



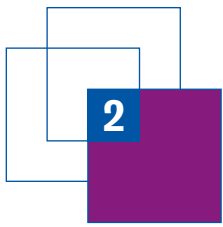
International
Labour
Organization

A large, light blue outline map of the Arab region is positioned in the background, framing the central text.

Regional Overview

Regional Office for Arab States

January 2011



Background

The **Arab States** share economic, social, political and demographic challenges despite their diverse characteristics (oil-producing economies, transition economies, fragile and conflict-affected States as well as LDCs).

The socio-economic profile of the region continues to be characterized by high rates of **unemployment, underemployment, informal employment and low productivity**. A significant portion of the new jobs created are temporary and informal, particularly affecting young people.

Despite the gradual reduction in poverty, social inequality and income disparities are on the rise, especially in view of rising oil and food prices. As the general population steadily increases, an expansion of the economically active population will add pressure on employment creation. Extending adequate **social protection** to marginalized groups will remain a challenge in the coming decade.

Political instability and the persistence of armed conflict threaten socio-economic progress. Slow-paced political liberalization processes in some countries fuel existing discontent and social alienation. The enlargement of disenfranchised and vulnerable groups across the region, such as migrant workers and refugees, is likely to intensify tensions by amplifying inequalities.

Countries covered by the ILO Regional Office for Arab States

Bahrain

Iraq

Jordan

Kuwait

Lebanon

Oman

Qatar

Saudi Arabia

Syria

United Arab Emirates

Yemen

occupied Palestinian territory

Decent Work Country Programmes (DWCPs)

constitute strategic frameworks to support ILO constituents and mainstream the Decent Work Agenda into national priorities throughout the region

DWCPs are fully operational in

Bahrain

Oman

Syria

Yemen

New programmes are being developed in

Iraq

Jordan

Lebanon

United Arab Emirates

occupied Palestinian territory

Regional Challenges

Arab states face significant challenges in developing effective institutional frameworks and responding to the impacts of the global financial and economic crisis.

Employment and **social protection policies** tend to be incomplete and fragmented, remaining outside the core of national policy debates.

The promotion of **fundamental rights at work** has not been a priority.

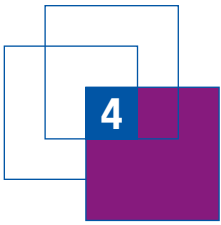
Social dialogue mechanisms are weak, lacking adequate institutional frameworks.

Arab labour markets are characterized by **high labour force growth** rates due to rapid population growth and the **lowest labour force participation** rates in the world (50.9%), especially for women.

Despite some gains, the **economic participation of women** remains noticeably low compared to other regions in the world.

Youth unemployment is more than double the overall rate of unemployment, which is one of the highest globally.

Despite growing numbers of **migrant workers** in Arab states, institutional structures for their protection remain weak and in need of reform.



ILO Regional Agenda

In October 2009, representatives from governments and workers' and employers organizations from 22 Arab countries gathered at the first-ever Arab Employment Forum (AEF) in Beirut and endorsed a regional agenda for action to mitigate the impacts of the global financial and economic crisis.

In line with the Global Jobs Pact, the **ILO Declaration on Social Justice for a Fair Globalization** and the Arab Decade for Employment (2010 - 2020), the **Arab Action Agenda for Employment** constitutes the overarching framework for ILO interventions in the Arab region.

A tripartite technical committee was established with the support of the **Arab Labour Organization** and the **ILO** to advance the **AEF Action Agenda**, promote social dialogue on employment issues and share knowledge and expertise between Arab countries.

The AEF Tripartite Committee convened its first bi-annual meeting in Cairo, Egypt in May 2010, and met again in Rabat, Morocco in December 2010.

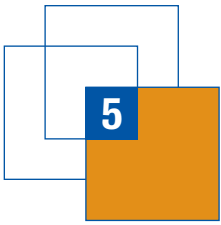
Supporting **decent employment**, sustainable growth and recovery

Building adequate **social protection** systems and protecting people

Strengthening **International Labour Standards** and workers' rights

Enhancing **social dialogue** and tripartism for crisis analysis and response

Promoting **sustainable enterprises** for job creation and retention



ILS & Fundamental Principles and Rights at Work

A. Ratification of Labour Standards

The Arab Action Agenda for Employment reaffirms the commitment of member states to the application of international labour standards (ILS) in order to promote a culture of social dialogue and rights at work.

In addition to the low level of ratification of conventions 87 (freedom of association) and 98 (collective bargaining) in Arab States, conventions relevant to governance tend to be overlooked (with the exception of the labour inspection convention), such as those related to migrant workers and social security.

Yemen

The ILO supports social dialogue to **integrate gender equality concerns into labour market governance**. As part of a rights awareness campaign, ILO has trained 12,000 women and men from the public and private sectors in five governorates over two years.

Jordan

Lebanon

Syria

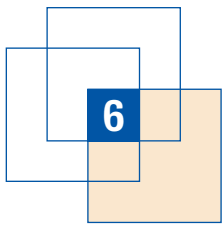
The ILO has supported the establishment of tripartite task forces to mainstream **gender-equality** in national policymaking and labour market planning. The capacity of these task forces has been strengthened through increased awareness-raising sessions on international labour standards specifically on the following conventions: **C100** on Equal Remuneration (1951), **C111** on Discrimination (1958), **C156** on Workers with Family Responsibilities (1981) and **C183** on Maternity Protection (2000).

Syria

A tripartite technical training seminar on «The right to social security: International social security standards and their national policy implications», took place in February 2010, at which tripartite participants acknowledged the importance of Convention No. 102 for Syria, they invited the ILO to carry out a study on the compatibility of the Syrian legislation with Convention No. 102 and requested the ILO to assist the Government of Syria in the development of a strategy for the ratification of the Convention.

Kuwait

The ILO is preparing a capacity building initiative to support the Government and social partners in their efforts to ratify and implement conventions 100, 122, 187 and 129.



ILS & Fundamental Principles and Rights at Work

B. Labour Law Reform and Enforcement

Most Arab countries have revised their labour laws to harmonize them with ratified conventions, and have committed to fundamental principles and rights at work, particularly concerning discrimination, child labour and force labour.

However, labour inspection tends to be confined to formal work in urban areas, excluding domestic and agricultural labourers, and workers in the informal economy.

The recent influx of migrant workers to some Arab countries poses new challenges for labour inspection and the enforcement of labour standards. The legal and economic vulnerability of migrant workers can undermine the decent work conditions and standards of national labour markets.

Iraq

Jordan

Lebanon

Qatar

United Arab Emirates

Yemen

New draft labour laws are under review with a view to aligning national legislation with ratified Conventions or facilitating new ratifications, including on **freedom of association and collective bargaining**.

Jordan

Oman

New legislation relating to **freedom of association** has been adopted.

Jordan

Better Work Jordan

With technical support from the ILO, Jordan amended labour legislation in July 2008 to extend coverage to agricultural and domestic workers.

Amendments to the labour law were introduced in June 2010, aimed at strengthening the functions of the National Tripartite Committee for Labour Affairs and introducing **amendments to trade unions' rights**.

In terms of law enforcement, the ILO is implementing the **Better Work Jordan programme** which aims to improve labour standards and competitiveness in the apparel sector. Based on the progress made and the participation of more than 35% of the factories in the programme, a Council of Ministers decision was taken in 2010, making the programme mandatory.

Kuwait

In December 2009, the National Assembly of Kuwait submitted to cabinet a new **labour law** that **covers all workers in the private sector**, including migrants (who constitute 96% of the workforce) but with the exception of domestic workers. Longer annual sick leave, severance pay and improved maternity and termination of employment protection are some of the provisions of the new labour law. It also sets stricter penalties, including imprisonment, for trading visas and recruiting foreign workers without providing work or ensuring a regular wage. Finally, the law requires the government to introduce a minimum wage for lower-paid jobs.

Syria

Syria adopted a new labour law, approved by Parliament and the President in March 2010. A study was launched as part of the ILO/UNDP project on **Enhancing Civic Engagement in Corporate Social Responsibility**.

The study provides a detailed analysis of Syrian labour and social security laws, as well as the legal environment for promoting the ten principles of the Global Compact.

Labour market governance and reform

To support labour market governance and reform, the ILO provides technical support to harmonize labour laws in the **Gulf Cooperation Council** states and to ensure cross-fertilization of best practice in labour administration and labour inspection.

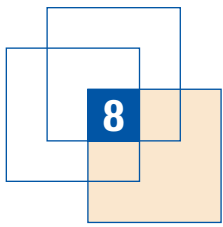
Labour inspection systems

ILO has conducted labour inspection audits in several countries (**Syria, Yemen, Lebanon, the occupied Palestinian territory**) to strengthen labour inspection systems and capacity for law enforcement.

Fundamental principles and rights at work

The technical assistance provided to the GCC through annual seminars – held jointly with the Executive Bureau for Ministers of Labour and Social Affairs – has contributed to promoting fundamental principles and rights at work.

As a result, several **GCC states** have strengthened their labour inspection units to combat trafficking and forced labour.



ILS & Fundamental Principles and Rights at Work

C. Child Labour

The past decade has witnessed significant improvements on the issue of child labour in Arab states.

Arab states and societies have shown a commitment to tackling child labour, with an almost 100% ratification rate of the **Minimum Age Convention 138** and **Convention 182 on the Elimination of the Worst Forms of Child Labour**.

Legislative reform raising the minimum age for work has been accomplished in many countries along with other child protection measures.

However, most Arab states lack effective monitoring and implementation mechanisms. Many working children are in the informal economy where labour law is seldom applied.

There is a specific need to respond to children in situations of conflict and to address the child labour–youth employment nexus.

Lebanon

Syria

Yemen

The ILO is currently implementing projects to tackle the worst forms of Child Labour in these countries.

Jordan

In 2011, a new programme to combat child labour will be launched.

Iraq

ILO and UNICEF will conduct qualitative research to document the magnitude of the problem.

Syria

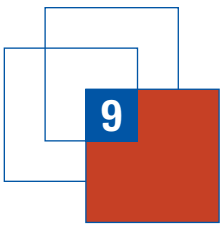
National Campaign for the Elimination of the Worst Forms of Child Labour

The campaign will be launched in 2011 by the **Syrian Ministry of Social Affairs and Labour**, in collaboration with the **ILO** and **UNICEF**:

A national study on child labour has been completed and is currently under review.

A national action plan in preparation will be integrated into the 15th Five-Year Development Plan.

Ten capacity-building workshops have been held in various governorates between August and December 2010 on the national action plan, labour inspection, SCREAM, OSH, ILS, the role of trade unions and the role of employers.



Employment

A. Labour market information and employment policies

There is a dearth of reliable **labour market data** in the Arab states. Indicators such as ‘unemployment’ remain a source of political controversy. Quarterly and annual Labour Force Surveys are conducted in the occupied Palestinian territory, Jordan, Syria and Iraq; but not in the rest of the region. Moreover, this information is not always shared with users of the data, such as the relevant ministries.

Poor data collection, analysis and dissemination negatively impact the capacity for effective labour market monitoring and the provision of employment services such as job placement, career guidance, vocational training and job creation. Furthermore, employment policies – which are useful tools for planning, coordinating and monitoring job creation within the national policy framework – remain underdeveloped.

National Employment Policies

The ILO has provided tailored technical assistance for the development of national employment policies in **Jordan, Yemen, the occupied Palestinian territory, Syria** and **Iraq**.

The Centre for Arab Women Training and Research

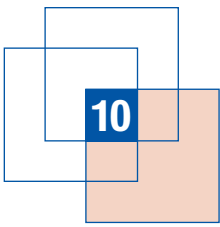
With ILO support, the centre has implemented a regional initiative on **gender and employment in the informal economies** of Arab states. One of the achievements of the initiative, covering **seven countries**, is that informality is now a central feature of labour statistics analysis in the policy-making process. Concrete developments include the **post-war household survey in Lebanon** in 2006 and the **labour force surveys** conducted by the **Central Bureau for Statistics of the Syrian Arab Republic** and by the **Palestinian Central Bureau of Statistics**.

Jordan

Jordan was selected as a pilot country for the **national implementation of the Global Jobs Pact**. A rapid labour market assessment was carried out, and a country scan was undertaken examining the impact of the crisis on Jordan and reviewing the country’s national policies, including the institutional setting, to respond to the crisis in a sustainable manner.

occupied Palestinian territory

The revitalization of the **Palestinian Fund for Employment and Social Protection** is a key element of the economic reform programme and the National Employment Policy of the Palestinian Authority in 2011. The Fund aims to support the implementation of active labour market policies in the occupied Palestinian territory, and to address the employment gap by providing a range of financial and non-financial services.

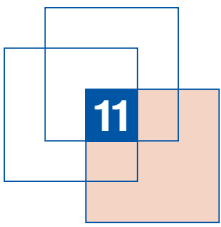


Lebanon

In August 2010, Lebanon amended its **labour and social security laws to the benefit of Palestinian refugees**. ILO and UNRWA are working with the Ministry of Labour to establish mechanisms and systems to implement the laws, including the issuance and monitoring of work permits for Palestinians. In 2011, ILO, in partnership with the Ministry of Labour, the Committee on the Employment of Palestinians and the European Union, will conduct a nationwide labour force survey of Palestinian refugees.

Yemen

The ILO assists in capacity-building for the Labour Market Information and Analysis Unit at the Ministry of Labour, to support the implementation of the **National Employment Strategy** and its Action Plan. By collecting, processing, analysing and disseminating updated quality labour market data, the project enables the Government to better allocate scarce resources for the diversification and revitalisation of the Yemeni economy.



Employment

B. Entrepreneurship Development

Objectives

Assist governments to improve their **policy and regulatory frameworks** and make them conducive for enterprise development.

Provide **institutional assistance** to service providers and representatives' associations to improve their services and support enterprises.

Provide **training** on **business development skills** and fostering a culture of **entrepreneurship** among youth

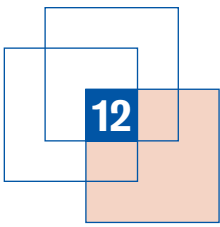
Promote **research** and **knowledge-sharing** on national, regional and international best practice.

Know About Business (KAB)

Since 2006, ILO has nurtured entrepreneurship among youth in vocational/technical and formal education. The ILO Know About Business (KAB) curriculum is currently implemented in six countries: **Syria, Oman, Iraq, Lebanon, Palestine** and **Yemen**.

Women enterprise development and gender equality

In the area of women enterprise development and gender equality, a number of global tools have been adapted and tested, including: GET Ahead for Women in Enterprise and the Women's Entrepreneurship Development Capacity Building Guide. Operating in post-conflict settings (**Iraq, Yemen, occupied Palestinian territory** and **Lebanon**), the programme emphasizes economic literacy for women through the use of a simplified value chain approach and support for new and existing rural cooperatives.



occupied Palestinian territory

Policy framework for MSMES

The ILO has supported the development of a policy framework on micro, small and medium enterprises that aims to support the Palestinian Authority in providing an integrated response to the challenges and opportunities facing existing and emerging MSMEs. Building on this initiative, ILO technical support will be provided for the establishment of a **national SME agency** tasked with the implementation of key elements of the framework.

Job creation efforts

At the community level, the ILO supports job creation efforts through strengthening viable member-controlled **cooperatives to work as business enterprises**.

The ILO was instrumental in facilitating the development and endorsement of a unified cooperatives law by the Palestinian Council of Ministers in July 2010.

The new law will put an end to the dual structure of cooperatives in the **West Bank** and **Gaza**, the unification of which will be promoted through the **establishment of a General Commission for Regulating Cooperatives**, a semi-autonomous service structure, as well as turning weak and inefficient local cooperatives into viable business enterprises.

Syria

Inclusion of KAB in the national curriculum

The ILO, in collaboration with SHABAB, a Syrian youth-focused NGO, successfully secured the Ministry of Education's approval for the inclusion of **Know About Business** in the national curriculum. To date, the ILO-SHABAB project has reached over 32,000 students, while training 600 teachers across nine governorates.

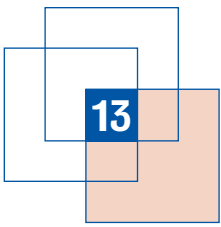
Yemen

KAB in TVET programmes

The Ministry of Vocational Education and Technical Training piloted KAB in selected TVET programmes during the academic year 2008 / 2009. To date, KAB has been delivered in 21 vocational institutes to over 1,657 students, with over 50 teachers trained.

Women entrepreneurship development

The ILO works on the promotion of women entrepreneurship development through **capacity-building for women service providers** (consultants and trainers) and preparing **business management training materials for women**.



Employment

C. Skills Development

The principal issue of skills mismatch and unsatisfactory employment outcomes of education and training is broken down into three policy challenges and responses:

Relevance of training

linking skills demand and supply

Quality of training

standards and accountability

Access to training

availability of skills development opportunities, encompassing equity and labour market issues

Policy objectives and responses in the area of skills development are closely related to the other key employment issues in the Arab region: a top priority of skills development is to improve youth employment; workplace learning is an important means of increasing skills and fostering enterprise development; and linking skills development to employment opportunities depends on the success of macro-economic policies to spur job-rich growth.

Yemen

The Ministry of Technical and Vocational Education and Training (TVET) established a Girls' Training and Education Department. ILO provided support through **training** TVET providers and a **media campaign**.

Gaza

To address the urgent humanitarian needs resulting from the 2008 conflict in Gaza, the ILO established a strategic partnership with UNRWA to implement a series of **quick-impact interventions**: tackling the skills deficit in the construction sector, promoting emergency employment through the construction of green shelters, and enhancing youth employment opportunities through the strengthening of knowledge and information platforms. ILO promotes green jobs through supporting the use of compressed earth blocks, without the use of cement or other standard materials, for the building of shelters.

Lebanon

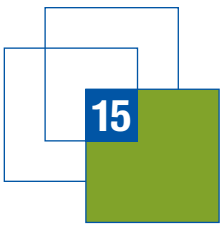
Post-war socio-economic recovery

ILO contributes to post-war socio-economic recovery through a series of interventions to meet the demand for skilled construction workers. The project targets employment generation through the provision of employment services and accelerated skills training for priority jobs in the construction sector.

Employment services for the Lebanese population and Palestinian refugees

The ILO supports the **National Employment Office** and relevant non-governmental organizations to provide more efficient and effective employment services targeting the Lebanese population and Palestinian refugees, particularly women and youth.

In the aftermath of the conflict in the Nahr al-Bared Palestinian refugee camp in north Lebanon in 2007, ILO and UNRWA established **employment services centres in the Nahr al-Bared and Baddawi Camps** to provide support to the 30,000 displaced refugees in rebuilding their livelihoods. The ESCs have linked over 1,000 Palestinian refugees to job opportunities, and placed over 400 in employment and vocational and educational training.



Social Protection

A. Social Security

Arab states have, in recent years, increasingly paid attention to strengthening social security and protecting their citizens.

Objectives

To build a **social protection floor** (a minimum set of social protection guarantees) in countries suffering from:

the repercussions of current or past conflicts
(Iraq, Lebanon oPt, and Yemen)

high informal employment
(Lebanon, Syria and Yemen)

large numbers of migrant workers
(GCC)

To improve **social protection against unemployment** in countries with high unemployment and underemployment, especially among young people and women, and to bring people (back) into jobs.

To enhance **governance and management structures** in order to ensure the effective and efficient administration of social security benefits.

Arab Action Agenda for Employment

Governments, workers and employers from **22 Arab states** have endorsed an Arab Action Agenda for Employment, based on the ILO Global Jobs Pact, that identifies 'building adequate social protection systems and protecting people' as a priority area.

Bahrain

Bahrain became the first Arab state to implement an unemployment insurance scheme in 2006.

Kuwait

Oman

The ILO assisted in reviewing actuarial valuations of the pension schemes and in developing policy recommendations.

Lebanon

The ILO carried out a **technical review of the actuarial study on the pension reform process**. The ILO provided the Government with a technical report assessing the plausibility of the assumptions and scenarios, reviewed the financial viability of the suggested scheme as well as management and governance arrangements, and proposed relevant policy options.

Syria

The ILO implemented a **technical cooperation programme** focussed on enhancing national capacities to design, manage and govern social security, and to expand social security coverage, including an assessment of the impact of the global crisis on employment and social protection in Syria.

In 2011, an EU-funded project on **Strengthening Social Protection** in Syria will be implemented in cooperation with UNDP. The project will contribute to poverty reduction through enhanced social protection in the framework of the Decent Work Country Programme through strengthened social security policies and administration, improved access to adequate levels of social protection for all workers and their families, including those in the informal economy.

occupied Palestinian territory

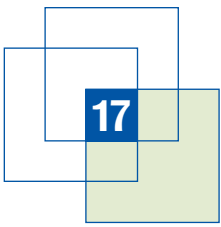
The ILO has mapped gaps in social security coverage to support tripartite partners in enhancing social security coverage for the population.

Jordan

The **National Campaign for Social Security and Coverage for All** extended social protection to previously uncovered groups of workers, including workers in small enterprises and agricultural workers.

The ILO has supported the Government in conducting an **actuarial valuation of its pension scheme** and has provided technical assistance in designing a **maternity protection scheme** that shifts the responsibility for funding women's salaries during their maternity leave from individual employers to social insurance.

In March 2010, the **social security law** was adopted as a temporary law focusing on the reform of the pension scheme (including extension of pension coverage to workers in small enterprises, introduction of unemployment insurance savings accounts, and introduction of health insurance).



Social Protection

B. Migration

Temporary foreign labour migration to the Arab States has significantly **increased** in recent years to meet the growing demand for labour, especially in the construction and domestic work sectors.

Certain procedures for the recruitment of foreign workers have not allowed labour markets to function effectively. The 'free visa' or **Kafala** (sponsorship) system causes distortions to the market, and can lead to forced labour and trafficking by allowing employers to bring in workers for whom there are no real jobs.

There is widespread infringement of the fundamental and working rights of migrant workers including: **retention of passports, forced labour, low wages and withholding of wages, bad working conditions, non-payment of due benefits, and physical and sexual abuse.**

The ILO advocates for decent work for domestic workers in the Arab region, and provides policy advice and technical assistance to governments on:

the reform of regulatory frameworks governing the employment of migrant workers

developing legislation and mechanisms towards better protection of the most vulnerable workers

developing programmes for the elimination of trafficking and forced labour

Bahrain

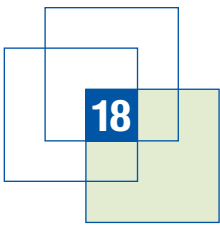
Kuwait

Oman

These countries have taken **steps to replace the Kafala system** (the legal basis for residency and employment) by a state-managed system that protects the rights of migrant workers more effectively.

Jordan

Following the issuance of its first ever anti-trafficking law in May 2009, Jordan adopted in February 2010 a national strategy for **combating human trafficking**, developed with the support of the ILO.



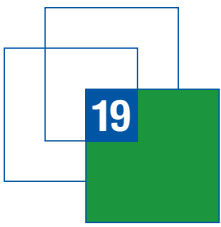
Lebanon

The ILO has provided support to the **National Steering Committee on Migrant Women Domestic Workers** since 2005. This has led to a series of interventions including: the issuance of ministerial decrees on the application of a unified contract and the monitoring and regulation of private employment agencies; the introduction of social protection measures; and endorsing the rights booklet to be used by workers and employers alike.

These initiatives have been supplemented by an **awareness-raising campaign** to sensitize policymakers, parliamentarians, educational institutions, and the public to the rights of migrant domestic workers.

United Arab Emirates

The ILO is providing technical assistance to **strengthen the wage protection system** and to enhance working conditions through the development of **federal regulations on Occupational Safety and Health** in the construction sector.



Social Dialogue

A. Industrial relations

Due to a combination of factors, such as the quality of laws governing freedom of association and structural flaws, **trade unions in the Arab region remain weak.**

There have been recent advances in the right to organise and bargain collectively in **Bahrain, Oman** and **Kuwait**, but limited progress in other Arab states.

Arab employers' and workers' organizations should intensify their efforts in asserting their roles as strong, independent and representative parties of social dialogue. This will enable them to attract and retain membership through the delivery of value added services, representation and advocacy, as well as to be able to turn labour law and industrial relations into effective instruments of decent work.

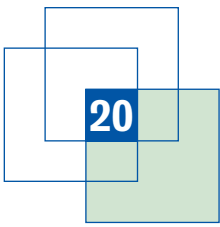
Arab Action Agenda for Employment

The Arab Action Agenda for Employment, adopted by **22 Arab states** at the Arab Employment Forum in 2009, identifies the promotion of national and regional social dialogue as a priority area for action and encourages the **establishment of social and economic councils.**

The Agenda also encourages governments **to ratify and implement ILO conventions related to social dialogue;** confirming that effective social dialogue is linked to all public freedoms - especially to freedom of expression - and creating incentives and channels to encourage, institutionalize and revitalize social dialogue mechanisms in close cooperation with the social partners.

Regional Conference on Social Dialogue

Building on the momentum of the AEF meeting in Beirut in October 2009 and the AEF follow-up meeting in Cairo in May 2010, the Regional Conference on Social Dialogue in Rabat was organized in December 2010. Participants discussed modalities for institutionalizing social dialogue in developing countries, presenting Arab experiences from Morocco and Jordan, in addition to the international experience of Spain, Brazil and South Africa. The Conference concluded with recommendations toward enhancing the environment for social dialogue in Arab states through developing programmes at the national level.



Tripartite advisory committees

Committees have been established with ILO support in several locations (Syria, Yemen, Jordan, Oman, the oPt), and some countries such as Jordan have established Economic and Social Councils.

Oman

ILO assistance to workers, including the drafting of a Constitution and internal rules for the General Federation of Omani Trade Unions, led to the establishment of the new General Federation of Oman Trade Unions in February 2010.

Syria

Yemen

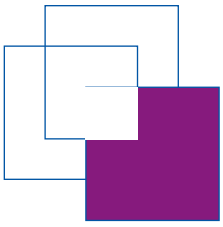
Social dialogue strategies are being developed to strengthen the institutional capacity of tripartite consultative committees, and other institutions, for social dialogue.

occupied Palestinian territory

The ILO has facilitated the reactivation of the national tripartite committee, launched in February 2010; supported the development of a labour inspection and social dialogue strategy, outlining principles for its implementation; and engaged in a capacity-building programme for employers' and workers' organizations.

Bahrain

Bahrain has enacted reforms to enhance freedom of association and the right to collective bargaining. However limitations persist, such as the absence of the right to organize in the public sector and restrictions on strikes.



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