



## Arab Employment Forum

*A Jobs Pact for Recovery and Growth*

**Beirut, 19-21 October 2009**

### ***Arab Action Agenda for Employment***

#### **I. Introduction**

1. We the delegates of governments, employers' and workers' organizations from Arab countries participated in the Arab Employment Forum organized by the Arab Labour Organization (ALO) and the International Labour Organization (ILO) in Beirut, Lebanon from 19 to 21 October 2009. The objective of the Forum was to launch an agenda for action based on the ILO Global Jobs Pact adopted in June 2009 by the International Labour Conference, and the resolutions of the Arab Economic, Development and Social Summit, January 2009 and on the lessons drawn from the global financial and economic crisis on employment and labour markets in the region. We wish to thank the Government of Lebanon for hosting the Forum, for its hospitality and efficient provision of facilities, which contributed to the success of the Forum.
2. We thank the Director-General of the ALO and the Director-General of the ILO for convening the Forum at such a pivotal time. While we reiterate the relevance of the Global Jobs Pact for the region as a comprehensive portfolio of tried and tested policy measures addressing the social and employment impact of the global financial and economic crisis, we recognize that tripartite dialogue is the most effective instrument to deal with the crisis. We welcome the commitment and action of the ALO and the ILO to support national and regional efforts to minimize the effects of the global crisis on people and to restore growth and jobs while building a more balanced, stable and prosperous future for the region.
3. We recall our commitments as stated in the conclusions of the ILO's 14<sup>th</sup> Asian Regional Meeting (Busan, Korea 2006) launching the Asian Decent Work Decade up to 2015 and of the ILO's 11<sup>th</sup> African Regional Meeting (Addis Ababa, 2007) launching the African Decent Work Decade up to 2015, as well as our commitments emanating from the Doha Declaration that was issued by the first Arab Forum for Development and Employment (Doha, 2008), and the Arab Decade for Employment (2010 – 2020). We also recall the commitments of the



Arab leaders made at the Arab Economic, Development and Social Summit (Kuwait, 2009) on employment and unemployment.

4. We representatives of governments, employers' and workers' organizations examined a series of studies and thematic papers prepared by the ALO and ILO and discussed decent work strategies for recovery from the crisis as well as advancing an agenda for sustainable and equitable growth and considered that the hasty financial markets liberalization policies and the lack of control and correction mechanisms contributed to the expansion of monopoly and speculation as well as the expansion of financial activity at the expense of the real economy, which led to the aggravation of social disparities within and among states including the increase in the number of poor people and the expansion of the informal economy. We also recognize the diversity of the Arab region and the need for specific approaches for national priorities that converge with a regional strategy to bolster social cohesion and maximize the positive effect of stimulus measures and other crisis-response initiatives that target enterprises, jobs and incomes.
5. We stress the need for integrated and coordinated policy responses to reverse the downward spiral in economic activity. We recognize the inability of the adopted development patterns to go beyond the chronic structural problems and to achieve the objectives of balanced and sustainable development and good governance, hence the need for a new development paradigm that places decent work as a central objective of development strategies, and reorients policies to serve the needs of the real economy. This Agenda for Action addresses the response to mitigate the immediate impact of the crisis on labour markets. This agenda is also based on the belief that crises create opportunities. In this regard, the Agenda supports the rethinking of development strategies. We therefore highlight the importance of regional cooperation and integration for a sustainable and fair recovery that would generate decent work opportunities throughout the region towards the realisation of economic, social and environmental sustainability.

## **II. Impact of the crisis on employment and labour markets in Arab countries**

6. The global financial and economic crisis has affected countries in the region to varying degrees and through different transmission channels. The impact on employment and labour markets is multi-faceted and has exacerbated pre-existing levels of unemployment, underemployment, low productivity and limited access to decent work opportunities and low social protection. It should be noted that the policies to confront the crisis require the expansion of national dialogue and the involvement of different social partners in the design, implementation and monitoring of these policies.
7. While we recognize that there may be a considerable time lag between the resumption of economic growth and the recovery in employment, this Agenda for Action supports concerted national and regional efforts to minimize this lag. The Forum thus constitutes a



significant step in the development of actions for placing the creation of decent work as an explicit and central objective of economic and social policies. These should be introduced not only to counter the effects of the crisis but also to put the Arab economies on a sustainable social and economic development path at national and Arab levels.

8. Restoring growth, increasing its employment content and strengthening internal demand and making them less volatile in the future are essential for the successful pursuit of the Decent Work Agenda. As we work towards better functioning labour markets, special emphasis must be given to promote gender equality and integration of youth in labour markets.

### **III. Main issues and priorities for national and Arab policies**

The participants in the forum discussed a number of topics in parallel sessions and here below are the recommendations:

#### **A. Decent employment, sustainable growth and recovery**

9. The session examined the impact of the economic and financial crisis that has compounded the pre-existing structural challenges to employment promotion in the Arab region. It recognized the multi-dimensional nature of the policy measures and the need for a comprehensive approach based on tripartite dialogue. Several country experiences were presented.

#### *Priorities for action:*

- i) Establish economic policies and investment plans that take into consideration the urgent need to reduce unemployment and increase job opportunities particularly for new entrants to labour markets as well as reiterating the necessity of orienting recovery programmes towards domains that support increased labour-intensive and sustainable growth strategies;
- ii) Develop strategies, plans and policies at national and sectoral levels to explicitly target promotion of employment;
- iii) Reiterate the responsibility of the state and public policy to create an enabling and stable macroeconomic environment that explicitly favours investment and job creation;
- iv) Enhance diagnosis of the informal economy and its characteristics in the Arab region and promote tripartite dialogue on measures and good practices to transit to formality;
- v) Provide support services for active labour market programs and to small and medium enterprises on the basis of linking incentives to productivity and working conditions;
- vi) Develop education and training systems and promote the capacity of the Arab economic texture to integrate capacities and skills according to the changing needs of labour markets;



- vii) Develop the investment environment of the private sector and eliminate all the obstacles facing it to create more and better jobs
- viii) Support and promote the management capacity of the public sector to help in creating more and better jobs;
- ix) Strengthen the capacity of labour ministries to promote and monitor the integration of employment issues in national economic policies and development frameworks;
- x) Emphasis on improving the quality, availability and transparency of labour market statistics;
- xi) Promote tripartite dialogue in developing, implementing and monitoring national employment strategies;
- xii) Create a regional observatory of labour markets in the Arab region to assess the impact of economic policies in terms of employment.

#### **B. Improving management of labour migration, employment and development**

10. The summary of this session will be forwarded to the technical follow up committee.

#### **C. Building adequate social protection systems and protecting people**

11. This Forum focused on ways to extend social protection coverage in the region particularly with respect to pensions, unemployment protection, maternity protection and the establishment of a basic social protection floor. Participants recognized the central importance of social security systems particularly in times of crisis.

##### *Priorities for action:*

- i) Extend social protection coverage in Arab states and establish a basic social protection floor as a right guaranteed by the State that includes the adoption and support of an unemployment benefit system;
- ii) Ratify the relevant international and Arab labour standards;
- iii) Ensure equitable and sustainable financing of social security;
- iv) Strengthen the governance and administration of social security with participation of the social partners;
- v) Raise awareness about the importance of social security with a view to encourage wider participation and promote commitment.

#### **D. Strengthening international labour standards and workers rights**

12. The Forum examined the role of international and Arab labour standards and the rights of workers in the context of the current crisis. The participants highlighted the key importance of the ILO Declaration on Fundamental Principles and Rights at Work. The same fundamental principles and rights at work are reaffirmed by the Global Jobs Pact as critical for human dignity and for recovery and development. The forum highlighted the following priorities:



*Priorities for action:*

- i) Reaffirm the importance of promoting freedom of association and the right to organise by development of a conducive legal environment for representative employers' and workers' organizations according to ILO conventions 87 and 98 and the Arab convention number 8;
- ii) Develop mechanisms for collective bargaining in Arab states and improve the mechanisms in place through promoting the capacity of the employers' and workers' organizations working in this domain;
- iii) Raise awareness and draft national action plans to prevent practices that are in conflict with international and Arab labour standards and that might lead to forced labour and human trafficking;
- iv) Promote policies and programmes of non-discrimination in employment and occupation, including gender-based discrimination;
- v) Combat child labour, in particular the immediate abolition of the worst forms of child labour;
- vi) Promote the ratification and implementation of international and Arab labour standards;
- vii) Organize activities to promote the Declaration on Fundamental Principles and Rights at Work including capacity building for the tripartite constituents in the Arab countries;
- viii) Mainstream the Declaration on Fundamental Principles and Rights at Work in the activities implemented by ALO and ILO for the member states in the region;
- ix) Develop labour inspection systems and enhance their ability to monitor compliance with these standards.

**E. Social dialogue and tripartism for crisis analysis and response**

13. The participants agreed on the importance of social dialogue as a means and effective tool to confront the global economic crisis, focusing on the conditions and mechanisms for dialogue and the need to institutionalize it. There was consensus that one of the prerequisites for successful social dialogue is the existence of independent, democratic and transparent employers' and workers' organizations. It was also noted that social dialogue is a means not only during times of crises and conflict, but also during times of prosperity and economic and social stability in any country. A number of social dialogue experiences and success stories were discussed, emphasizing those experiences that successfully promoted increased productivity, stability and sustainable development. The participants also supported a document signed by representatives of Arab employers and workers in the region, which calls for the establishment of a bipartite committee at the regional level that should meet regularly each year, to discuss trends and challenges in the Arab region. To this end, they officially called on both the ALO and ILO to extend technical and financial support to this committee with the request to Governments to join it and make it a tripartite entity.



*Priorities for action:*

- i) Promote a culture of social dialogue at the national and regional levels;
- ii) Encourage the establishment of social and economic councils in some Arab countries and encourage their proliferation in the rest of the region, in addition to calling for a revitalization of the Arab Economic and Social Council as the regional tripartite framework for social partners on issues related to development and economic and social rights;
- iii) Encourage Governments to ratify and implement ALO and ILO agreements and treaties related to social dialogue;
- iv) Request governments to support and join the bipartite committee that employers' and workers' representatives have agreed on during this Forum;
- v) Request the ALO and ILO to mobilize resources and provide technical support to the above-mentioned Committee;
- vi) Confirm that effective social dialogue is linked to all public freedoms especially to freedom of expression;
- vii) Create incentives and channels to encourage, institutionalise and vitalise social dialogue mechanisms in close cooperation with the social partners.

**F. Promotion of sustainable enterprises for job creation and retention**

14. The Forum affirms its commitment to monitor policies and strategies to generate decent and productive jobs through the promotion of micro, small and medium-sized enterprises in the Arab region. The discussion addressed the challenges impeding SME development in the Arab countries, while outlining specific policy responses required to face the crisis and entry points for reform.

*Priorities for action:*

- i) Confirm the relevance of the ILO Declaration of 2007 on sustainable enterprises, particularly taking into account their diversity and the protection of existing jobs in them, especially at times of crisis while strengthening social protection for workers in these enterprises. The Global Jobs Pact that was adopted by the ILO in its last conference in 2009 was emphasized during the discussion;
- ii) Concentrate on the development of the micro, small and medium enterprises sector in the framework of national economic plans and adopt a comprehensive promotion of all productive sectors, especially industrial ones;
- iii) Foster a conducive business environment to facilitate enterprise start-up and the expansion of already existing sustainable micro, small and medium enterprises and cooperatives in the formal economy. This requires a transparent framework and a modern vision of the role of enterprises and their responsibilities towards shareholders, employees, and societal environment;



- iv) Promote the development of an entrepreneurship culture with particular attention on entrepreneurial traits and skills to empower youth, women and other sectors of society to choose self-employment as a career option;
- v) Adopt responsible and sustainable enterprise level practices to improve the quality of jobs, achieve decent work (training and re-training of workers, occupational safety and health, social dialogue, remuneration and benefits, corporate social responsibility and international labour standards) and promote the concept of corporate social responsibility based on ALO and ILO principles;
- vi) Support sustainable SME and cooperative development programs applying environmentally friendly measures and provide social security for workers;
- vii) Build institutional capacity for the provision of needs-based affordable financial and business development services that respond to the needs of entrepreneurs;
- viii) Promote coordination and cooperation between stakeholders among governments, employers' and workers' organizations;
- ix) In response to the global economic and financial crisis, governments are requested to cooperate with the private sector in the design and implementation of programmes that protect sources of job creation through:
  - a. Provision of appropriate financial schemes;
  - b. Support and development of local markets and internal demand;
  - c. Training and re-training of workers;
  - d. Promote an economic environment that can absorb new labour entrants and supports sustainable enterprises.

#### **IV. Regional initiatives and partnerships**

15. Building upon regional cooperation frameworks, we recognize the need to institutionalise mechanisms in order to:

- i) Establish initiatives on the basis of partnership between Arab countries on a regional or sub-regional level which will help in achieving economic integration so as to enhance the potential of job creation and the reduction of unemployment ;
- ii) Emphasize that these initiatives will be based on respect for the fundamental social rights and aim to adhere to the principles of both the ALO and ILO and fundamental labour standards;
- iii) To ensure the effectiveness of these partnerships and the successful achievement of their objectives, issues related to human rights, equality and the equitable distribution of wealth must be placed at the top of the partnership agenda;
- iv) Invite other regional and international organizations, including the League of Arab States, the UN Economic and Social Commissions for Western Asia and Africa (ESCWA



and ECA), ASEAN, the Union for the Mediterranean, the African Development Bank and the Islamic Development Bank, the UN system, Bretton Woods Institutions and other specialised agencies of the United Nations, to support the implementation of this Agenda for Action.

## V. ILO and ALO support for the Agenda for Action

16. The Forum recognizes and welcomes the complementary collaboration between the ALO and the ILO towards realizing the goal of Decent Work in the region in line with the ILO Declaration on Social Justice for a Fair Globalization (2008), the Doha Declaration (2008) and the resolutions of the Arab Economic Summit in Kuwait (2009) as well as the Arab Decade for Employment.
17. In support of the above priorities, the Forum calls upon the ALO and ILO to continue to work with governments and the social partners in implementing this Agenda for Action and for including follow-up initiatives in Decent Work Country Programmes, within the available means. We also recognize the need for mobilizing additional resources and encourage joint advocacy in support of this Arab Action Agenda for Employment.
18. In order to implement this agenda, the ALO and ILO should intensify collaborative efforts through:
  - i) Monitoring statistical information and evidence-based policy analysis on the employment, labour and social impact of the crisis in the Arab region;
  - ii) Undertaking measures to respond to the crisis and share knowledge and good practices;
  - iii) Adopt targeted activities aiming to promote the standards relevant to Arab and international labour conventions in the face of the crisis;
  - iv) Promoting the principle of social dialogue and monitoring its outcomes, reporting regularly on progress and the participation of constituents in using and developing social dialogue mechanisms in response to the crisis;
  - v) Calling upon the Ministries of Interior and Labour in the Arab countries to ease and facilitate the movement of the Arab labour force within the different Arab labour markets in fulfilment of the decisions of the Kuwait Economic Summit, inline with the preservation of workers' rights ;
  - vi) Based on the content of the Arab Decade for Employment and the Global Jobs Pact and considering the specificity of labour conditions and the labour market in Palestine due to the continued occupation, the Forum calls for the extension of all forms of assistance and support to enhance the efficiency of the Palestinian labour market and strengthen its operational capabilities and the success of a national employment strategy to face the scourges of poverty, unemployment and labour market challenges in light of the implications of the current crisis.



**V. Mechanisms for follow up**

19. The Forum recommends the formation of a technical tripartite committee with the support of ALO and ILO that meets periodically with a view to translating the decisions of the Forum on the ground through the development, monitoring and evaluation of operational programs for this Arab Action Agenda for Employment.

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