



International
Labour
Organization



Employment for Stability and Socio-Economic Progress in North Africa

Strategy for North Africa
2011-2015

Cairo, Egypt

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“Whereas universal and lasting peace can be established only if it is based upon social justice; And whereas conditions of labour exist involving such injustice hardship and privation to large numbers of people as to produce unrest so great that the peace and harmony of the world are imperilled.”

Preamble of the International Labour Organisation Constitution 1919

“Employment and income generation are fundamental elements of the post-conflict solution. For communities and individuals, job creation and regular income can provide the means for survival and recovery. They are also keys to reaching out to young people ... In short, generating employment is crucial to building peace.”

Foreword UN Policy in post-conflict Employment Creation

“It is important, at this juncture, that an orderly and peaceful transition should take place. I urge all the parties to engage in such a dialogue and such a process without any further delay.”

UN Secretary-General Ban Ki-moon, January 2011 about the situation in North Africa

“For many years, the ILO has been pointing to the gravity of the decent work deficit in North Africa, where unemployment, underemployment and informal work have remained among the highest in the world. The failure to address this situation effectively, with all of its consequences for poverty and unbalanced development, together with limitations on basic freedoms, has triggered this historic outpouring of popular demands.”

Director General of the ILO, Juan Somavia, January 2011

“As Tunisia and Egypt are showing us, jobs and justice, bread and dignity, protection and democracy, national and global security are not unrelated demands. What happens in the future will very much depend on whether the connections are recognized and acted upon. Decent work makes the connections. ”

Director General of the ILO, Juan Somavia, on the World Day of Social Justice, February 2011

I. Background and Justification

Situation Analysis

Despite the North African sub-region¹ having witnessed considerable progress in some human development indicators in recent years, challenges mainly relating to inequality and exclusion remain. Gender discrimination, considerable local differences in economic development within countries, and unequal access to services and education are some expressions of this. Increasing inequality and exclusion were indeed amongst the driving forces behind the demonstrations in the streets of all countries in the sub-region, most importantly in Egypt, Tunisia and Libya. Besides these issues limited freedom, lack of social justice, undemocratic regimes, weak civil society, and undemocratic decision processes were claimed to be missing, turning societies into places people did not appreciate living in. In one way or another, many of the deficiencies in these societies were and continue to be related to the labour market and the limited access to, and availability of, decent work for people in the sub-region. Therefore, addressing labour market issues through the provision of decent jobs can help respond to the aspirations of people and add to building the basis for democratic, peaceful regimes.

Notwithstanding solid growth rates and successful economic reform processes in some areas before the economic and financial crisis in 2008/2009 and in spite of quick consolidation in the aftermath of the crisis, the labour market situation in North Africa remains challenging. It is widely recognized that these labour market challenges are structural in nature rather than cyclical. And even though the ongoing political transformation processes will hopefully lay the ground for finding solutions in the future, the destruction of production sites, the damage done to infrastructure especially in the case of Libya, the losses following serious disruptions in production and exports, stock market turbulences, capital flights, as well as migration flows caused by the changes could very likely lead to a further deterioration of the labour market situation in the short term. These immediate disturbances need to be addressed urgently in order to ensure that they do not add to the longer-term challenges, characterised as followed:

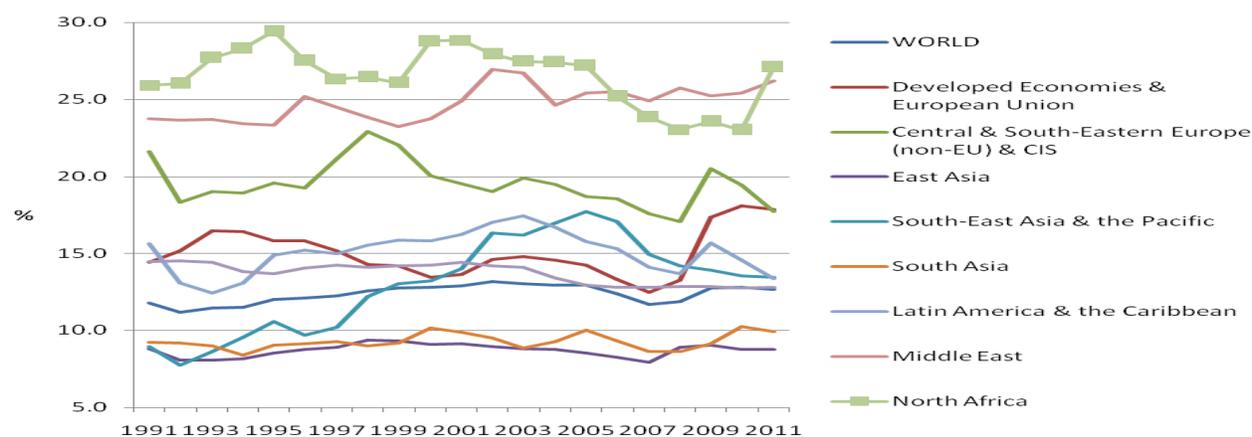
1) Low employment-to-population ratios and high unemployment rates especially for young people and women and across all levels of education

Employment-to-population ratios – a good indicator of how effective a country uses its productive potential – in North Africa are amongst the lowest in the world. This is mainly due to the low ratios for young people and women. The overall ratio stood at 43.6 per cent in 2011 (compared to a world average of 60.3 per cent). This means that out of 100 people that could potentially work, not even half of them did in North Africa. Even though some of the non-working people might be in education, this share still creates an unnaturally high employment dependency ratio: Every job owner has to cater for him- or herself and roughly three other people.

¹ The sub-region of North Africa covers the following countries: Algeria, Egypt, Libya, Morocco and Tunisia.

Despite some variations amongst countries (see table 1) levels of unemployment are extremely high in the sub-region (10.9 per cent in 2011), once more especially for women (19.0 per cent) and young people (27.1 per cent). Young women face the highest unemployment rate of all groups with 41.0 per cent. Overall the situation for women is particularly worrisome given that they only participate in labour markets in small numbers. Young people's risk to be unemployed is four times higher than adults' risk. Thereby, young people in North Africa carry the second highest unemployment risk in the world compared to adults and due to the economic downturn after the Arab spring they face the highest youth unemployment rate in the world.

Figure 1: Youth unemployment (15-24 years) rates by world regions



Source: ILO, Global Employment Trends, January 2012; 2011 Preliminary Estimate

Table 1: Country level unemployment rates, total and youth²

Country	Year	Sex (a)	Unemployment rate total (%)	Youth unemployment rate (%)
Algeria	2010	MF	11.4*	21.5**
Algeria	2010	M	8.1*	n.a
Algeria	2010	F	19.1*	n.a
Egypt	2011	MF	11.9***	30.7***
Egypt	2011	M	8.7***	23.1***
Egypt	2011	F	23***	55.2***
Morocco	2011	MF	9.1****	17.3****
Morocco	2011	M	8.4****	17.2****
Morocco	2011	F	11****	17.7****
Tunisia	2011	MF	18.9*****	30.0*****
Tunisia	2011	M	15.4*****	n.a
Tunisia	2011	F	28.2*****	n.a
Libya			n.a	n.a

Source: *ILO, Key Indicators of the Labour Market, 7th edition Geneva 2011; **Emploi et Chômage, 2010 http://www.ons.dz/IMG/pdf/emploi_chomage_2010.pdf; ***Egypt, CAPMAS Quarterly Labour Force Survey, 3rd Quarter 2011; ****Maroc, Enquête nationale sur l'emploi 2011; *****Tunisian National Institute of Statistics (INS), 2011.

² Youth defined as individuals aged 15-24 years, except Algeria where it is 20-24.

Unemployment is a feature that appears across all income groups. Given that educational levels and income per household are closely linked, it also indicates that highly educated people are affected by unemployment just as much as those with lower education – a phenomenon which is unique in the world. In some countries in the sub-region, unemployment amongst the highly skilled is even higher than among the low-skilled.

This generates frustration amongst highly educated young people and their families who invested a lot in their children's education, especially when education does not pay off in other regions. This frustration became visible during the social unrest across some countries in the sub-region at the end of 2010 and beginning of 2011, which was dominated by young educated people. And until today young educated people continue to fight for their right to find decent employment opportunities across the sub-region.

3) Insufficient number of high quality jobs

Almost four out of ten people working in the sub-region in 2011 had a vulnerable job, working either as own-account workers or as unpaid contributing family workers. The share is even above 50 per cent in Morocco. In all countries the share is considerably higher for women than for men. Wage and salary work – the type of job with a higher likelihood of being decent – has not increased considerably over time.

4) Slow structural shifts

Sectoral shifts have been relatively small in the recent past. In North Africa, agriculture continues to play a strong role, accounting for almost one third of all employed people in 2011. This important sector has only recently attracted the attention of policy makers as a source of employment creation and a good starting point for sustainable poverty reduction. The largest sector is the service sector which accounts for almost 50 per cent of overall employment. In the majority of countries in the sub-region, working in the service sector does not guarantee decent employment as many jobs in this sector are of very poor quality and pay low salaries. Examples of this are jobs in the tourism sector and domestic worker jobs which are often in the informal sector.

5) High share of public sector employment

A characteristic feature of the sub-region is the entrenched belief in, and the practice of, the direct role of the public sector in job creation. The Government is seen as the employer of first choice as well as that of last resort. Public sector reforms and policies to encourage privatization and to support private sector development, introduced recently in several countries in the sub-region, have not yet succeeded in changing this ideology. Workers are still not convinced of the attractiveness of the private sector even in cases where the private sector pays higher wages and provides additional social security. According to 2004 data, in the Middle East and North Africa Region, the public sector represented some 29 per cent of total employment, and wages represented some 38 per cent of current expenditure, in which is almost double the world average (excluding China). More recent data at the country level indicates little changes in these shares. However, variations between countries are considerable: Whereas in Egypt Government employment counts for almost 40 per cent of total employment, it is only around 20 per cent in Algeria and even less in Morocco with a share of around 10 per cent.

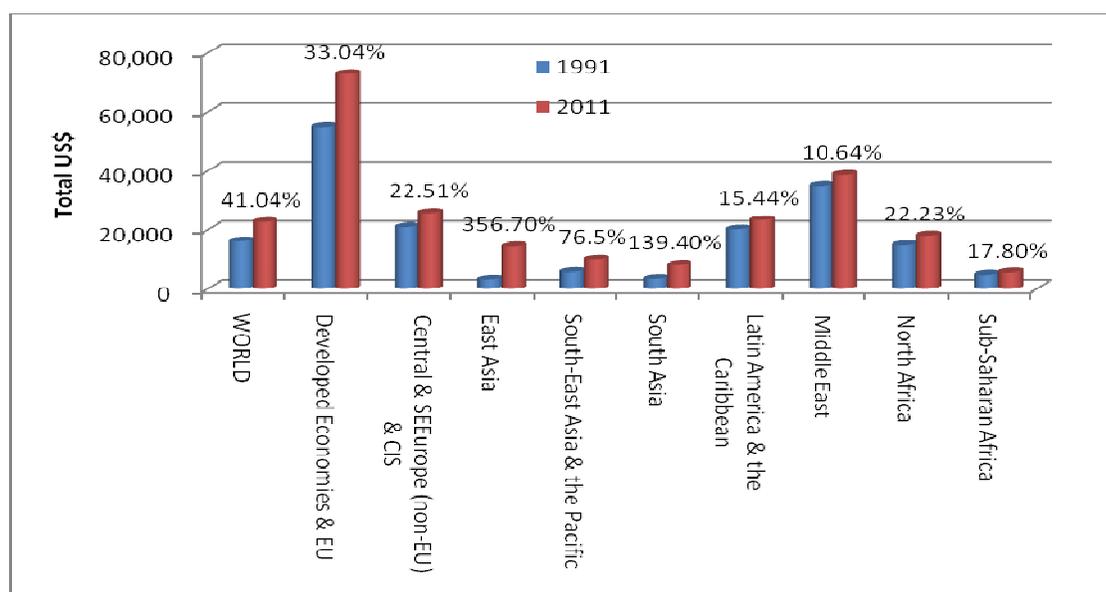
6) Limited growth in productivity

The increase in productivity levels (measured as output per worker employed) in the sub-region has been minimal in recent years, especially when compared to other regions in the world (see figures 2). Whereas productivity in North Africa has increased by 22.2 percent over the last two decades, the increase was 356.7 per cent in East Asia, leading to a situation in which the productivity level of East Asia will become higher than that of North Africa within the next years. This limits future growth in two ways: First, there is very little room for wage increases which has a negative impact on demand as well as on levels of household investment in education and health. Second it gives little incentives to investors to invest in these countries when at the same time there are countries with productivity increases that are much higher.

The fact that the majority of jobs created in North Africa were low productivity jobs is reflected in the relatively high share of working poverty at the US\$2 a day level, which stands at around 40 per cent. Most of these people who despite their work live with their families in poverty work in the informal sector, far removed from decent and productive employment.

Increases in productivity in the sub-region are usually achieved through investments in technology, often accompanied by shedding of labour. Increasing productivity through better working conditions, organisational innovations, pro-workers policies and practices, respect for workers' rights, improved enabling environment for sustainable enterprises, gender equality, social dialogue and fundamental investments in health and physical infrastructure have so far seldom been the path taken. Also, achievements in education across the countries have not led to satisfactory growth in productivity.

Figure 2: Productivity levels and changes measured as output (in total US\$) per person employed, world regions 1991 to 2011



ILO, Global Employment Trends, January 2012; 2011 Preliminary Estimate.

7) Weaknesses in social dialogue

The presence of social dialogue based on freedom of association and collective bargaining is stronger in most countries of North Africa than it is for the rest of the Arab world, but weaknesses remain particularly in Egypt and Libya. Even though all countries in North Africa have ratified at least some, if not all conventions related to social dialogue, freedom of association and collective bargaining, they still lack implementation and enforcement. The right to organise was in the past exposed to several violations as sometimes employers rejected the principle of negotiation. In these cases, trade union activists risked being harassed and even sued. In the past Governments also often tried to limit social dialogue and restrict it to negotiations on salaries or working condition demands, with little regard to larger socio-economic development goals and other issues such as employment, education and the state's relationship with society and the economy. Until today, and despite the Arab Spring, social dialogue is often limited and not practiced on a regular and institutionalized basis.

The Maghreb countries (excluding Libya) were strongly influenced by the French system of social dialogue. Laws derived from the French legislation guarantee the right to organise, to strike and to negotiation. In Tunisia, Algeria and Morocco, trade unions had some independence that enabled them to play a fundamental role in the battle against the occupation and after that in the building of State institutions and labour legislation whereby basic rights for workers were ensured. Also, employers' organisations in these countries are relatively developed and active compared to others in North Africa.

8) Limited social protection

Social protection schemes, including social security, wage regulations, working conditions and occupational safety and health regulations, exist in all countries in the North African sub-region in different forms and with different scope. The level as well as the coverage is much higher than in the rest of Africa (especially regarding working conditions and occupational safety and health conditions in the Maghreb countries) and significant progress has been observed in recent years. This is one of the reasons behind the improved human development indicators in the sub-region. Despite this, the challenge of social protection still exists, failing to always cover the most vulnerable to such an extent that they are in a position to escape their vulnerable situation.

Regarding social security, the sub-region of North Africa spends around 11 per cent of GDP on social security. This is the third highest share of GDP spent on social security in all world regions (excluding spending on health security systems which is relatively small compared to other regions, with 2.5 per cent of GDP). However, the challenges are particularly high for social security schemes as a result of the political transformation process but also as a result of demographic developments. The demands on the systems have increased to a level whereby systems are at risk of being overburdened. Besides this, social security in the North African sub-region faces a series of other common concerns, including the increased migration of workers, the expansion of informal economies, the future of health-care coverage, governance, investment strategies and fiscal space limitations, especially in the "revolution" countries of Egypt and Tunisia. In Libya a new social security system needs to be built from scratch, but hopefully resources will be made available to build a solid system.

One important part of social protection is wages. Given the low increases in productivity, there has been little room for wage increases in the past decade in all of the countries where data are available. Most of the jobs created have been in the informal sector with wages too low to even guarantee that people can live with their families outside of poverty. Even in the fastest growing sector, the service sector, many jobs are of low quality and in the informal sector. And even formal service sector jobs, especially in the education and health sectors, are low paid compared to international standards. Given that these jobs are mainly occupied by women, this is another area of discrimination. Also, wage gaps between men and women are observed in all countries where information is available. Minimum wage legislation exists in most countries but is only functional in Tunisia. In Egypt - prior to the revolution - due to a court decision, the minimum wage increased after 25 years of being far below a level that would ensure people could escape poverty, but so far implementation has not taken place. In all countries in the sub-region the public debate on minimum wages has started in the aftermath of the Arab Spring, however so far there have been no legally endorsed changes.

9) Poor quality of education systems

Despite there being large differences in the quality of education between countries in the sub-region, there are common complaints. One primary issue regarding the quality of education in all levels, including vocational education, is that the type of knowledge needed by workers in competitive labour markets is not produced.

Across the North African sub-region, employers often identify the lack of the right skills as one of the most important barriers to expanding business and employment, however, this level of concern does not appear to be matched by a similar level of commitment to provide on-the-job learning opportunities. The sub-region has the lowest incidence of formal training at the workplace.

Vocational training in the sub-region was already at significantly lower shares when compared to secondary education. Vocational training was only attended by 27 per cent of young people in education in Egypt, 22 per cent in Libya, 12 per cent in Algeria, 8 per cent in Tunisia, and 6 per cent in Morocco. The relatively large share of academic secondary education reflects social preferences for academic pathways but also indicates the low quality of vocational training. Also, diplomas attained in the sub-region are often not recognized internationally which makes migration rather difficult especially for highly educated young people.

10) Weak performance of public employment services and absence of a regulated framework for private employment agencies

Public employment services are chronically understaffed and do not have the means and the knowledge to provide good services. In a situation where neither the labour demand side nor the labour supply side work properly, having an insufficient “matching system” increases the difficulties for people to find jobs and employers to find suitable workers. The absence of a regulatory framework for private employment services on the one hand increases the risk of abuses and fraudulent practices, and on the other, it unnecessarily limits the labour market intermediation to underperforming public services and to informal networks. Once again the capacities of employment services vary considerably across the sub-region, so does the intention of Governments to improve their performance. Whereas in Tunisia and Morocco

there is a strong commitment towards improving the services, other Governments do not invest in them at all.

11) Non-conducive environment for MSMEs

Creating and starting their own business is often not an option for people in the sub-region. This is the result of a weak entrepreneurship culture, insufficient capacities of people to open and run businesses, and also the result of a non-conducive business environment across the countries of the sub-region. Especially for young people it is difficult to get financial support and also non-financial support is weak in all countries. Contrary to these facts, all countries see MSME creation as one of the most important sources of employment creation.

12) Mismanaged migration flows

Migration in the sub-region could offer possibilities for many people. However, this opportunity is often not used, or when used, leads to unfortunate situations for the migrants. This is the case for migrants coming to the sub-region, but also for migrants within and outside of the sub-region. Many migrants end up with poor quality jobs, no social protection and no respect for their rights. This is mainly the result of poor management of migration policies and related management systems.

The economic and financial crisis in 2008/2009 as well as the recent economic crisis in Europe further limited the chances of people to find jobs outside of the sub-region. Also, the violent uprising that toppled the old political regime in Libya – an important destination for migrants from Tunisia and Egypt - had a negative impact on migrant workers and their families.

13) Considerable local disparities

In all countries covered by this strategy local disparities become obvious in the degrees of poverty one finds in a single country. Lack of infrastructure, limited access to services and education and unequal access to information technologies are some of the causes for inequality within countries. The disadvantaged regions are caught in a vicious cycle whereby their disadvantaged position hinders them from improving their situation which in turn prevents them from increasing their productivity, leaving no room for income increases, thus further fostering their weak position.

14) Limited existence of solid analysis of labour markets and of labour market policies

Due to limited availability of information on the labour market, both data analysis and policy making is very difficult in the sub-region. As a result, policies made are often not based on facts. It is also difficult to properly assess the impact of labour market policies given the limited availability of transparent and up-to-date information.

15) Labour legislation not in accordance with International Labour Standards (ILS) and/or ILS are not implemented

Some of the labour market deficiencies are also a result of labour codes and labour legislations not often being in accordance with International Labour Standards. Ratification of ILO Conventions has been very slow with implementation often weak. This is particularly the case for Conventions related to social dialogue, social protection systems, labour market governance and employment policy. Problems of implementation of these standards have been accentuated in the sub-region by the financial crisis and

halted altogether by subsequent freezes in application due to uprisings in some of the countries in the sub-region. This has most likely had a strong impact on workers whose rights are most precarious or vulnerable, such as women, youth, migrant workers and the disabled.

Aside from all these structural issues, the current social movements and political transformation processes in many countries in the sub-region have added to the difficult situation. The challenge is to overcome the short-term negative impact of the transition and to assist the countries in their democratisation processes, which in the long-run will lead to more freedom, better working conditions and a participatory approach on the way to ensure decent work for all. In detail, the short term negative impacts include:

1. Destruction of production sites and damage done to infrastructure, especially in the case of Libya;
2. Economic losses following serious disruptions in production and exports, stock market turbulences and capital flight;
3. Migration flows, and the related human resource drain on the one side, and additional pressure on labour markets as a result of inward migration on the other;
4. Withdrawal of foreign direct investment (FDI) as a result of the increased insecurity in some countries;
5. Increasing demands on social security systems;
6. Political instability and uncertainty.

An inter-regional approach for inter-regional challenges with emphasis on country specificities and regional considerations

Arab countries in North Africa have common characteristics that justify a sub-regional approach. One binding factor is cultural similarities; however, more importantly is the fact that the level of development in the countries is quite similar. Governance structures are – or were prior to the social unrest and revolutions – comparable. Also, even if in different ways, many of the countries are currently undergoing social and political transformation processes which may lead to more democratic governance and better lives for people. As identified in the situation analysis above, the challenges these countries face regarding labour markets are also very similar, including high unemployment rates, especially for young people; exclusion and discrimination against women in labour markets; considerable shares of informal economy workers; weak and/or inefficient social protection systems; and weak social dialogue. Furthermore, poor governance has contributed to mismanagement of resources and unnecessarily high debts. Also all countries have, and will continue to have, a high share of young people in their population. Finally, all countries have put youth employment as a top priority on the political agenda and have

taken measures in one way or another, so far with limited success. The solutions to these challenges could be similar, hence sharing experience and learning lessons across the countries could be essential.

Many of the common characteristics are not only true for North African countries but for the majority of the countries in the Arab world and other countries in the African Region. Despite the fact that careful analysis has shown that mainly as a result of the comparable development levels of the countries in North Africa similarities are strongest there, an inter-regional perspective will be useful for some areas of interventions. Lessons learned within the Arab world and/or within Africa on how to successfully tackle the challenges should be used as an important knowledge base. An inter-regional perspective is also key as major relevant institutions deal with the Arab world as a whole or with Africa as a whole. Such interregional players include, for example, the Arab Labour Organisation, the Arab League, the African Union and the African Development Bank. Cooperation with these institutions will be essential for the success of the strategy. The inter-regional institutions need to be well informed about the strategy and need to play an active role in promoting the strategy and also be a permanent source for exchange of knowledge and experience. Also, external migration flows are another one of the main challenges in the sub-region with a regional dimension. External migration flows do not only occur from one country into another within the sub-region, but also happen between regions. This of course can only be well-managed when taking an inter-regional approach. Certain occupational safety and health issues are also better tackled from an inter-regional perspective. Finally, many sectoral activities need an inter-regional approach such as trade agreements or value chain development across sub-regions.

Despite all the described commonalities which call for a sub-regional approach with inter-regional elements, there are considerable differences between countries that need to be taken into consideration in the selection and the size of interventions foreseen through this strategy. This is why any intervention will be based on a solid evaluation of the specific country situation.

Taking the above into account, the current strategy has three dimensions: (i) Under the umbrella of the sub-region, the majority of interventions will be implemented at the country level with constant exchange of experiences amongst countries during the process and focusing on common solutions. (ii) Some issues will be handled at the inter-regional level, whereby inter-regional means with the African Region as well as with the Arab Region. (iii) For each intervention, it needs to be decided whether benefits are highest when taking a sub-regional or an inter-regional or a country level approach. It could, for example, be the case that for certain training activities and capacity building interventions on technical issues it is more efficient if they take place for the Arab Region as a whole because changing experiences might matter for that activity. On other capacity building activities, it could be the case that one country has very specific needs in which case a country level training would be the solution.

The structure of the ILO reflects the three-dimensional approach with the Decent Work Support Team for North Africa being located in Cairo, technically covering all countries included in the strategy. The ILO Country Office located in Algiers is administratively responsible for Algeria, Tunisia, Morocco and Libya. The relevant regional offices for Africa and the Middle East are based in Addis Ababa and Beirut and will support the strategy in general and more specifically in areas of inter-regional concern.

Two phases on the way to decent work for stability and socioeconomic progress

The strategy covers a four-year period, starting in 2011 and ending in 2015. It will operate in two phases: A short-term response strategy (one to two years) for those countries currently undergoing a transition process to support this transition, and also to soften the negative short-term impacts on the labour market situation in these countries; A medium- to long-term strategy to ensure sustainability and proper embedding of the Decent Work Agenda in the sub-region. For all short-term interventions emphasis will be put on initiatives that will feed into the medium to long-term strategy to ensure continuity and sustainability and to guarantee that the initial interventions will be well placed in the developmental context. For countries which are not in need for the short-term interventions, immediate emphasis will be given to the medium- to long-term interventions. In concrete terms, it means that crisis response interventions will dominate the work for the first year in Egypt, Libya and Tunisia while the other countries will immediately enter into longer-term interventions. .

The strategy: Giving opportunities to people while at the same time empowering and protecting the most vulnerable

A triangle of empowerment, protection and opportunities serves as the logical framework of the strategy. It stands behind all interventions that will be implemented, in the short-term as well as in the medium-to long-term. This conceptual framework will ensure an integrated approach with mutually reinforcing interventions. It will also certify an employment-led development towards the ILO goal of decent work for all women and men, and towards the broader Millennium Development Goals. It considers that full employment would not automatically lead to what people desire; but represents one component amongst three equally important components that would ensure free and democratic societies in which people have the right and are given the opportunity to find a decent job.

Creating opportunities - The strategy promotes employment opportunities through the increased use of local resources, labour intensive investment and environment protection-related jobs.

Protecting the most vulnerable - The strategy will enhance the capacity of countries to reduce vulnerabilities. It will build on existing coping strategies of social and employment safety networks and on community-based practices of mutuality, reciprocity and solidarity thereby ensuring the implementation of the concept of a wider social protection floor.

Empowering people and communities - The strategy will strengthen and widen social dialogue to ensure a democratic transformation process in the sub-region. It will strengthen social partners, civil society as a whole, and local communities in the process of transformation towards societies that eradicate inequalities, discrimination and restrictions of freedom of expression.

By applying the strategy, the most important and pressing challenges for the sub-region will be tackled. These interlinked challenges will also need interlinked solutions whereby interventions using one area of the triangle will also consider the other parts of the triangle:

Youth unemployment and underemployment – Even though this is mainly linked to creating opportunities, interventions will also lead to higher levels of protection and empowerment.

Poor working conditions and disrespect for International Labour Standards – Improved working conditions and the respect for ILO Conventions will at the same time foster employment (through increased productivity and demand), empower people and contribute to their security. From this, the democratization process as well as economic development will profit.

Weakness of social dialogue (including the feeble enforcement of the right to freedom of association and collective bargaining) – The consequence of this is weak empowerment of people in general and more vulnerable groups in specific. It is also the reason for unnecessarily high unemployment rates and thereby an unnecessary reduction of opportunities and protection.

Inefficient labour governance and ineffective implementation of International Labour Standards – This is the reason for limited opportunities, limited social protection and weak empowerment at the same time. Solving these challenges will be the basis for sustainable changes.

Mismanaged migration – Migration of people should lead to more opportunities, safer livelihoods and empowerment, but the way migration is managed in the sub-region often leads to the exact opposite situation: Migrants find themselves unemployed or underemployed, often without protection and empowerment.

Social protection systems with inefficiencies regarding size and scope – This mainly being the reason for vulnerability of many groups of people, it is also a missed chance with regard to creating opportunities. Well-working social protection schemes ensure demand even in difficult times and thereby stabilise economies. It is also a missed opportunity regarding the empowerment of people given that vulnerable groups usually are not represented in social dialogue.

II. The strategy's objectives

Development objective

Contribute to social justice, socioeconomic development and stability in the reform process in North Africa

Immediate Objectives

1. Creating opportunities for young women and men and the most vulnerable

The programme will create employment opportunities through the increased use of local resources, labour intensive infrastructure investment and environment protection-related public works and creation of MSMEs. This will create opportunities for youth, women, populations affected by displacement and conflict and other disadvantaged groups.

2. Empowering social partners and other stakeholders through social dialogue

The programme will improve governance through a bottom-up approach with enhanced social dialogue, and strengthened civil society and communities. While at the same time the programme will work from the top to the bottom through the application and enforcement of International Labour Standards, especially ILO Conventions concerning freedom of association, the right to organise, and collective bargaining.

3. Extending and improving social protection (including social security and conditions of work) especially for the most vulnerable

The programme will enhance the capacity to reduce vulnerability and adapt the concept of a universal social protection floor by building on existing structures of social protection and increasing them in size and scope.

This process shall be guided by International Labour Standards (ILS). The application of ILS is premised on strong social dialogue, particularly during challenging times. Focus will be placed on effective implementation of core ILO Conventions and labour governance instruments since these can lead to improved efficiency of labour markets, support economic and job recovery, reduce gender inequalities and serve as adequate support to victims of crisis whether in times of economic crisis or social unrest.

Delivery in practice – outputs of the strategy

The selection of outputs takes into consideration the two track approach of short-term crisis response interventions and medium- to long-term interventions. However, each short-term intervention can become a medium- to long-term intervention if the need still exists after the phasing out of the crisis.

1. Creating opportunities for young women and men and the most vulnerable

Output 1.1 – Public works programmes and employment intensive investment with an emphasis on local economic development/recovery implemented

The Employment Intensive Investment Programme (EIIP) of the ILO will work with Governments, employers and workers' organisations, the private sector and community associations in orienting infrastructure investments towards the creation of higher levels of productive employment. This, in turn, leads to the improvement of access to basic goods and services for the poor. Ensuring local participation throughout the project cycle and combining the utilisation of locally available skills, technology, materials and appropriate work methods has proven to be an effective and economically viable approach to infrastructure works in the short-term as well as in the longer run.

The EIIP uses the infrastructure project cycle as a means of realising its objectives of employment creation and promoting good governance by starting with local level planning, through implementation using labour-based technologies and small scale contracting, ending with appropriate maintenance. All these stages of the project cycle form suitable entry points, for promoting the employment intensive investment approach and fostering decent work at the grass-roots level.

Output 1.2 – MSMEs, social economy organisations (especially cooperatives and social enterprises) and income generating activities supported

Through strengthening the capacity of people to start and improve and/or expand their own businesses and income generation activities, as well as cooperatives, through training on entrepreneurial skills and coaching of young entrepreneurs, people will be in a position to create and run their own job. For this purpose, a set of ILO tools such as Know about Business (KAB), Start and Improve your Business (SIYB) and Women Entrepreneurs going for Growth (WEGROW), will be adapted to the concrete situation and used to train final beneficiaries. Capacity of intermediary organisation (GOs, NGOs, associations, and business development service providers) will be built to continue the delivery of ILO interventions at the level of the final beneficiaries. At the same time, an enabling and conducive environment will be created and strengthened and business services will be improved.

Social economy organisations such as cooperatives, collective enterprises and community-based associations are particularly appropriate in post-crisis and transformation situations and play a key role in mitigating future crises. This is why a specific focus will be put on the support of such organisations in the short as well as in the long run.

Both approaches – SME development and social economy approaches – have the advantage that while creating job opportunities they are important means to empower people and when well designed and supported can become additional systems of social protection.

Output 1.3 – Employment services and job insertion schemes strengthened

Through reinforcing the number and competences of staff the capacity of Public Employment Services (PES) to organise (central level) and deliver services (local level) will be strengthened. The PES will thereby be in a better position to scope demand and canvass vacancies at the local level as well as to provide job seekers with services of guidance, placement, self employment creation and quick re-skilling.

In addition, to augment the enrolment of youth into job insertion programmes, particularly apprenticeship schemes, access modalities will be enlarged, incentives to enterprises to employ youth under the schemes will be provided and employment finalisation by the enterprises will be supported.

The short-term interventions will lead into long-term interventions in the attempt to increase the essential contribution employment services and job placement systems needed to play in improving the labour market situation in countries.

The medium- to long-term intervention will focus on a more effective participation by employers in TVET. TVET systems need to better connect education to technical training, technical training to labour market entry and labour market entry to workplace and lifelong learning. Moreover, employment services and labour market information provided by Government agencies are needed, so is the cooperation with private agencies to make training institutions capable to anticipate future needs. Improved career guidance to young people will also become essential. Other issues to be tackled will be workplace learning and commitment by employers and workers to take advantage of such opportunities; attention by Government programmes and by TVET institutions to expand the range of occupations and industries available to young women in order to diminish occupational segregation and improve their labour market participation and employment; and partnerships between Governments and social partners to work in the framework of social dialogue to promote the integration of skills development into economic and social development strategies.

Output 1.4 – Employment policies at national and sub-state level developed and/or improved

In the case of countries undergoing political transformation processes it will be essential to quickly build the capacity of stakeholders to understand how to design and implement well functioning labour market policies. In countries where the process of designing and implementing labour market policies is ongoing, capacity gaps of stakeholders need to be identified and closed. One of these gaps is the limited capacities on evaluating policies and programmes.

In order to be able to find gaps in the legislation, employment policies and their impact need to be analysed. In addition, a review of current labour codes regarding their compliance with International Labour Standards is needed. Special attention will be given to wage legislation and working condition matters.

Countries will be assisted in designing and improving national and sub-national employment policies. All employment policies need to be based on solid labour market information which is why the building of better functioning labour market information and analysis systems will be an essential part of this output.

Output 1.5 – Labour governance and labour administration improved

While ensuring that good policies will be in place, it will be important at the same time to build and strengthen the institutions needed for enforcement. Labour inspection and administrations systems play a key role in this regard. Based on a thorough review of labour inspection and administration systems, gaps will be identified where interventions and improvement are needed. Support will be provided to

strengthen the institutional organisation and management of both labour inspection and administration systems. Regarding labour administration systems, assistance in strengthening the influence of labour administrations on national economic and social policy will be provided. Regarding labour inspection systems, assistance will be provided to modernize and support implementation of these systems.

2. Empowering social partners and other stakeholders through social dialogue

Output 2.1 – Social dialogue strengthened through the support of social dialogue institutions

Strong social dialogue institutions are the basis for well-functioning social dialogue. Requests have been submitted to the ILO to help strengthen social dialogue institutions by countries in the sub-region. Careful evaluation is needed to find out which of the existing institutions are in a position and willing to really contribute to social dialogue, especially in the countries that are currently undergoing a political transformation process. If need be, new social partners' organisations need to be supported to ensure real freedom of association and collective bargaining.

Output 2.2 – Capacity built of social partners at the national, sectoral and sub-national level with a special focus on crisis response mechanisms, negotiation skills and International Labour Standards

In the case where old structures are not in force anymore as a result of the transformation process and where new structures are created that need to be involved in social dialogue but also in the case where the old structures continue to be in force it will be essential to (re-)enforce the capacities of social partners on crisis resolution. It will also be necessary to facilitate an internal dialogue within the different groups of social partners through the creation of a common platform of action to contribute to crisis resolution. It will be important to incorporate other organised representative stakeholders on the process of an extended social dialogue which will revise priorities to move towards the resolution (or prevention and preparedness) of crisis.

Employers' and workers' organisations will be in a better situation when negotiating with the Government. This will lead to a more balanced social dialogue process which in turn will decrease the risk of unbalances in policy making.

Whether during the political transformation process or the ongoing process of labour market reforms, the processes need to be guided by International Labour Standards which are the effective tools and useful guidance in developing good policies. This is why it will be essential to build the capacity of the social partners in these areas.

Output 2.3 – Organisation of other social stakeholders supported, such as informal sector workers, workers in rural areas and other vulnerable groups (especially amongst young people and women)

The establishment of voluntary, democratically-managed and economically self-sufficient organisations and associations at the local level will be an important output to contribute to the empowerment of people. The formation of horizontal networks (sectoral and regional/local) and vertical structures (national or sectoral apex organisations) of such primary associations will help to strengthen their capacities and importance. However, only through the implementation of mechanisms that allow the primary

and secondary structures to actively participate in policy dialogue at the local, sectoral and national levels will these newly formed groups be in a position to have a real impact.

Output 2.4 – Important role of social dialogue, freedom of association and participation of other stakeholders advocated through social dialogue platforms

Given the current weakness of social dialogue, the creation of social dialogue platforms where exchange can take place will be essential for the democratisation process. These platforms will be built at national and sub-national levels.

Output 2.5 – International Labour Standards used as promotion and implementation support tool to empower social partners and other stakeholders

Knowledge about International Labour Standards and their implementation is key for social partners. Therefore, capacity building on, and promotion of, International Labour Standards will be a major outcome of the strategy. This is an important basis for social dialogue amongst equal partners. It is an important part of social dialogue to discuss the ratification and implementation of International Labour Standards. Also, countries will be assisted in ratifying relevant Conventions (according to their individual situation) as well as in the implementation process of ratified Conventions.

3. Extending and improving social protection especially for the most vulnerable

Output 3.1 – Improved migration policies and migration management capacities of Governments and other stakeholders involved in the migration process

To turn migration into a valid and safe option for young people, national and regional migration policies need to be carefully evaluated. Based on this evaluation, national migration strategies should be developed and/or improved, taking into account that migrant workers have the same rights as other workers to a decent job. Migration management systems in all countries need to be improved. The approach taken will include capacity building of relevant ministries, awareness raising amongst people willing to migrate on their rights as well as working with civil society institution involved in migration issues.

Output 3.2 – Fostered consensus on areas of improvement of existing social security systems

Dissatisfaction with social security systems is widespread in the sub-region. This is not surprising given the low coverage of many schemes as well as their inefficient implementation. Failures to improve the social security systems can thereby easily lead to great degrees of dissatisfaction which could become a threat to the newly created, as well as ongoing regimes. The momentum of the current political transformation process will be used to foster a discussion on social security systems to identify gaps and to build consensus on where improvements could be made. It will also be identified which type of short term measures need to be taken to react to the losses due to the recent events as well as the observable migration flows that can further destabilise economies such as in Egypt and Tunisia. This work will build on the extensive work the ILO has already done in the sub-region in terms of assisting countries in evaluating and improving their social security systems. It will be participatory as in the past these systems were sometimes designed without taking into account the real needs of the most vulnerable.

Output 3.3 – Locally and nationally identified social protection components implemented

Based on output 3.2, actions will be taken to fill the identified gaps. Whenever possible, the interventions will build on existing social security structures given that in most cases, such structures are in place but lack implementation capacities, appropriate size and scope. In some cases, new systems – such as for example an unemployment scheme in Egypt – will be built. Appropriate monitoring and evaluation systems will be designed and implemented.

Output 3.4 – Working conditions and conditions of employment improved

Improved working conditions, including setting minimum wages, occupational safety and health, maternity protection, as well as fair employment arrangements will be key to increasing the satisfaction and trust of workers. This in turn will increase their productivity. This connection between better working conditions and productivity will be promoted through social dialogue. Employers will be provided with tools on how to improve working conditions and legal frameworks will be established to ensure that proper contracts and good working conditions become an obligation for Government and employers. Implementation, monitoring and evaluation systems will be put in place accordingly. Countries will be assisted in improving their labour inspection systems, which will guarantee that better working conditions are sustained.

Cross cutting issues

In all interventions, a special focus will be given to the following cross-cutting issues:

- Targeting refugees, returnees, people with disabilities, women and people working in the informal sector;
- The environment;
- A social economy approach;
- Gender equality.

Stakeholders

- Social partners (employers' and workers' organisations);
- Government ministries with responsibility for labour and employment as well as other relevant ministries;
- New social actors that emerged during the political transformation process;
- Civil society organisations, especially youth groups, human rights groups and women's groups.

III. Conclusions

This strategy document serves as a conceptual umbrella for a series of more detailed and concrete project documents developed in collaboration with beneficiaries, partners and donors. Currently the ILO is delivering programmes across the North African sub-region. The strategy defined here complements and builds on these programmes. It draws on the expertise and knowledge that have been developed, and aims to meet gaps that have been clearly identified in strategies defined by state, UN, and regional actors. The strategy supports the Decent Work Country Programmes under development in the sub-region and it will be an important ILO contribution to the realisation of the Millennium Development Goals. For the crisis intervention components, the strategy will act according to the UN Policy for Post-Conflict Employment Creation, Income-Generation and Reintegration (see box 1).

Box 1

UN Policy for Post Conflict Employment Creation, Income-Generation and Reintegration¹

In post-conflict situations, employment is vital to short-term stability, reintegration, economic growth and sustainable peace. The United Nations policy contributes to a common understanding and approach to employment creation, income generation and reintegration, built round a set of guiding principles and programming guidelines designed to support programming at country level. The Post-Conflict Employment and Reintegration Policy aims to help scale up and to maximize the impact, coherence and efficiency of employment support provided to post-conflict countries by United Nations programmes, funds and specialized agencies. Specific attention is given to the needs and capacities of conflict-affected groups, with particular attention to unemployed women and youth. Coherent and comprehensive strategies for post-conflict employment creation, income generation and reintegration programmes should always include the three concurrent tracks detailed here. While all three tracks promote employment, their focus is different: respectively stabilization, reintegration and long-term employment creation. Programme activities in the three tracks should be interlinked and all should have an early start up, preceded by pre-peace accord planning.

However, although programmes in all three tracks will start at the same time, and will be observed at every phase of the recovery, their intensity and duration will vary in response to the local situation. Track A and Track B are geared towards addressing the more urgent peace building issues, while Track C aims to support the development of national capacities, strategies and policies to achieve sustainable solutions. Track C generally requires a greater lead-in time before being effective, since developing national systems usually takes longer.

Track A: Stabilizing income generation and emergency employment

Programmes in this track include emergency temporary jobs, generated by cash-for-work and immediate public employment services. Basic livelihood and start-up grants (including direct cash aid) will also be significant. Short cycle skills training may also be needed as this aims to respond to an immediate demand for a specific skill lacking in the labour market, granting beneficiaries the ability to find employment quickly contributing to the first recovery efforts.

Track B: Local economic recovery for employment opportunities and reintegration

Key programmes in this track include: i) capacity development of local Governments and other local authorities and institutions (including customary institutions), providers of business services and other

associations; ii) community driven development programmes comprising participatory investments in local socioeconomic infrastructure, and social and productive programmes; and iii) local economic recovery programmes, developed in consultation with community groups, aiming at the expansion of the private sector and direct employment support services, such as financial development and microfinance programmes.

Track C: Sustainable employment creation and decent work

Key programmes in this track include: i) support to micro and macro-economic and fiscal policies to further activate labour market, labour law and investment policies, and to support employment generating sectoral policies; ii) support for financial sector and business development services; and, iii) promoting labour-related institutions enhancing employability, social protection and other aspects of labour administration.

¹ UN Policy for Post-Conflict Employment Creation, Income Generation and Reintegration