knowledge of the application process as an obstacle. Discrimination in the application process based on gender or ethnicity does not seem to be present in Misrata, as it was not listed by a single respondent as a reason for unemployment. However, the sampling of youth respondents did not stratify ethnic minorities such as the Taorga, who are known to suffer greatly from discrimination in Libya, including specifically in Misrata. Only 10% of former combatants found that their participation in the fighting prevented them from getting a job.

When asked what they believed are obstacles that could prevent them from finding employment, the consulted former combatants in the focus group discussions shared a broad range of perceived obstacles which can be seen in Figure 12 below. Lack of personal relationships and nepotism, the economic hardship in the country, and educational qualifications are the most often mentioned obstacles. In general around half of the barriers mentioned relate to the current unstable situation in Libya, either directly, or indirectly, such as the lack of government, which reduces public employment. Both the economic situation and the role of nepotism is summarized by one former combatant: “I think that the main issue is the lack of vacancies across the country. Another obstacle is the fact that you need to have different contacts, which can help you get a job even if you are not qualified.”
Access to finance and potential employees are found to be the main challenges to starting a business (Figure 13). In Misrata, however, there seems to be an optimistic outlook on the potential for starting a business. About, 75% of the youth in Tripoli indicated that all of the listed potential challenges are real obstacles in the current business start-up environment, whereas in Benghazi only two types of obstacles (finance and employees) are deemed to be a real challenge. As such the business creation and self-employment potential seems to be considerably higher in Misrata. However, among obstacles, two-thirds of the interviewed youth find that it is difficult to obtain entrepreneurial training.

In Misrata, the main gap between assessed importance and availability concerns is access to finance. Access to finance is considered the single most important service, but also the least accessible service (Figure 14). Access to equipment and machinery is also considered important yet had a relatively low availability as well as access to employees. The smallest gaps between assessed importance and availability are found to be access to English courses. Two-thirds of the consulted former combatants in Misrata also found that the access to finance is the primary obstacle to starting or expanding a business.

### 3.5 Youths’ motivation

*The public sector is the most desired among the unemployed youth.* Around half (48%) state that they would most like to work in the public sector. These findings are not surprising as Libya historically has had an inflated public sector, where more than 50% of the workforce is employed in public sector jobs.60 As an alternative, (26%) the unemployed youth stated that...
they would like to work for a multinational company, while 17% would prefer to work for a small or medium sized company (Figure 15).

On the amount of work, the unemployed youth prefer; there seems to be a difference between men and women. A little over one-third of the unemployed male youths would like to have a full-time job, as compared to only 18% of their female counterparts. There is a considerably larger share of women than men, who prefer part-time and temporary jobs rather than full-time employment. None of the unemployed women would prefer to be self-employed, while 27% of the men would. Unemployed men stated that they would not prefer to have a paid internship or apprenticeship, while 12% of the female youth would prefer this option.

Among the former armed group members, most would prefer to work in the private sector, either for better personal benefits or because of the lack of government funds. Furthermore, almost all former armed group members would rather be self-employed. In this respect, there is an alignment with the general attitude expressed by former combatants. The reasons provided by the youths are presented in Figure 15.

The most common reason for preferring self-employment among the former combatants is that it offers a greater degree of independence. As some mentioned, having greater freedom is prioritized: “I prefer to be self-employed because it is a better option from the financial side. Furthermore, there are no obstacles to getting a job. Also, I can work or leave work the time I want.” Another former combatant of the FDG also mentions not wanting to risk being “[...] committed to a specific party”.

Considering which sectors the unemployed youth in Misrata would prefer to work in, a similar trend as seen in Figure 15 is revealed. The most popular industry is health and social services, where 93% of the youth report they would like work. This is followed by personal household services, foreign organizations, education and public administration. Thus, the public sector seems to attract the majority of youth.

The least popular sectors among youth are found to be physically demanding and traditional low skills jobs such as mining, fishing, and hotels and restaurants where less than one-half of the youth reported being willing to accept such jobs.

<table>
<thead>
<tr>
<th>Service</th>
<th>Availability</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to finance</td>
<td>2,98</td>
<td>5,36</td>
</tr>
<tr>
<td>Legal counseling services</td>
<td>4,12</td>
<td>5,11</td>
</tr>
<tr>
<td>Management counseling services</td>
<td>4,46</td>
<td>5,28</td>
</tr>
<tr>
<td>Access to equipment/ machinery</td>
<td>5,12</td>
<td>6,11</td>
</tr>
<tr>
<td>Access to potential employees</td>
<td>6,12</td>
<td>6,26</td>
</tr>
<tr>
<td>Access to Business Development</td>
<td>5,64</td>
<td>5,64</td>
</tr>
<tr>
<td>Access to entrepreneurial training</td>
<td>5,24</td>
<td>4,97</td>
</tr>
<tr>
<td>Access to an English language course</td>
<td>4,63</td>
<td>5,62</td>
</tr>
</tbody>
</table>

Figure 14: Lack of access to finance and potential employees are biggest obstacles for in creating growth

On a scale from 1 to 7, please rank the availability AND importance of the following services.
The only condition, which more than one-half of the youth would accept is working overtime (75%). Less than a third would take a job which does not provide social security (28%) and only 48% would accept commuting. 41% would be willing to move to another city, and only 39% of the unemployed youth would move to a rural area for a job. A mismatch can be observed when comparing working conditions/requirements offered by employers to the ones demanded by the youth. Among the employers, almost 80% report that they do not provide social security, half of the employers require flexible hours from their employees, and only a third of youth are willing to accept this condition.

3.6 Youths’ skills availability

Education. A direct correlation between education level and employment among youth in Misrata is not immediately evident. However, youth with vocational training or a university degree have somewhat higher shares of employment than youth with only a primary school education or vocational training (Figure 16).
While unemployment is low among the educated young people in Misrata, there are considerable differences across specializations. Less than 20% of youth surveyed who specialized in computer science are unemployed, whereas the unemployment rate of those specialized in social sciences is about 50%.

**Supply side skills.** The Misrata youth seem to be overall confident in their skills. The average confidence level is lower for numeracy and literacy than communication and behavioral skills. The lowest level of confidence is in advanced math, such as complex algebra and statistics and advanced literacy. Communication is less challenging, with both communicating in a group and with co-workers having very high confidence level averages. In line with the challenges found in the more advanced literacy skills, the youth are only somewhat confident in their ability to express ideas in writing. Overall, the largest supply of skills is found among behavioral skills, where on average the youth reported to be confident.

As regards computer skills and workforce skills, youth show a somewhat lower confidence in their skills. The average confidence level is between somewhat confident and confident among the youth for both skill types particularly computer literacy and the ability to find information on the internet have a high confidence rating among all of youth. Financial related skills are found to be the skill type with the lowest level of self-reported confidence among the computer based skills. Here, youth report lower levels of confidence in their skills towards using both using statistical programs and accounting software.

Regarding workplace skills, there is also a lack of confidence in financial and problem-solving skills. Here, other than taking risks, the lowest confidence is found in doing bookkeeping and accounting and solving complex problems. However, youth, in general, have a higher confidence in their ability to acquire and learn new skills, which indicates that there is a tremendous potential for workforce skill development for youth in Misrata. The low confidence in taking risks, which is also found among youth in Tripoli points towards a challenge for creating self-employment job opportunities through start-ups.

On skills improvements through on-the-job training, there is potential for expanding the supply (Figure 17). As such, 90% of youth are willing to take an apprenticeship, but only one-half of the businesses in Misrata provide these. This trend is similar for paid internships where more than 75% of youth would accept a paid internship, but only about a fourth of employers provide this type of training. One-half of the Misrata youth would participate in an unpaid internship, while only 27% of businesses provide this kind of training.
The combatants in the FDGs, who mainly express interest in self-improvement, said their reasons for being interested in taking part in training or apprenticeship are to: “improve my skills,” “improve my experience,” “improve myself” and “improve my salary.” These answers principally showed a desire for advancement for better work opportunities and ultimately the improvement of their financial situation. Another respondent had a similar approach to his participation: “I haven’t participated in anything so far because I couldn’t find a good training program that can help me.”

More than half of the former armed group members stated that they would participate in formal training or internships to improve their skills, while the other half said that they did not have the time. Among the latter, the vast majority are employed.

### 3.7 Matching supply and demand for skills

Overall the skills gaps between supply and demand primarily relate to communication and workplace skills. Comparing the confidence level among the youth in their skills with the importance given by the employers indicates that communication and workplace skills are undersupplied in the current labor market in Misrata.

Interpersonal communications skills such as public speaking and communicating with non-co-workers have a higher importance among businesses than the corresponding supply. Workplace skills such as budgeting, business planning, and self-management skills are undersupplied, as the level of confidence is very low. However, the employers are finding these skills, while still important, less important than communication skills. On the other hand, the youths’ general education skills are not deemed essential by the employers. Some behavioral skills are in very high demand, but also supplied to a sufficient extent. Skills such as respecting deadlines and following instructions are found vital among employers and thus in high demand.

*Figure 18* illustrates the relationship between supply and demand for each skill type surveyed. The size of each skill indicates the size of the gap between supply and demand. All skills above the diagonal have a higher average importance among employers than the confidence among the youth.
Figure 18: Respecting deadlines and following instructions are critically under supplied

*Indicates the difference between the importance of specific skills as expressed by the employers, subtracted by the confidence in the same skill as expressed by youth.

© 2016 Voluntas Advisory. All rights reserved. Strictly Confidential.

Relative Availability of Skills*

- Numeracy
- Literacy
- Communication skills
- Behavioral skills
- Computer skills
- Workplace skills

Supply meets or exceeds demand

Importance of specific skills as expressed by the employers

Voluntās
Looking at the sectors where businesses identified the largest potential for youth job creation, somewhat similar skills gaps are found. (*Figure 19*). Among the employers in the *manufacturing sector*, workplace, communication and behavioral (core) skills are also the skill types in critical undersupply. Here especially problem solving of complex problems, managing other people, prioritizing and expressing ideas in writing are skill types where demand exceeded supply to a large extent. As with the overall gap analysis for Misrata, basic literacy and numeracy are in greater supply than demand.
Figure 19: In the manufacturing sector workplace and behavioral skills are under supplied

*Indicates the difference between the importance of specific skills as expressed by the employers, subtracted by the confidence in the same skill as expressed by youth.
For the *wholesale and retail trade sector*, the skill gaps are overall similar, while communications skills, somewhat surprisingly are less in demand (*Figure 20*). Also, basic numeracy seems to be a technical skill associated with work in the sector, such as the ability to compare and record numbers are undersupplied. Management skills are also critically undersupplied.
Figure 20: Following instructions, respecting deadlines and managing other people are in under supply

*Indicates the difference between the importance of specific skills as expressed by the employers, subtracted by the confidence in the same skill as expressed by youth

© 2016 Voluntas Advisory. All rights reserved. Strictly Confidential.
Sabha Assessment
Table of Content
1 Executive Summary
2 Context
3 Findings
3.1 Job market characteristics
3.2 Opportunities for Job Creation
3.3 Employers: Demand for skills
3.4 Employment profiles of Youth and Former Combatants
3.5 Youths’ skill availability
3.6 Youths’ motivation
3.7 Matching supply and demand for skills
1 Executive Summary
With a population of roughly 100,000, Sabha has traditionally been considered the capital of the Southern region. Before the conflict, the unemployment rate in Sabha was 17%. The southern part of Libya is host to a multitude of armed groups and smuggling networks which connects the Sahel–Sahara region and gives the conflict a regional dimension because of the transnational links of the armed groups involved. Clashes between armed groups continue to be common. In 2015, people from Sabha expressed that security is enforced by tribal leaders and religious councils. Respectively 61% and 48% say that tribal leaders and religious councils provide some security. On the other hand, about 75% report that armed groups, the military, municipal councils, and local police groups are creating more insecurity than security. Ninety-three percent find that armed groups are creating insecurity, and 76% report that local police are creating insecurity. In the case of a peace agreement, 85% of Libyans reported in a Voluntas survey that members of armed groups should be reintegrated into society via educational opportunities while 75% report that former combatants should integrate into the national police or military.

Main findings on employers
The ability of the private sector to become a vehicle for employment seems to be a mixed picture, with sectors having varying growth expectations. In the construction and public administration sector, the number of employees has decreased since 2013. Employers in manufacturing, wholesale and transportation sectors declare that they currently employ more workers than before 2013.

The current labor market in Libya is characterized by many migrant workers. Respectively 71% and 82% of employers report that lower hourly wages and flexibility in work hours are the main reasons for hiring foreign workers. Thus, a lack of education is not a reason for not hiring Libyans. This is also reflected in, for example, about 66% of the wholesale and retail and trade employers only require a secondary education or less. Although a lack of education does not seem to be an obstacle to obtaining employment in Sabha, a lack of required skills is reported as the main reason for a high turnover rate in the labor market.

Opportunities for job creation
The expected growth in the respective sectors seems to correlate somewhat with the employer's assessment of which sectors are most likely to produce jobs for youths in Sabha. Employers in the wholesale and retail trade sector and the transportation sector expect positive growth and were listed by all of the businesses as the sectors with the highest potential for youth job creation. Very few employers deemed industries such as mining, fishing and foreign organizations (international enterprises) as having a high potential for youth employment.

Employers surveyed considered the wholesale and the health sectors to have high potential for job creation for former combatants. Within the wholesale sector, 88% of employers expect some or high potential for employing former combatants. This seems to align with preferences among former combatants where 80% report they would like to work in wholesale. Overall, the wholesale and retail sector is found to have the largest potential for employing both former combatants and youth.

61 2006 census. All employment figures refer to the Libyan population aged at least 15 years.
63 Voluntas/USAID 2015
64 Voluntas/USAID 2015
Across sectors the production stage within the value chain has the highest potential for job generation for youth in Sabha. This is followed by the processing and transportation stages, where a large majority of employers stated that there is some potential for job generation.

**Main findings on youth**
Youth unemployment is a significant issue in Sabha. Almost a third of the youth are unemployed. While this is somewhat lower than the national average, long-term unemployment is considerably higher in Sabha compared to Tripoli and Misrata; more than half of the unemployed youth have been without a job for more than a year. Contributing to the concern, Sabha has the highest inactivity rate among the four economic centers analyzed in this study, as only 25% of the unemployed youth is actively seeking jobs.

Furthermore, among the unemployed who are not actively seeking jobs, one-third of women noted that they are inactive because they are housewives, while 15% reported that they do not want to work. Only 15% of employed women in Sabha work part-time, but higher shares of women would prefer this employment situation.

The high long-term unemployment rate may be related to the fact that the public sector does not seem to be the main employer in Sabha as in other major cities in Libya. As such, less than one-half of employed youths are employed in the public sector in Sabha. Self-employment and starting their own business is not perceived with optimism by the youth given access to finance and security issues are considered significant obstacles to starting a business.

**Main findings on former combatants**
Surprisingly, a much smaller unemployment rate (9%) is experienced among the consulted former combatants in Sabha. The former combatants are less interested in working in the public sector, as this represents the state, which most were fighting against.

While unemployment is low for the former combatants, underemployment is a significant issue. The former combatants explain that they are underemployed due to lack of experience and educational qualifications. Furthermore, discrimination due to their association with armed groups is higher in Sabha compared to the other economic centers. When asked in general if they feel discriminated against for being part of an armed group, approximately 80% believe this prevents them from finding work. Seventy-six percent of employers surveyed stated that they would not hire a former combatant. This leads to unavailability of work in their field of study or resorting to underemployment.

Another significant obstacle, identified by both former combatants and youth, is the lack of access to capital to start or expand their businesses. Also, the vast majority of former combatants in the FDGs say that they are not willing to attend formal training or activities, whereas the youth are more receptive to the idea.

**Skill gaps**
To counter unemployment and underemployment among youths in Sabha, there is a need to ensure that their skills match the needs of potential employers. The skills available in the supply side of the labor market in Sabha, paint an overall positive picture as youth seem to be confident in their skills. Overall, the largest supply of skills is found among behavioral skills, where on average the youths appear to be confident. With regards to computer skills and workforce skills, youths tend to be less confident in themselves. However, regular computer literacy and the ability to find information on the internet have high confidence scores among all of the youths. A positive finding is that the youths, in general, have a high confidence in
their ability to acquire new skills and adapt to new technologies, pointing to a significant potential for doing workforce skill development.

Comparing youths’ confidence in skills with employers’ importance, the main skill gaps are found in behavioral and workplace related life-skills, which are deemed critically undersupplied in Sabha. The largest gaps relate to skills such as respecting deadlines, problem-solving and prioritizing. For the wholesale & retail sector, the sector with the highest potential for employing youth, the overall skill gaps are the same.

2 Context

Before the conflict, the unemployment rate in Sabha was 17%. While this rate is lower among women than men (10% as opposed to 24%), it should be noted that the female population is mostly inactive. Indeed, as Figure 1 below shows, while the general inactivity rate is 51%, inactive women make up for 70% of the female population, whereas among men the inactivity rate is 34%. More significantly, the inactive male population is almost entirely composed of students and retirees (91% in total). On the other hand, 71% of all inactive women are housewives, 26% students, and less than 1% are retired.

The southern region of Libya has traditionally been a Gaddafi stronghold. It experienced a heavy presence of regime security forces with close ties to local communities until the fall of the former regime in August 2011. With the disintegration of the former regime, the tribal and ethnic divisions on which Gaddafi relied to control the region collapsed into open conflict. Major arms depots were looted, and several armed groups emerged in Sabha. Among the most powerful armed groups, there is the Awlad Suleiman tribe, a former Gaddafi supporter in which the tribe’s revolutionaries blended with its former government soldiers. The initial conflict centered around armed groups affiliated with Awlad Suleiman and the Tubu armed groups. However, across the region, new armed groups seized control of the smuggling business along the southern borders. The conflict triggered major fighting between Tubu,

---

65 2006 census. All employment figures refer to the Libyan population aged at least 15 years.
66 Neither employed nor seeking a job.
68 Ibid.
Qadhadhfa and Tuareg groups on one side and Suleiman on the other, resulting in the killing of at least 147 people in Sabha in March 2012.\textsuperscript{69}

In Sabha clashes between armed groups continue to be common. In September 2013, fighting erupted at a base at the Sabha airport. During the 2014 re-emergence of conflicts across Libya, tensions escalated again in January 2014 with a confrontation between Tubu and Awlad Suleiman factions.

Today, people from Sabha mainly find that security is enforced by tribal leaders and religious councils\textsuperscript{70}. Respectively, 61\% and 48\% say that tribal leaders and religious councils provide some security. On the other hand, about 75\% of citizens report that armed groups, the military, municipal councils and local police groups are creating more insecurity than security, respectively 93\% find that armed groups are creating insecurity, while 76\% report that local police are creating insecurity. Thus, the overall picture from Sabha is that the population puts a greater trust in non-state institutions such as tribal and religious leaders than traditional security providers.

Regarding what to do with former combatants in Sabha in the case of a peace agreement, a Voluntas survey from 2015 found that 85\% say they should be reintegrated into society via education. Coming in second, 75\% report that former combatants should integrate into national police or the military. By contrast, only 24\% say that former combatants should be ensured more local control or be transformed into political parties (34\%).

3 Findings

This section presents the main results from the labor market assessment in Sabha. The empirical foundation for the results is various sources of data collected during August-September 2016. The data includes four different sources:

- A household survey of 100 randomly selected youths in Sabha
- A household survey of 25 employers, chosen from the main private sectors in Sabha
- Four focus groups with former combatants each containing 8-10 respondents
- Ten in-depth interviews with potential partners and key informants

The category ‘Youths’ is defined as Libyans aged 15-35. In total, there are 49,414 in this age group in Sabha out of a total population of 119,038 according to 2006 Census Libyan data. Thus, 42\% of the population in Sabha belongs to the category ‘Youths’. The category ‘Former combatants’ is defined as men that at some point have been part of an armed group. The two categories ‘Youths’ and ‘Former combatants’ are not mutually exclusive. Most former combatants are age 15-35, however, not all in this age group are former combatants. Thus, it is expected that there is some overlap between the two categories. The category “Youth” includes both men and women, while understanding that most former combatants are men.

Employers are defined as managers of businesses in the largest sectors in Sabha. Figure 2 shows the distribution of employers on the four largest private sectors in Libya measured on numbers employees. The chart also contains a definition of the four targeted sectors:


\textsuperscript{70} Voluntas/USAID 2015
3.1 Job market characteristics

The conflicts in Libya seem to have negatively impacted the retention rate of employees in several of the large sectors in Sabha. In sectors such as construction and administration of the state, all employers report a decrease in the number of employees. Only in sectors like manufacturing, wholesale and transportation about 25% report they have more employees now than before 2013 (Figure 3).

Figure 2: Definition of targeted growth sectors included in the analysis

Wholesale and retail trade:
- This sector includes both business to business vendors as well as businesses selling goods directly to customers. Examples of employers in this sector span from food traders as well as vendors selling household goods.

Transport, communication and storage:
- The sector is characterized by companies transporting cargo and passengers. However, the sector also includes companies working in communication such as small IT companies as well as companies selling and installing satellites.

Manufacturing:
- The manufacturing sector includes a broader category of companies that manufacture and produce goods such as small bakeries, sewages and welders.

Construction:
- The construction industry is defined by sectors such as engineers and carpenters. However, other types of construction related activities such as an electrician is also included in the category.

*Figure is based on data from the Libyan 2006 Census

Figure 3: All businesses in the construction sector report less employees today than before 2013

In which sector does your business operate?

- Health and social work
- Manufacturing
- Construction
- Transport, communication and storage
- Wholesale and retail trade

Do you have more or less employees than prior to 2013?

- More
- Less
- Roughly the same number
- Did not exist before 2013

© 2016 Voluntas Advisory. All rights reserved. Strictly Confidential.
Most sectors in Sabha have primarily full-time employees. The one exception is the health sector where 60% are part-time employees.

On the type of jobs primarily available in Sabha, the business employers were asked to estimate the share of employees within each step of the production process in their sector. In interviewing employers from different private sectors in Sabha, it became apparent that production and inputs stages are the ones employing the largest number of people (Figure 4).

Libya has traditionally relied on a large number of migrant workers. According to employers in Sabha, foreign workers are preferred over Libyan nationals because they are more willing to accept flexibility in their working hours and require lower hourly wages. Educational level, however, does not seem to be a reason for preferring foreign workers over Libyans, as only 18% of the surveyed employers report this.

Foreign workers supply two labor demands, higher-skilled positions that Libyans are unable to undertake, and lower skilled or manual positions Libyans are unwilling to undertake. An interesting difference between employers in Sabha and Tripoli is that better education does not seem to be a driver for hiring foreign labor in Sabha compared to Tripoli, where more than half reported foreign workers are better educated. This suggests that low skilled jobs go to foreign workers in Sabha as opposed to in Tripoli. Overall skills and qualifications are reported by 32% of businesses to be a reason to prefer foreign workers in Sabha.

More than one-half of youth report that it is harder to get a job if you have been linked to an armed group. Moreover, there is also a difference between employed and unemployed youth. Seventy-two percent of the unemployed youth think that associations with armed groups decrease the chances of employment, whereas the equivalent number of employed youth is 53%.

These trends are shared among employers. As such 76% of employers state that they would not hire a former combatant. A representative from the Rafa-Alkafaa vocational training center also stated that businesses in Sabha have a negative attitude towards hiring former combatants. The representative from the Aum Aluminin training center in Sabha also stated that former combatants face particular difficulties in obtaining a job.

When searching for employment, the consulted former combatants expressed in the high majority, 79%, to have experienced discrimination for having associations with armed groups. As one respondent explains: “Discrimination is present when you apply for a job, and you
will be refused immediately without reasons.” One respondent told how he felt discriminated against due to his previous involvement: “It is clear and present when a friend and I both apply for the same job. He gets the job even though; I am much more qualified than he is, the only reason is that I used to be a militia member.”

The discrimination against former combatants also seems to affect the former combatants’ sense of belonging to both the community and country, as they are met with distrust: “[...] they make you feel that you are not trustworthy enough to work for them and such discriminations make you feel that you are not a citizen that have normal citizenship rights.” A similar feeling of being labeled as untrustworthy was mentioned by another respondent who felt that “[...] the moment you apply for a job - they reject you as if you were a criminal.” Regarding skill, the discrimination against the former combatants seems to have led to underemployment: “I graduated from the language department, and I speak English, but could not get a job even in private sector. I now have to work as a taxi driver, and this itself is discrimination.”

Obstacles identified by the former combatants within the focus group discussions, that prevent them from obtaining a job vary from lack of experience and educational qualifications to lack of vacancies, nepotism, age and lack of personal relationships (Figure 5). Additionally, to a lesser extent lack of skills, economic hardship in Libya, lack of support from the state, lack of trust by employers, and difficulties in obtaining required personal documentation also affect them.

One former combatant expressed concern that armed group participation had created gender discrimination since women are hired faster than men. Thus, women were favored over men because more men participated in the fighting. However, this finding was not repeated by any other FDG participants. Another telling comment by one respondent noted stereotypes and cultural biases former combatants face in trying to find employment: “Well, it depends, some people don’t prefer ex-soldiers as employees because some former combatants are uneducated, don’t have any skills and some are even not mentally stable.”
3.2 Opportunities for Job Creation

The general economic outlook of the employer respondents is overall mixed. Only three sectors wholesale & retail trade, the health sector and transportation report expected positive growth (Figure 6). The remainder of the sectors foresee a flat growth and 20% of employers in the manufacturing sector expect a negative growth. Thus, the potential for growth according to employers focuses on wholesale, health and transportation.

An employer in the wholesale and retail sector stated that while he expected moderate to positive growth, the main obstacle to expanding his business is lack of finance in Libya.

The expected growth in their respective sectors seems to correlate somewhat with the employer’s assessment of which sectors are most likely to produce jobs for youth in Sabha. As such, both the wholesale and retail trade sector, as well as the transportation sector, were listed by all of the businesses as sectors with potential for youth job creation. Ninety-seven percent of employers reported the health sector had potential employment for youth. By contrast, very few employers considered sectors such as mining, fishing, and foreign organizations as having the potential for youth employment.

Within the manufacturing sector and the wholesale and retail sector, two sectors with large growth and employment potential, a number of employers reported having current job openings (Figure 7).
Three out of five interviewed employers in the manufacturing sector report having job openings. They are hiring electricians and maintenance workers, a welder, a seamstress, and a receptionist. The skills demanded related to the positions as electricians and maintenance workers are mostly technical while more behavioral skills are in demand for the position as a receptionist. As the employer expresses it: The employee should be good to handle customers.

One out of thirteen employers in the wholesale and retail sector has job openings. The skills in demand for these open positions in wholesale are technical as they include computer skills and electrician skills.

Furthermore, seven out of eleven interviewed employers in the remaining sectors such as health, construction, communication and the public sector are also hiring new employees. One business owner working in construction says he is looking for an electrician and says the main obstacle for youths in finding employment is the lack of desire to work. Thus, it is not lack of technical skills preventing youths from getting a job according to this employer. In the communication sector there are four employers looking for a computer engineer. In the health sector, there is one employer seeking an administrative worker while another is hiring a translator and a manual worker. There is one employer in the public sector who has a position as an office assistant. The demanded skills are mostly technical regarding the positions for computer engineer. However, some language skills also seem to be in demand as both the position as a translator, the position as an administrative worker and one of the positions as a computer engineer require English skills. The administrative worker opening for the health sector also requires good behavioral skills according to the employer as he puts it: “The employee should be able to give every one equal treatment.”
Looking specifically at the possibility of creating jobs for former combatants, all of the employers in the hotels & restaurants sector report that there is low employment potential for former combatants (Figure 8). By contrast, employers consider potential for employment in the wholesale and health sector as higher. All employers in the health sector report a high potential for employing former combatants, at the same time six of ten former combatants say they would like to work in this sector. Within the wholesale sector, 88% of employers see some or high potential for employing former combatants. This seems to align with preferences among former combatants where eight out of ten report they would like to work in wholesale.
However, there also appears to be some mismatches between sector’s growth potential and former combatants’ job preferences (Figure 9). All employers within the transportation sector deem that there are excellent opportunities for employing former combatants, however, only one third would like to work within this sector. In the hotels and restaurants, sector employers assess there are low opportunities for employing former combatants. By contrast, two-thirds of former combatants would like to work in this industry. Thus, there are sectors such as wholesale and health where there is a match between employment potential and preferences among former combatants. However, there are also sectors such as hotels & restaurants and transportation where there is a mismatch between employers and former combatants.

While there are indications of potential sectors for employment, a representative from the Mustakbel Vocational Training sector stated that while the youth is perceived as knowledge thirsty, there are very poor job opportunities for youths and former combatants in Sabha due to the overall economic situation.

Breaking down the labor market as a generic value chain, the employers in Sabha across sectors reported that there are better opportunities for employing youth in the production stage, where 42% stated that there was a high potential for job generation. However, it should be noted that across all stages most employers deem there is some potential for growth in Sabha.

### 3.3 Employers: Demand for skills

The employers indicated several reasons for the high turnover rate of their workforce. Lack of required skills was listed by most employers (75%) as a reason for replacing employees. The length of working hours was mentioned by 56% of employers as a reason why employees quit their jobs (Figure 10).

The lack of required skills is reported to be an issue in Sabha. This might be related to the high skill demand in certain industries such as health, wholesale, and transportation. These were respectively 64%, 34%, and 44% who reported that they currently employ people with a university degree. The demand for high-skill labor is however concentrated in certain sectors. By contrast, the construction sector and hotels & restaurants primarily demand employees with a secondary education or less.
Skill types
The required skills that businesses demand can be categorized into different types. As skills can be obtained both through jobs and education, it is also relevant to look at the required training level of the demand sector. The findings of the youth survey suggested a correlation between education and employment as unemployment level was higher for less educated youth (Figure 11). This is somewhat aligned with employers’ demand, who overall reported a high employment share of employees with a university degree. Sectors such as health and Wholesale reported a high-skill labor demand. The general picture in Sabha is that employers retain more high-skilled people and demand higher educational levels than employers in Misrata even within the same sector such as wholesale.

For skill demands from employers it is apparent in Sabha the overall trend observed is behavioral and communication skills are essential skills for employers in Libya (Figure 12). Employers in Sabha, in general, consider behavioral skills such as respecting deadlines, following instruction and self-management as paramount. By contrast, other skill types such literacy and numeracy skills are believed to be less important in a potential employee. Although employers report an undersupply of high-skill labor, they also demand more basic workplace skills.
General workplace skills such as the capacity of learning new skills, adapting to new technologies and executing/giving instructions, are also considered more important than technical computer skills (Figure 13). It is also worth noting that, more business-oriented workplace skills such as bookkeeping, budgeting and formulating a business plan are highly valued by employers. Although using a computer is in demand by the surveyed employers, working with word processing and spreadsheets (word documents and excel sheets) is not scored as important as more practical computer skills such as data mining from the web (internet browsing), which is found to be considered as key among employers in Sabha.
Overall, employers report lack of computer skills and advanced numeracy and literacy skills as less important than life skills and foreign language skills. Lack of computer skills is reported by only 26% of employers as the skills most lacking in their city, while 86% report they demand more life skills (Figure 14). The demand for foreign language skills in Sabha looks higher compared to Misrata where respectively 93% and 36% reported that youth lack language skills.
3.4 Employment profiles of Youth and Former Combatants

Unemployment constitutes a large problem in Sabha and Libya in general as one out of four of youths in Sabha are reported to be unemployed (Figure 15). While high, this is a significantly lower youth unemployment rate than the national level of 48.9% as estimated by the World Bank. However, among the unemployed youth, more than half (57%) have been without a job for more than a year, which is a considerably larger share of long-term unemployed than in Misrata and Tripoli. An additional 14% of the unemployed youth have been without a job for 6 to 12 months.

Among the former combatants consulted in Sabha, the unemployment rate is much lower than that of the youth, nine in ten are currently employed. This level of unemployment is comparable to Misrata (8%) while in Benghazi, the unemployment rate among the consulted former combatants is much higher (33%).

Among the employed youth in Sabha, the employed youth are distributed across different sectors. The main sectors for employed youth are education sector (24%), the wholesale and retail trade sector (14%), and the health sector (13%). Given the traditional reliance on public sector jobs, it is somewhat surprising that less than one-half of the youth are employed within these three sectors in Sabha. The education, health, and public administration sectors cumulatively employ 47% of the youth, but this is lower than in Tripoli (51%) and Misrata (58%).

There is a rather large difference between male and female employment status. A surprising finding is that a much greater share of women are working full-time (67%), than their male counterparts, only half work part-time. This is exactly the opposite as findings from Tripoli and Misrata, where males represented a larger share of full-time employment. On the other hand, there is a greater proportion of males working in either paid internships (8%) or temporary jobs (15%), where only 3% of the female youth are in this less permanent employment status.

Among former combatants in Sabha, the involvement in the public sector appears to be lower as none of the former combatants in the FDG are currently employed in the public sector. As shown in the graph below, over half of the consulted combatants work as drivers or shop employees.

---

71 Public sector includes education, public administration and health and social work.
The majority (90%) of the former combatants who were involved in the FDGs are currently employed. These employment figures are similar to the ones from Misrata, where 9 out of 10 combatants are currently employed. More than a quarter work as drivers (taxi drivers or bus drivers) and one-quarter work as shop employees.

With regards to the unemployed youth in Sabha, only one out of four is actively seeking jobs. Sixty-three percent report being enrolled in school as the primary reason for inactivity. A fourth of the inactive youth are housewives, whereas only 10% report either believing that they would be unable to find a job or that no jobs are available.

When asking the unemployed youths from Sabha, both job seekers and inactive unemployed, about the reasons for their inability to get a job, some explanations stand out (Figure 16). The majority (67%) state that they do not have sufficient information on job opportunities and application processes in addition to the fact that they lack professional experience. Half of the youths had not yet finished their education. Only a third of the youth found that a lack of sufficient skills was a cause of their unemployment. A fifth found that their participation in the fighting prevented them from getting a job. In the following section, discrimination against former militia members in the labor market will be discussed in-depth.

When presenting the same question to the former combatants in Sabha, the two most prominent obstacles expressed are their lack of experience and lack of educational qualifications, as seen in (Figure 17).

Figure 16: Reasons for unemployment include lack of knowledge on job applications as well as skills mismatch

If you have been looking for a job, what factors do you believe prevented you from finding one?

<table>
<thead>
<tr>
<th>factor</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do not have sufficient job information and search resources</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>I do not have sufficient professional experience and search resources</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>I have not yet completed my secondary studies</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>I have not yet completed university</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>My area of study is not relevant to the job opportunities I am finding</td>
<td>43%</td>
<td>57%</td>
</tr>
<tr>
<td>I intend to return to school while working within the next six months</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>My skills are not relevant to the job opportunities I am finding</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Employers do not want to hire me because I participated in fighting</td>
<td>17%</td>
<td>83%</td>
</tr>
<tr>
<td>I need to spend more time or effort on my job search</td>
<td>17%</td>
<td>83%</td>
</tr>
<tr>
<td>I have difficulty in preparing a clear CV</td>
<td>43%</td>
<td>57%</td>
</tr>
<tr>
<td>Employers do not want to hire me because of my gender or ethnicity</td>
<td>100%</td>
<td>0%</td>
</tr>
</tbody>
</table>

© 2016 Voluntas Advisory. All rights reserved. Strictly Confidential.

When presenting the same question to the former combatants in Sabha, the two most prominent obstacles expressed are their lack of experience and lack of educational qualifications, as seen in (Figure 17).
Start-up and business creation potential. Access to finance and security issues are considered the main obstacles to starting a business. Moreover, the youth in Sabha seem to have a more pessimistic outlook on the potential of starting a business compared to Tripoli and Misrata. Among the youth in Tripoli, 75% found that all of the listed potential challenges, were real obstacles in the current business start-up environment, whereas only two types obstacles (finance and employees) are deemed to be challenged by the same share in Misrata. In Sabha, 80% of the youths found that all obstacles for creating a business. As such the business creation and self-employment, potential seems to be considerably lower in Sabha. Furthermore, the share of youth finding insecurity is 99%.

Sabha’s former combatants identified several obstacles to starting a business. About a third of the former combatants named lack of access to capital as a major barrier, and some added the difficulty of the procedures in creating a business. However, in contrast to the youth in Sabha (who are represented in Figure 18), only a few of the consulted former combatants found the unstable situation in the country as a large challenge to start or expand a business.
The various obstacles identified by both groups encapsulate this notion that many variables must come together in order to start or expand a business. Figure 18 shows the assessment of factors that prevent youths from starting their own business. Additionally, Figure 19 shows the perceived importance and availability of these business services. In Sabha, access to finance had the largest gap between assessed importance and availability. Not only was access to finance found to be the single most valuable business service, but it also had the lowest availability rate. Access to equipment and machinery was also deemed critical and had a relatively low availability as well as access to employees.

The former combatants identified access to capital as the central stumbling block to starting a business. One respondent noted that to help the business creation environment, “the finance is the most important thing because if there is liquidity, your business will surely succeed.” Another respondent suggested, “for example, to facilitate access to L/C and loans and to facilitate the fares bringing employment and expertise staff.”

Former combatants identified the primary skills set needed to succeed in running a business as management skills (one in five), and Strategic Planning (one out of five). As one participant explained: 99% of youth found that insecurity is an obstacle to creating a business. The high level of insecurity affecting the labor market in Sabha is also indicated when looking at the general safety level. While overall, the vast majority of youth in Sabha either feel very or somewhat safe, one in three report feeling unsafe outside their home or immediate neighborhood.

### 3.4 Youths’ skill availability

*Education.* There seems to be a correlation between education and the employment status among young Libyans in Sabha. As such, the unemployment rate is much higher for youth who did not complete primary school (75%) than for youth who did complete primary school or some vocational training (25%) or a secondary education (33%). Unemployment drops, even more, when it comes to youth with a university degree, here 87% are employed.

This indicates that the educational institutions are attuned to providing skills to youth that are needed by the labor market. It further shows that there is a higher demand for skilled labor...
than unskilled labor. The FDG’s with former combatants in Sabha did not allow establishing any particular strong relationship between education and employment. However, some former combatants in Sabha expressed frustration with problems of unemployment and underemployment affecting both former combatants with undergraduate degrees and higher educational qualifications. While the majority of the FDG respondents are in fact employed, they expressed severe issues related to their underemployment in jobs such as taxi drivers or shop employees.

While unemployment is low among the educated young people in Sabha, there are some differences across specializations. Among the young people who specialize in computer science only one-half are employed, whereas among the English, engineering and businesses the share of employed youth is nine out ten or more.

**Supply side skills**
The skills available in the supply side of the labor market in Sabha, paint an overall positive picture. The youth seem to be confident in their skills. While the average confidence level is lower for numeracy and literacy than communication and behavioral skills, most youths are somewhat confident in their skills. While still ranked as just below “somewhat confident,” the lowest level of confidence is found with regards to advanced math, such as complex algebra and statistics and more advanced types of literacy, which both seem to be a challenge for the youth in Sabha. This finding is very similar to self-assessments of youth skills in Misrata and Tripoli, where advanced numeracy and literacy also stands out negatively. Communication does not seem to constitute a problem for youth in Sabha where primarily communicating with co-workers has a very high average confidence level. As opposed to the challenges found in the more advanced literacy skills, youth are confident in their ability to express ideas in writing. Overall, the largest supply of skills is considered among behavioral skills, where, on average youth, state to be confident. Here both making decisions and following instructions have exceptionally high confidence scores.

With regards to computer skills and workforce skills, the youth show even lower confidence than for numeracy and literacy. The average confidence level is between somewhat confident and confident among the youth for both skill types, where workplace skills are a bit lower. However, especially regular computer literacy and the ability to find information on the internet have a high confidence score among all of the youth. Budgeting (accounting and bookkeeping) related skills are found to be the skill type with the lowest level of self-reported confidence among the computer based skills. Here, youth report lower levels of confidence in their skills towards using both using statistical programs and accounting software. However, overall control of workplace related software skills is low among the youth in Sabha.

Regarding workplace skills, there is also a lack of confidence in budgeting and problem-solving skills. However, workplace skills such as taking risks and complex issue solving have even lower average confidence levels among the youth. A positive finding is that the youth, in general, have a high confidence in their ability to acquire and learn new skills and adapting to new technologies, which points to a large potential for doing workforce skill development among young people in Sabha. The low confidence in taking risks, which was also found among youth in Misrata and Tripoli points towards a potential challenge for creating self-employment job opportunities through start-ups.

When it comes to skills improvements through on-the-job training, there seems to be a potential for expanding the supply and enhance the demand. As such, around one third are willing to take an apprenticeship and 24% of the businesses in Sabha provide these. Although
the gap between supply and demand is not big, the numbers are comparatively small. In Benghazi, 43% of employers offer apprenticeships, while 56% of workers are willing to undertake an apprenticeship.

In general, there seems to a very low supply of on-the-job training programs available in Sabha. Almost none of the employers provide unpaid internships nor paid or unpaid training programs. By contrast, most youths are willing to undertake these programs, e.g. one-third of youths want to participate in unpaid training programs.

In conclusion, the low supply and demand of traineeships leave a rather large unexploited potential for additional on-the-job training, which would not be expensive to undertake with the introduction of ad hoc incentives for enterprises.

As for taking part in training, apprenticeship or other formative activity that could potentially lead to a job, the former combatants responded in a somewhat polarized way (Figure 20). About half that were interviewed indicated that they would like to participate in such training and while the other half did not express the wish to participate. However, the willingness to participate in training is higher among former combatants in Sabha than elsewhere in Libya. The main reasons expressed by the consulted former combatants about their interest to participate in work-based learning and apprenticeship were: the chance of improving employment opportunities, for future self-improvement, as well as for personal learning interest. Former combatants that expressed no interest in taking part in a training, apprenticeship or formative activity, said that reasons were either not finding it necessary (about 40%), they had no available time or that they lacked physical ability.

### Figure 20: There is a match between employers and potential employees in providing apprenticeships

![Figure 20](image)

#### 3.5 Youths’ motivation

The public sector is the most desired among the unemployed youth; around half (45%) state that they would most like to work in the public or government sector, while an additional 9% would prefer to work for a publicly-owned company (Figure 21). These findings are not surprising as Libya historically has had an inflated public sector, where more than 50% of the
workforce were employed in public sector jobs. A smaller, but still considerable portion of the unemployed youth (14%) stated that they would prefer to work for a small or medium sized company.

When it comes to the duration of work, the unemployed youth wish to do; there seems to be a difference between men and women. Thus, almost 80% of male youths would like to have a full-time job, as opposed to only 64% of the females. There is a larger share of women than men, who prefer part-time and self-owned businesses rather than full-time employment. This can probably be attributed to non-work related responsibilities such as a wish for time management and taking care of the family, which traditionally resides with women in Libya. It, however, contradicts the fact that most of the employed females in Sabha have full-time rather than part-time jobs. Possibly the desire for part-time employment among unemployed women is a stumbling block for participation in a labor market that favors full-time employment. A significant share of men as well report a wish for either paid internships or apprenticeships.

Looking closer into the employment figures among the consulted former combatants, it becomes apparent that almost half (44%) were working in part-time positions before becoming members of an armed group. However, when asked about how many hours per week they would ideally like to work, all respondents reported that they would like to work full-time. Although the reported numbers are from previous employment, they serve as a proxy for current employment. Thus, there seems to be a critical amount of underemployment among

---


73 Full-time employment in the survey is defined as +40 hours a week
former combatants. Comparing the numbers with youth in general from Sabha, the results indicate that there is less underemployment among youth than among former combatants. 7% of male youth in Sabha report they currently work part-time which is six times less than the former combatants’ before the revolution.

Looking at the sectors, which the 27% of youth in Sabha who are unemployed would prefer to work in, a similar image appears. The most popular sector remains the public administration, where all respondents would like to work, followed by foreign organizations, household services and health and social services, where 92% of youth report they would like work. Thus the public sector seems to attract the majority of youth. The least popular sectors among youth are the physically demanding and traditional low skills jobs such as mining, building, and construction, fishing, manufacturing and agriculture where less than a third of youth reported a wish to work (Figure 22).

When asked about the perceived ease in obtaining employment between a business, NGO or a governmental institution, the majority of consulted former combatants in Sabha found that the private sector is the easiest in which to find employment. These findings are similar to former combatants in Misrata who also found it easier to find a job in the private sector. In the discussions among the former combatants, it became apparent that supermarkets are the easiest places to find a job as there is always a demand, but not without some grievances around education or the lack of opportunity for graduates. A few commented on the complex difficulties related to the job market; one former combatant explained what underemployment is in Sabha as: “youth are unemployed in high percentage and even those with undergraduate degrees work in supermarkets as salesmen.” Another former combatant also stated: “Currently, it is difficult to get a job even with educational qualification [...] I graduated from language college, did not find a job so I work in a restaurant.”

Figure 22: Youths in Sabha are not willing to work in agriculture, nor fishing but prefers wholesale, hotels and the transportation sector

In which of the following industries would you most like to work? Please select all that apply.
The same tendencies appear when looking at unemployed youth’s willingness to accept different job conditions (Figure 23). It is clear that they have somewhat high demands for their potential employers and are not willing to take physically demanding work, which in Libya has traditionally been taken by migrant workers. The only condition, which more than half of the young people would accept is working overtime (72%). Less than 15% would agree to a job, which does not provide social security and only 29% would accept commuting, 15% would be willing to move to another city, and only 12% of the unemployed youth would move to a rural area for a job.

However, the large share of youth who are not willing to accept certain job conditions creates a mismatch with the employer side in Sabha. Among the employers, a 94% report that they do not provide social security, 39% of the employers require flexible hours from their employees, and only 26% provide transportation to and from work. Youth in Sabha seem not to differ from youth elsewhere in demanding quality jobs, which in today’s Libya could translate as minimum decent work standards.

Among the former combatants, responses are equally divided in their preference for either self-employment (37%) or being an employee (36%). Sabha respondents also expressed many concerns around job security, preferring to be an employee to gain a more stable income and having a retirement plan. For the former combatants who preferred self-employment, this was seen as more financially rewarding.

Former combatants in Sabha favor the public sector (45%) to the private sector (29%), while the remainder (26%) expressed no particular preference. In figuring out a career progression, the respondents in Sabha expressed the wish to begin in the public sector and then move on to the private sector: “I am an employee I wanted to change my path and work on my own which will make me stronger and more independent and work as I want and they want.”
3.6 Matching supply and demand for skills

Overall the skills gaps where demand exceeds supply, primarily relate to behavioral and workplace skills. Comparing the youth’s confidence level in their skills with the level of importance attributed by the employers, it appears that behavioral skills especially, and workplace skills, are undersupplied in the current labor market in Sabha. Workplace skills such as creating a business plan, doing book-keeping and adopting new technologies have a higher importance among businesses than the corresponding supply. Behavioral skills are also in a critical undersupply compared to other skills. The gap between what is demanded and what is supplied within real skills such as respecting deadlines, problem-solving and prioritizing exceeds the gap found in other skill types.

On the other hand, the youths’ literacy skills are not deemed important by the employers, and can thus be said to be in oversupply, e.g. filling out forms, writing and reading short texts. Some computer skills are also in very weak demand, while workers assess their skill to be much higher than demanded, e.g. the ability to create and work on a word document.

Figure 24 illustrates the relationship between supply for each skill and skill type surveyed. The size of each skill indicates the size of the gap between supply and demand. All skills above the diagonal have a higher average importance among employers than the confidence among the youth. The figure mapping the skills gap between former combatants and employers is not reported. The numbers indicate that former combatants from the FDG are in general very confident about their skills.74

---

74 Ranking from 1-4, former combatants across all skill types report an average skill level of 3.8. The equivalent number among youths in Sabha is 2.8. Thus, it seems more likely that former combatants over-report their actual skill level compared to the youths in general in Sabha.
Figure 24: The largest supply skills gap relates to under supply of workplace and behavioral skills

*Indicates the difference between the importance of specific skills as expressed by the employers, subtracted by the confidence in the same skill as expressed by youth.

© 2016 Voluntas Advisory. All rights reserved. Strictly Confidential.
Figure 25 takes a closer look at the figures in a sector where businesses found the largest potential for youth job. Among the employers in the *wholesale & retail trade sector* 36% project that their business will experience positive growth shortly. The overall picture from the skills gap analysis is the same.

Workplace skills such as bookkeeping, creating a business plan and solving complex problems are still in undersupply. Behavioral skills such as respecting deadlines, prioritizing and following instructions are also in high demand and low supply in the *wholesale & retail trade sector*. In line with the overall gaps analysis for Sabha, basic literacy and numeracy are in larger supply than demand.
Figure 25: Skill gaps for youths in the wholesale & retail trade sector

*Indicates the difference between the importance of specific skills as expressed by the employers, subtracted by the confidence in the same skill as expressed by youth.

© 2016 Voluntas Advisory. All rights reserved. Strictly Confidential.
Tripoli Center Assessment
Table of Content
1 Executive Summary
2 Context
3 Findings
3.1 Tripoli job market characteristics
3.2 Opportunities for Job creation
3.3 Employers: Demand for skills
3.4 Profile of Youth and Former Combatants in Tripoli
3.5 Youths’ skills availability
3.6 Youths’ motivation
3.7 Matching supply and demand for skills
1 Executive Summary
This report focuses on assessing Tripoli’s workforce development market based on 25 interviews with employers, 100 household interviews with randomly selected 50 men and 50 women, and four focus group discussions (FGD) with a total of 34 former combatants.

Data collection was challenged by the difficulty in identifying and mobilizing former combatants to participate in the research, as well as continuous power and Internet cuts which made communication and reporting difficult. It should also be noted that minorities (e.g., Tawergha, Amazigh, etc.) have not been purposefully sampled and their perceptions are therefore not represented in the data analysis.

The context of Tripoli
With more than a million inhabitants, Tripoli is the largest city and capital city of Libya. Situated on a bay on the Mediterranean, the city includes the port of Tripoli and the country’s most important commercial and manufacturing center. Prior to the 2011 revolution, Tripoli had one of the highest unemployment rates in the country with a rate of 23.5%. However, a significant gap exists with regards to economic activity: 75% of the female population is neither working nor seeking a job, while this percentage is lower among men (34%).

Tripoli is one of the areas most affected by the 2014 conflict. Reached by fighting in July 2014, it was the stage of serious violations of international human rights and humanitarian law. Security problems are rooted in the 2011 civil war as well. Since its liberation, Tripoli has been characterized by the presence of multiple armed groups, which often have clashed for control over the city. Providing education or job opportunities to former combatants and youth could reduce the population who otherwise would take up arms without such opportunity. Moreover, in Tripoli, 32% of the respondents said that armed groups provide security rather than insecurity, a proportion sizably higher than the 23% of respondents at the national level.

Main findings on employers in Tripoli
The conflicts in Libya have negatively impacted the amount of jobs in several of the large sectors in Tripoli. The majority of employers report a decrease in employment across all sectors, including the transport, communication, and storage sector where 67% of employers reported having fewer employees than before 2013. However, there are important variations within the sectors in employment trends. For example, 36% of employers surveyed report that they have more employees in the wholesale and retail trade sector, while 55% report they have less than prior to 2013.

The current labor market in Libya employs a significant amount of migrant workers. Respectively 91% and 88% of employers report that foreign workers are more reliable and they have better skills as the reasons for hiring foreign workers. Only 53% say they hire foreign workers because they have better education. However, 92% of employers report that the main reason for a high turnover rate is lack of required skills among Libyans. In addition, more than one half of the consulted employers say that their current employees have a secondary education or less. Thus, this suggests that a more tailored approach to address the lack of skills among youths is required if youth employment is to be increased in Tripoli.

---

75 All employment related figures refer to the Libyan population aged more than 15.
76 While the general inactivity rate is 54%, as shown in the picture below.
Opportunities for job creation in Tripoli
More than half of the employers expect moderate or high positive growth in their respective sectors. Especially sectors such as wholesale and retail trade and manufacturing are deemed to have the potential for creating jobs for youths. On job creation for former combatants, the transport, communication and storage sector, as well as the wholesale and retail trade sectors, were found to be the sectors with the highest potential. The wholesale sector is considered to have high potential for job creation for both youths as well as former combatants.

Regarding job creation potential across different stages in the value chain, the production stage has the highest potential for job generation for youth in Tripoli. Seventy-five percent of employers deem there is high potential for creating jobs. This is followed by the input and retail stages, where a majority of employers stated that there is some potential for employment generation.

Main findings on youth in Tripoli
Youth unemployment is high in Tripoli, while lower than the national average, more than a third of the youth (38% of women, 28% of men) reported being unemployed. In addition, more than 40% of the unemployed youth had been without a job for more than a year. Another finding is that, among the unemployed, only around half are actively seeking jobs. Furthermore, the share of unemployed women who would like a full-time job is significantly lower than among the unemployed males.

Libya’s youths have an adverse outlook on the business creation potential in Tripoli, especially due to challenges in access to finance and insecurity. Related to both the Libyan security situation and structural overreliance on the public sector, 75% of the private businesses stated that employees are leaving to join the armed forces or public.

Main findings on former combatants in Tripoli
The unemployment rate (12%) among the former combatants consulted in Tripoli is considerably lower than the youth unemployment rate (33%). When asked about the challenges faced in finding employment, the consulted former combatants in Tripoli reported the economic hardship in the country as the largest obstacle. Many of them mention that the lack of opportunities pushes the unemployed in Tripoli to (re-)enter militia groups as a form of employment. While youth in Tripoli show a clear preference for employment in the public sector (57%), nearly half of the consulted former combatants states a preference for working in the private sector.

More than half of consulted former combatants confirm that discrimination due to past association with armed groups occurs in the Tripoli job market, whereas only about a third of the employers reported that they would not hire a former combatant. However, it must also be noted that none of the consulted former combatants in Tripoli stated discrimination is the main obstacle to finding a job in the city. Several of the former combatants state that past association with armed groups improves an applicants chances of landing a job.

Skill gaps
The youth in Tripoli, while having somewhat weak vocational skills, have high confidence in their ability to acquire and learn new skills. This is supported by the fact that the majority is willing to take an apprenticeship, and almost 90% of businesses in Tripoli already provide these.
Core behavioral skill types are deemed the most important to possess for potential employees. Meeting deadlines as well as self-management are important to employers. The ability to use accounting and bookkeeping software is also considered essential by the majority of businesses, hinting that technical and operational skills are weighed more than generic skills.

Overall the skills gap in Tripoli, among the interviewed, exist where demand exceeds supply primarily relate to workplace and computer skills. Comparing the confidence among the youths in their skills with the importance given by the employers indicate that especially workplace skills such as budgeting, business planning, regulation and self-management skills are critically under-supplied. On the other hand, the youths’ skills in computer and basic literacy skills are not deemed essential by the employers.

In the manufacturing and the wholesale and retail trade sectors which are expected to create the largest number of jobs, the most significant skills gap exists in workplace skills. In the wholesale and retail trade sector the largest gaps are found within core behavioral and workplace skills, which are both critically undersupplied.

2 Context

Tripoli historically had one of the highest literacy rates in the country. Among the population aged more than ten years, 91.3% of the city’s population is literate, among the male population, the literacy rate is 95.6%. However, the female literacy rate is lower, at 87%. More than half of the population – both male and female – has at least accomplished secondary education. As for university, 11.6% of men and 8.6% of women hold at least a bachelor degree. 79

Even before the conflict erupted, Tripoli had one of the highest unemployment rates in the country: overall unemployment was 23.5%, with little difference between male and female unemployment.80 However, a significant gap exists with regards to economic activity: 75% of the female population is neither working nor seeking a job, while this percentage is lower for men (34%).81 Among inactive men, 63% are students and 29% are retired. Conversely, 68% of inactive women are housewives, and only 29% are students. According to recent OCHA estimates, the city is also home to more than 30,000 IDPs, who have relocated here mainly from Al Jifarah, Sirte, and Benghazi.82

79 All population data and figures are from the census 2006 data
80 All employment related figures refer to the Libyan population aged more than 15.
81 While the general inactivity rate is 54%, as shown in the picture below.
Before the conflict, Tripoli – and Libya in general – were becoming increasingly attractive to foreign direct investments, thanks to an expanding private sector and an improving business environment. However, the civil war in 2011 and the conflicts in 2014 put a stop to this process and halted these developments. In addition to the public sector (comprising of education), the largest shares of workers were employed in wholesale and retail trade (12.3%), agriculture (8.1%) and transport, storage and communication (7.7%). More generally, over-employment in the public sector is even more exacerbated in Tripoli than elsewhere in Libya.

Today, estimates show that unemployment in Tripoli is in the range of 20-24%. Although six employment bureaus exist in the city, due to lack of information, it is unclear how the registration process works, or which proportion of the Libyan unemployed effectively registers. Business and trade unions are also acquiring an increasingly important role. The Tripoli City Council’s Economics Department (the local office of the Ministry of Economy) manages a database of 37,200 firms and conducts reviews to monitor types, numbers, and needs of these firms. Local chambers of commerce have a relatively broad mandate – to promote business through organizing domestic and international trade – and are increasingly oriented towards becoming the main actor in the development of small and medium enterprises. To obtain an operating license, a firm must register with the local chamber of commerce.

However, the security situation in Tripoli is worrisome. Tripoli is one of the areas most affected by the 2014 conflict. Reached by fighting in July 2014, it was the stage of serious violations of international human rights. Security problems are rooted in the 2011 civil war as well. Since its liberation, Tripoli has been characterized by the presence of multiple armed groups, which often have clashed for control over the city. Indeed, in Tripoli, the victory over the former regime’s forces reflected the combined efforts of locals and various armed groups from across the country. As a result, multiple and often uncoordinated chains of command emerged.

---


Home to the General National Congress (GNC), like most other coastal cities Tripoli is mostly controlled by the Libya Dawn coalition, a coalition of armed groups often seen as the armed branch of the GNC.\(^87\) Other relevant armed groups include the Tripoli Revolutionary Council, the Nawasi Brigade, and the Special Deterrent Force, an anti-crime unit of the Ministry of Interior. Also in the city is the Qa’qa Brigade, considered one of the most organized and best-equipped government-sanctioned armed groups in the city.\(^88\)

### 3 Findings

This section presents the main results from the workforce market survey in Tripoli. The empirical foundation for the results is various sources of data collected during August-September 2016. The data includes four different sources:

- A household survey of 100 randomly selected youths in Tripoli
- A household survey of 25 employers, chosen from the main private sectors in Tripoli
- Four focus groups with former combatants each containing 8-10 respondents
- Ten in-depth interviews with potential partners and key informants

Over two third of the population considered as youth. The category ‘youths’ is defined as Libyans in the age range of 15-35. In total, there are 409,098 in this age group in Tripoli out of a total population of 997,065 according to 2006 Census Libyan data. Forty-one percent of the population in Tripoli belongs to the category ‘youths’. The category ‘former combatants’ is defined as men that at some point have been part of an armed group. The two categories ‘youths’ and ‘Former combatants’ are not mutually exclusive. Most former combatants are in the age range of 15-35; however, not all in this age group is former combatants. Thus, it is expected that there is some overlap between the two categories. The category youth includes both men and women, while most former combatants are men.

Employers are defined as business owners or managers in the largest private sectors in Tripoli. Figure 2 shows the distribution of employees for the four largest sectors in Libya measured on numbers of employees. The chart also contains a definition of the four sectors.

### 3.1 Tripoli job market characteristics

The employers were asked to estimate the share of employees within each step of the production process in their sector. Based on the survey results, the retail and production stages...
are employ the largest number of workers (Figure 3). However, the share of employees for the retail production stage varies across the different sectors.

Manufacturing is the largest sector in Tripoli. The manufacturing sector has the largest proportion of full-time employees among the employers surveyed (71%). Conversely, the transportation, communication and storage sector has about the same proportion of full time and part time employees.

The conflicts in Libya have negatively impacted the number of employees in several of the large sectors in Tripoli. The only sector where employers reported an increase or the same number of employers as before 2013 is the manufacturing sector, where only 17% of the manufacturing sector employers reported hiring fewer people. The largest share of employers reporting a decrease in employment is the transport, communication, and storage sector, where 67% reported having fewer employees than before 2013. The industry that employs the largest number of youths across all cities is the wholesale and retail trade sector.

Foreign workers in Tripoli. Libya has traditionally relied on a large number of foreign workers. According to employers, foreign workers are preferred over Libyan nationals because they are more reliable and more willing to accept flexibility in their working hours. Educational level does not seem to be a reason for preferring foreign workers over Libyans, with only 57% of employers reported this, whereas overall skills and qualifications are reported by 88% of employers. In Tripoli, 57% of the employers surveyed are less likely to report that better education is a reason to hire foreign personnel. This indicates that job training and specific skill improvements are more needed than formal educational interventions if Libyans are to take over more the jobs currently held by foreign workers.

3.2 Opportunities for Job Creation

Overall positive economic outlook. More than one-half of the employers expected moderate or positive growth in their respective sectors (Figure 4). Businesses from the transportation, communication, and storage sector and the wholesale and retail trade sector report the most positive economic outlook for their sectors. However, as shown in the description of the youths’ most desired sectors of employment, none of the youths stated that they would most like to work within this industry. Thus, this gap between job creation potential and employee motivation could hamper the possibility of reducing unemployment in sectors with the largest growth.
The expected growth in their respective sectors seems to correlate somewhat with the employer’s assessment of which sectors are most likely to produce jobs for youths in Tripoli. As such the wholesale and retail trade sector is listed by 95% of the businesses as a sector with potential for youth job creation. The manufacturing sector is expected to have moderate positive growth by the businesses within that sector and is also expected to generate jobs by 95% of the employers. The majority of employers also identified the finance, real estate, and public administration sectors to have potential for job creation.

Wholesale and retail trade and manufacturing sectors expect high growth rate. Within the wholesale and retail trade sector and the manufacturing sector, two sectors with large growth and employment potential, a number of employers reported having current job openings (Figure 6).

Within the manufacturing sector six out of twelve interviewed employers currently have job openings. One is hiring a manual worker where the only required skills is the ability to work. Similarly, one producer of sweets is hiring a production worker, however, the employer requires that the future employee to have a bachelors degree. A manufacturer in the tile sector is hiring a production worker, however, the employer requires that the future employee to have a bachelors degree. A manufacturer in the tile sector is hiring a production worker, however, the employer requires that the future employee to have a bachelors degree.
industry is seeking a machine operator and a painter hiring a carpenter. Technical skills are required for both job openings. Two manufacturers are hiring cleaning assistants, while one is looking for a driver and another is looking for a marketing assistant for her bakery. Finally, three employers also are hiring accountants with the proper experience and educational background.

While the two sectors were found to have the largest job creation potential, other sector representatives also had job openings. Five out six consulted employers in sectors such as transportation, storage and communication and health have job openings. One working in transportation is hiring a machinery operator, while another is hiring an IT employee with technical programming skills. One in employer in the health industry is looking for an accountant. There is also a position open as a driver in a transport company, while a cargo transport employer is hiring manual workers where no specific skills are required.

On potential job creation for former combatants a somewhat different image appears. Here the transport, communication, and storage sector and the wholesale and retail trade sectors were found to be the sectors with the highest potential for employing former combatants among the surveyed employers (Figure 5).

Among the youths, about one-half report that it is harder to get a job if you have been associated with an armed group, while only about a third of the employers reported that they would not hire a former combatant (Figure 7). Moreover, there is also a difference between employed and unemployed youth. Twenty-five percent of the unemployed youth found that it is actually an advantage if you have been associated with an armed group, while only 8% of the employed youth report this.
The discrepancy with regards to labor market discrimination due to association with armed groups also appears in the inputs provided by the former combatants. More than half of the consulted former combatants noted that discrimination due to past association with armed groups exists in the Tripoli job market. One of the former combatants observes: “[…] whenever you say that you were part of one of the front lines […] you are considered a bad person […]”.

Several of these respondents state that being a former member of an armed group is an advantage to obtaining employment. Drawing from personal experience, one combatant, currently employed in the public sector, observes: “[…] I have been employed based on my contribution to the revolution, so I see that they are encouraging us and not discriminating against us”. The discussions among consulted former combatants in Tripoli seem to indicate that the discrimination of job applicants due to past association with armed groups appears to depend on location and sector. One combatant states: “It depends on the place in which you want to work, that means that if you got to a place related to the revolutionists, then it will be a good thing, but if you want to work for example in a hospital, they will look at you in a negative way.”
3.3 Employers: Demand for skills

Skills mismatch contributes to high turnover. The employers were asked if their company’s turnover rate is considered to be high among companies in their sector. Lack of required skills is reported by 92% of employers as a reason for high turnover rate (Figure 8). The length of working hours is cited by 91% of employers as another common reason for high turnover. Related to both the Libyan security situation and structural overreliance on the public sector, 75% of the employers stated that employees are leaving to join the armed forces or public sector as one of the main reasons for a high turnover rate.

Overall the lack of required skills is the most frequently mentioned reason for employee turnover, the necessary skills can be categorized into different types. As skills can be obtained both through jobs and education, it is also relevant to look at the required training level of the demand sector. Based on the youth survey findings, there seemed to be a correlation between education and employment as unemployment level were higher for less educated youths. However, employers report that a secondary education or vocational training is the optimal level of education (Figure 9). For the youths, the lowest employment frequency is found in the secondary school/educational training category. However, the demand for education varies across sectors. While a third of the businesses from the transportation, communication and storage sector finds that the optimal educational level is a university degree, half of the manufacturing sector employers and a third of the wholesale and retail find no education is needed.
Skill types
Neither numeracy nor literacy are reported to be most important to the employers across Tripoli’s main sectors. On a scale from 1 to 4, where one is not important, and four is very important, the employers found that both numeracy and literacy are somewhat necessary skills (Figure 10). Among the literacy skill types, the ability to read and understand instructions are considered the most important skill across all sectors.

Communication skills were also assessed to be only a somewhat important skill by the employers; especially workplace communication, which on average is assessed as an important skill for the demand side of the labor market. Across all the skill types surveyed, behavioral skill types are considered the most important for potential employees. Here, both being able to keep deadlines and being able to estimate the time it takes to complete a job are rated on “important.”

Figure 10: Numeracy is assessed to be a more important than literacy, while behavioral skills are most important

Among the employers, computer skills are only somewhat important skills. However, the ability to use accounting software and bookkeeping programs is deemed essential by the majority of businesses. Similarly, financial related skills are also important workplace skills to the employers surveyed. While on average the workplace skills are somewhat valuable to the employers, all skills related to financial management and administration are relevant for the demand side of the labor market.
The employers surveyed were asked which skills are most in demand. Here all of the employers state that technical skills applicable to their sectors is important. Seventy-seven percent also express a lack of basic bookkeeping skills among the workforce in Tripoli. While computer and advanced numeracy literacy skills were to be ‘somewhat important’ for a potential employee more than two-thirds of employers still express an undersupply of these skills types to match the existing demand. Foreign language skills were cited also by 84% of the employers as a skill type, which is currently lacking on the supply side of the Tripoli labor market.

### 3.4 Profile of Youth and Former Combatants in Tripoli

In Tripoli, a third of surveyed youth reported being unemployed (Figure 12). This is lower than the national youth unemployment rate estimated by the World Bank, which is at 48.9%. Among the unemployed youth, more than 40% had been without a job for more than a year, an additional 15% have been unemployed for more than six months. The unemployment rate among the consulted former combatants in Tripoli is far lower than among youth, as only about one in ten of the former combatants are unemployed.

The employed youth are mostly working in the wholesale and retail sector followed by the education and health and social work sectors. Traditional public sector jobs\(^8^9\) employ around

\(^8^9\) Public sector includes education, public administration and health and social work
half of the youths. Comparing employed men and women reveals a similar proportion of men and women working full-time and part-time. For both men and women, half are working full-time, with a somewhat higher share among women (55% compared to 49% for men). The only large differences on self-employment, more men reported being self-employed that the women surveyed. Only 10% of employed women are self-employed compared to 19% of men.

A third of the former combatants interviewed are employed in the public sector and an additional 9% work in the traditional public health and social work sector (Figure 13). This rate is relatively small in comparison to the percentage of youth employed in public sector jobs in Tripoli. Additionally, 23% of the currently employed former combatants in Tripoli work in the wholesale and retail trade sector, reflecting a similar percentage among the youth.

Focusing on the unemployed youth, only about half are actively seeking jobs. Forty-seven percent of the unemployed youths are either still in school, housewives, have health issues, do not believe they can get a job or that jobs are unavailable. The inactivity rate is higher among women (53%) than men (40%).

Most of the active unemployed lack experience with the job application process, which are the main barriers to obtaining a job (Figure 14). Furthermore, lack of adequate skills is also an issue. Eighty-three percent of the unemployed youths agreed with the statement “My skills are not relevant for the job opportunities I am finding.” This indicates that there is a mismatch

<table>
<thead>
<tr>
<th>Figure 12: A third of the youth in Tripoli are unemployed. +40% have been unemployed for more than a year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you worked for the past 7 days?</td>
</tr>
<tr>
<td>Employed</td>
</tr>
<tr>
<td>67%</td>
</tr>
<tr>
<td>More than 1 year</td>
</tr>
<tr>
<td>41%</td>
</tr>
<tr>
<td>6-12 months</td>
</tr>
<tr>
<td>1 year</td>
</tr>
<tr>
<td>6 months</td>
</tr>
<tr>
<td>3 months</td>
</tr>
<tr>
<td>1 month</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Figure 13: The majority of the former combatants are employed in public sector jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>What sector do you work in?</td>
</tr>
<tr>
<td>Public administration</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
</tr>
<tr>
<td>Health and social work</td>
</tr>
<tr>
<td>Electricity, gas and water</td>
</tr>
<tr>
<td>Hotels, restaurants, coffee shops</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

© 2016 Voluntas Advisory. All rights reserved. Strictly Confidential.
between the available jobs and the skills held among the unemployed youth in Tripoli. Also, 77% of the unemployed youths, who have been a member of an armed group, stated that their involvement in the recent conflicts contributed to their employment status, as employers did not want to hire them because of their participation in the fighting.

The former combatants interviewed in Tripoli view the general economic situation in the country as the largest obstacle to finding a job in the city (Figure 15). Of note, the former combatants interviewed in Tripoli did not view membership in an armed group as a barrier to finding a job.
Start-up and business creation potential
Access to finance and insecurity are considered the main obstacles to starting a business in Tripoli. More than 75% of youths cited all of the listed potential challenges as obstacles to starting a business in the current environment in Tripoli. However, lacking business skills and limited availability of entrepreneurial skills training was also identified by 74% of the youths surveyed as major obstacles for starting a business. As such the business start-up potential seems to be affected more by external variables, such as a fragile economy and volatile security situation, rather than lack of business support services.

Based on the market survey results, access to finance had the largest gap between assessed importance and availability (Figure 16). Not only is access to finance considered the single most valuable service, but it also has the lowest availability rate among the employers surveyed. Access to equipment and machinery is also considered critical and has a relatively low availability. The smallest gaps between availability and importance are found to be access to English courses and entrepreneurial training.

Figure 15: The economic hardship of the country and nepotism are the biggest obstacles to employment

Figure 16: Under supply of access to finance, machinery and potential employees

On a scale from 1 to 7, please rank the availability AND importance of the following services.
The former combatants interviewed in Tripoli also identify access to capital and insecurity as the largest obstacles to starting or expanding a business (Figure 17). Concerning capital, one of the combatants explains: “[The] banking system is very bad and [it is] hard to get any loans to start up.”

When asked which services would contribute the most to improving the conditions for opening or expanding a business, the former combatants interviewed in Tripoli noted access to capital and improvement of the security situation.

Outside of their immediate home or neighborhood more than half of the youths reported feeling either unsafe or very unsafe. While insecurity is overall high, men report higher levels of insecurity at distribution and community centers (80%) compared to women (68%). This might hamper the potential for reintegrating the youths into the labor market as commuting to work over longer geographical stretches would be associated with considerable insecurity.

### 3.5 Youths’ skills availability

Based on the workforce market survey results, there seems to be a correlation between education and employment status among youth in Tripoli. As such, unemployment among youths who have either received vocational or university education is 20-25% compared to youths who only have a secondary education (54% unemployed). Three out of four youths with a university degree in Tripoli have a job. In general, this trend is also found in Sabha, Misrata, and Benghazi with employment levels, respectively, 87%, 79% and 76% in Sabha, Misrata. Thus, youths with a university degree across all cities are more likely to be employed.

On the various higher education specializations with the lowest level of unemployment, medicine and health educations figure prominently (Figure 18). Based on the workforce market survey results, these specializations have the lowest level of unemployment (14%),
while the social science educations and liberal arts have the highest unemployment rates among the specializations, with respectively 57% and 40% unemployed.

**Supply side skills**
The youth surveyed have a lower confidence in their numeracy skills than literacy, communication, and behavioral skills. Advanced math, such as complex algebra and statistics seem to be a challenge for the youths. Almost all youths reported being either very confident, confident or somewhat confident in all of the literacy indicators. This is in line with the general high literacy rates in Libya.

With regards to computer and workforce skills, youths also show confidence in their skills. The average confidence level is between somewhat confident and confident among the youth. The ability to find information on the internet has a high confidence level rating among all of the youth. Youth overall have a lower level of confidence in their financial management skills compared to other computer-based skills, with youths reporting lower levels of confidence in their skills in using spreadsheets and accounting software.

Youth surveyed also have a lower confidence in financial management related and problem-solving skills. Youth had the lowest confidence in doing bookkeeping and accounting and solving complex problems. However, the youths, in general, have a higher confidence in their ability to acquire and learn new skills, which suggests a potential for implementing workforce skill development among youth Tripoli. The lower confidence in taking risks suggests a challenge for creating self-employment job opportunities through start-ups.

On skills improvements through on-the-job training there is potential in expanding and working through existing structures based on the workforce market survey results. As such, more than 75% of youth surveyed are willing to take an apprenticeship, approximately 90% of businesses in Tripoli already provide these. While 46% of youths are willing to take an unpaid training program, only 13% of the businesses surveyed provide such programs, creating a potential for providing additional low cost on-the-job training programs. A third of youths in Tripoli would be willing to take an internship without pay, while only 11% of the businesses offer such positions. As internships and training programs are a mechanism to introduce the youth force to technical and workplace related skills, there seems to a considerable potential within these elements.

### 3.6 Youths’ motivation

The public sector is the most desired among the unemployed youths; where more than half (57%) state that they would most like to work. An additional 14%, the second largest category, state that they would prefer to work for a publicly-owned company. These findings are not surprising as Libya historically have had an inflated public sector, where more than 50% of the workforce are employed in the public sector jobs.\(^9\) Furthermore, as Libya under Gaddafi can be described as a rentier state, the major companies were nationalized in the 1960’s and never privatized again, leaving an even larger share of potential jobs within the public sector.

While the youth surveyed prefer public sector employment, nearly half of the former combatants prefer working in the private sector. Moreover, when asked whether they would prefer self-employment to being an employee, two-fifths state that they would prefer to be an

---

employee and half prefer to be self-employed. The main reason cited for preferring to be an employee was guaranteed employment.

On the amount of work the unemployed youths are willing to do, there is a difference in the survey results between men and women. Half of the male youths would like to have a full-time job, compared to only 27% of the women. There is a larger share of women than men, who prefer part-time and self-owned businesses rather than full-time employment.

Among the 33% of the youths who are unemployed, a trend among the sectors they would prefer to work and the job creation potential for each sector emerges. As such, for the sectors where the job creation potential is small, there are also lower percentages of youths who prefer to work in those sectors. Of note, none of the youth identified the wholesale and retail trade as a sector that they would prefer to work. The largest employer in Tripoli is wholesale and retail trade (12.3%) sector after the public sector.

The most popular sectors among youths in Tripoli are the traditional public sector jobs such as public administration, education, and health services. Finance, real estate, and household services are also popular industries among the youth, who also assess the job creation potential in these sectors to be overly positive (Figure 19).

Looking at unemployed youths’ willingness to accept different job conditions, it is clear that they have somewhat high demand for their potential employers. As such, the only condition, which more than half of the youth would accept is working overtime (75%). Less than 10% would accept a job, which does not provide social security (6%) and only 25% would accept a job that would require commuting, 17% would be willing to move to another city, and only 12% of the unemployed youth would move to a rural area for a job.

A large share of the youths who are not willing to accept certain job conditions creates a mismatch with the demand side in Tripoli. Among the employers, a third report that they do not provide social security, half of the employers require flexible hours from their employees, and only 17% provide transportation to and from work.
3.7 Matching supply and demand for skills

Overall the skills gaps between supply and demand, where demand exceeds supply primarily relate to workplace and computer skills. Comparing the confidence among the youths in their skills with the importance given by the employers indicate that especially workplace skills such as budgeting, business planning, regulation and self-management skills are critically under-supplied.

On the other hand, the youths’ skills in computer and basic literacy skills are not considered essential by the employers, and can be considered in oversupply. Despite computer skills, in general, being in oversupply, using accounting software is found to be more important than the youths have confidence in their abilities to perform that skill.

*Figure 20* below illustrates the relationship between supply available for each skill and skill type surveyed. The size of each skill indicates the size of the gap between supply and demand. All skills above the diagonal have a higher average importance among employers than the confidence among the youths.
Figure 20: Workplace skills and behavioral skills are critically under supplied

*Indicates the difference between the importance of specific skills as expressed by the employers, subtracted by the confidence in the same skill as expressed by youth.
Figure 21 and Figure 22 show the sectors where businesses found the largest potential for creating employment for youths in Tripoli. Among the sectors in Tripoli the manufacturing and the wholesale and retail trade sectors are expected to create the most significant amount of jobs.

For the manufacturing sector the largest skills gap is seen financial management related workplace skills. In the wholesale and retail trade sector, the largest gaps are found within behavioral and workplace skills, which are both in critical undersupply.
Figure 21: Creating a budget and using accounting software is critically under supplied in the wholesale sector

*Indicates the difference between the importance of specific skills as expressed by the employers, subtracted by the confidence in the same skill as expressed by youth.
Figure 22: Workplace skills and behavioral skills are under supplied in the manufacturing sector

*Indicates the difference between the importance of specific skills as expressed by the employers, subtracted by the confidence in the same skill as expressed by youth.

© 2016 Voluntas Advisory. All rights reserved. Strictly Confidential.
5 References


Page 157 of 161


