



Arab States' regional event

01 July 2020

► Background note

Introduction and Background

Beyond its devastating health consequences, the COVID-19 pandemic has imposed huge costs on economies, labour markets and societies across the Arab States and worldwide. At the onset of the crisis, the region's governments were quick to enforce stringent preventive measures to limit the spread of the virus. The vast majority of countries stopped international air and sea travel, closed borders, banned public gatherings and imposed lockdowns, including the closure of schools and businesses. While some countries in the region have recently begun easing their lockdown measures, the process is necessarily only gradual and tentative, as governments try to balance the economic benefits and health risks of lifting restrictions.

Prior to the crisis, the Arab States had been beset by economic woes and decent work deficits. Declining fiscal space was already impacting capacities to implement public policies in support of decent employment, vocational training needed for the future of work, and social protection. Labour rights gaps, including with regard to freedom of association and collective bargaining, were limiting capacities to develop inclusive societies and well-functioning labour markets. The region suffered some of the highest rates of unemployment globally, especially among women and youth. Volatile oil prices and the heavy reliance on oil exports had dampened GDP growth in oil rich Gulf countries, despite national efforts to diversify. At the same time, the non-GCC countries had either been embroiled in conflict and war, or had witnessed a large influx of refugees, putting pressure on their infrastructure and economic prospects. A deterioration of living standards has resulted in renewed waves of popular protests and unrest in some countries.

With the lockdown measures imposed by governments to limit the spread of the virus, business activities have been severely disrupted, especially in sectors where switching to telework and other online activities was not necessarily feasible. Globally, 47 million employers and 389 million own account workers operate businesses in the particularly hard-hit sectors of manufacturing, accommodation and food services, wholesale and retail trade, and real estate and business activities. In the Arab States, micro and small enterprises and own account workers constitute a large share of these sectors and are at high risk of insolvency. As many enterprises struggle to ensure business continuity, the economic slowdown has resulted in increased numbers of workers subject to dismissal, salary cuts and reduction in hours of work.

According to the ILO nowcasting model, working hours in the Arab States declined in the first quarter of 2020 by an estimated 2.1 per cent (equivalent to approximately 1 million full-time jobs, assuming a 48-hour working week), compared to the pre-crisis situation (fourth quarter of 2019). In the second quarter of 2020, the equivalent estimates indicate a much sharper decline, with a loss of 10.3 per cent of the hours worked compared to the last pre-crisis quarter; that is equivalent to 6 million full-time jobs.

Furthermore, it is estimated that a total of 18.2 million individuals are employed in sectors that are identified as most-at-risk, suggesting that almost one third of the employed population in the region is facing high risks of layoff or reduction of wages and/or hours of work.

Workers in the informal economy, who constitute around two thirds of total employment in the region are also at higher risk, with 89 per cent of them estimated to be significantly impacted by lockdown measures. The region's large numbers of migrant workers, refugees, and other groups of workers who are not necessarily protected by law or practice, are at particularly high risk.

To respond to the heightened challenges imposed by the crisis, Arab States have introduced various policies and programmes aimed at easing the negative repercussions of the crisis on their populations. However, a comprehensive and inclusive response that fosters greater intra-regional and international cooperation as well as effective dialogue between government, workers' organizations and the business sector to promote the common goal of decent work is still lacking. Such an approach is urgently needed to better address new as well as pre-existing labour market challenges in a sustainable manner.

It is in this context that the ILO Regional Office for Arab States is organising the present Regional Virtual Summit on 1 July 2020, as a precursor to a two-day global Summit and tripartite meeting on the Future of Work and COVID-19, which will take place the following week. The Regional Virtual Summit will aim to discuss with the region's Ministers of Labour and Heads of Workers' and Employers' Organizations key COVID-19 related labour issues in the Arab region and the response needed to effectively address the challenges.

Objectives

The main objective of this Summit is to bring together tripartite constituents from ILO's member states in the Arab region to discuss the implications of COVID-19 crisis on the world of work and provide policy insights for an improved, comprehensive and effective response in line with the ILO Centenary Declaration for the Future of Work.

More specifically, by the end of the Summit, tripartite delegations from the region will have:

- A shared understanding of the multi-dimensional impact of the COVID-19 crisis on the world of work and labour markets in the region;
- Shared good practices on country-level response strategies; and
- Discussed and identified policy options to be considered at the national level, grounded in the ILO's four-pillared approach to address this crisis, with a focus on the ILO Centenary Declaration for the Future of Work.

Key Thematic Areas

As Arab States strive to address the repercussions of the COVID-19 crisis on their economies and labour markets, a comprehensive and inclusive approach is urgently needed.

Acknowledging the devastating consequences of this crisis on people's lives and employment prospects, increased, but coordinated efforts should be exerted to protect all individuals including the most vulnerable employers and workers. As such, the Summit will focus on three key thematic areas that need to be at the centre of national response strategies, namely:

- a. Supporting enterprises, jobs and incomes
- b. Extending social protection to all
- c. Social Dialogue and rights at work for a sustained and inclusive recovery

Summit Overview

Location, Date and Time

This Regional Summit will be held virtually on the 1st of July 2020, between 10:00 and 13:00hrs Beirut Time.

Structure

The Summit will be introduced by the ILO Acting Regional Director for Arab States, who will present briefly the overall thematic areas of the event.

Three thematic sessions will allow constituents to discuss the COVID-19 related challenges faced by Arab states, based on a set of 3-4 guiding questions per thematic area, and will attempt to identify policy options in line with each of the three thematic areas. The three sessions will be based on structured interventions from tripartite constituents moderated by a professional moderator to steer the discussion and ensure an enriching and fruitful debate.

Finally, a wrap-up session, will close the Summit, summarising the issues discussed, and providing an overview of the way forward. Based on the discussion, the Office will prepare a summary report to sum-up the proceedings and interventions made.

Participants

The Summit participants are high-level tripartite constituents from Bahrain, Iraq, Jordan, Kuwait, Lebanon, Oman, Occupied Palestinian Territory, Qatar, Saudi Arabia, Syria, United Arab Emirates, and Yemen.

Invitations will be sent to:

- Ministers responsible for labour in the Arab States;
- Heads of employers' and workers' organizations in these countries; and
- High-level representatives of regional organizations, including the Arab Labour Organization, the GCC Executive Bureau and ESCWA.

Language

The main language of the Summit will be Arabic. Simultaneous interpretation will however be provided from English into Arabic and vice versa.

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