



Tripartite Arab Meeting on the Future of Work

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Introduction to the Future of Work in the Arab States

The Arab Region is no exception to the transformations impacting the world of work. Given the regional political instability, and the prevalence of prolonged crises in some member States, it becomes even more essential to strengthen social dialogue in the region so as to gain a common understanding of the transformations that impact the world of work and to determine, collectively, policy options and programmes to address these new challenges as well as pre-existing decent work deficits.

The understanding of the transformations that are taking place in the world of work will enable the ILO to better serve its constituents in supporting a decent work centred recovery from the conflict and turmoil sweeping through the region, and to promote decent work and social justice as the main pillars of social cohesion that would counter some of the root causes of the current conflicts in the region.

This document introduces four key thematic issues to be discussed at the Arab Meeting for the Future of Work; scheduled to take place in April 2017. These issues are considered to be the most pressing issues impacting the future of the world of work in the region.

- a. The Future of Work and Social Justice in the Regional Context
- b. A Robust Regional Economy for Improved Labour Market Outcomes
- c. Boosting Women's Employment Prospects to Shape a Just Future
- d. Strengthening Social Security in Arab States

1. The Future of Work and Social Justice in the Regional Context

While technological progress and increased globalization over the past decades have led to economic growth in the region as elsewhere, it is undeniable that inequalities have also increased. In the Arab region, as in other regions of the world, economic growth has often not been sufficiently inclusive and it has failed to bring tangible benefits to parts of the population. We have thus witnessed developments whereby whole communities or sections of society feel left behind. The effects of population growth, rapid urbanization and environmental degradation have been contributing to greater competition for resources, and decent work deficits and exclusion have been adding to tensions and instability.

There is now a growing international consensus that the conditions and the structural context conducive to the rise of extremism and terrorism threats include, among others, a failure to reduce poverty and inequality, and the lack of decent jobs for youth. The profound changes in the world of work that we are now witnessing in economies at all stages of development will likely reinforce existing pressures. In order to meet these challenges and to steer this evolution in the direction of social justice, young people, who constitute the majority of the population in many countries of the region today, must be empowered to make a constructive contribution to the political and economic development of their societies, and given a chance to realize their potential. A new social contract and a more participatory model will be needed to meet the aspirations of populations.

While decent work deficits, poverty and inequality are complex challenges for which no easy solutions exist, the ILO's framework of international labour standards, as reinforced by its 1998 Declaration on Fundamental Principles and Rights at Work and its 2008 Declaration on Social Justice for Fair Globalization, may provide guidance for the design of national policies and strategies, and for the adoption of legislation that may serve as tools to more effectively address these challenges, including with regard to employment policy, acceptable working conditions and measures to counter discrimination and exclusion.

In some countries, frustration has grown among segments of society, which have become alienated from political establishments, and we have seen internal divisions leading to political turmoil and the eruption or perpetuation of conflicts. Several countries in the region may be classified as fragile states in view of ongoing conflicts, large movements of refugees and extremism and terrorism threats¹. Reflecting broader issues within the region, inequality, exclusion, absence of adequate social protection, and discrimination are more marked in fragile states and are characterized by lower economic growth rates than the average for low-income countries. Fragile states also tend to have very unequal wealth and income distributions, factors that increase the risk of violent conflict. Fragile states share common characteristics that adversely impact workers and the world of work within their borders.

In order to meet the demands of the future, current challenges should be taken as an opportunity to enact long-needed reforms and improve labour market dynamics and social protection with a view to creating more equitable societies, and to establish mechanisms for effective tripartite social dialogue on labour issues. Some of the fundamental ILO conventions, including Conventions Nos. 87 and 98 on freedom of association and collective bargaining, as well as Conventions Nos. 100 and 111 on work-related equality, including gender equality, which enjoy near universal ratification, have not been signed or are insufficiently applied by some countries in the region, and situations of child labour and forced labour remain insufficiently addressed. In the absence of institutionalized social dialogue and sufficiently inclusive governance structures, decent work deficits are widening.

The necessary focus on innovation, diversification and education must be combined with labour market reforms to create decent jobs and give greater social justice to workers, including migrant workers, so as to ensure that labour markets do not only serve to increase production and productivity, but also contribute to social development and the attainment of comprehensive social justice. Better targeted and more coherent policies, which put decent work at the core of socio-economic policies, need to be developed in consultation with employers, workers, and civil society, in order to establish a development model that is grounded in social justice and based on equal opportunities and decent work. The importance of decent work as a basis for social cohesion is also emphasized in the Sustainable Development Goals adopted by world leaders last year (Agenda 2030). To transform those goals into action and meet the demands of the future, it will be necessary not only to respond to immediate needs, but also to address existing structural challenges through adequate long-term responses.

The Meeting will take note of the aforementioned regional stance on social justice and the future of work in the context of the region to create an avenue for discussion on the following issues, paying particular attention to the role of social dialogue in promoting social justice and FPRW:

- How labour markets can support societal peace and stability.
- Employment and decent work tools suitable to prevent drivers of violence and fragility.
- Promoting Fundamental Principles and Rights at Work (FPRW).
- Understanding which efforts can be made to strengthen the legislative and institutional framework for labour market governance so as to enhance decent work opportunities and social stability.

¹ Fragility may be understood as sudden and/or cyclical situations in which one or more exogenous or endogenous risk factor exacerbates pre-existing political instability and socio-economic vulnerability. From the perspective of the world of work, this translates into the extent to which labour market actors are no longer able to provide and/or access employment and decent work opportunities.

- Harmonizing efforts from regional governments and international agencies to provide the environment that can create decent work and livelihood opportunities for host countries, refugees, and internally displaced persons. In addition to discussing mechanisms whereby international agencies, chiefly the ILO, can support and provide capacity building support to regional governments and civil society organizations in their coordination and response efforts to the refugee crisis.

2. A Robust Regional Economy for Improved Labour Market Outcomes

The Arab States² and Egypt's population today stands at combined **249 million** whose majority, **62.6 per cent**, are between the ages of 15 and 64. Furthermore, in the upcoming 35 years, the World Bank forecasts that the Arab States' total population will increase by **170 million** to reach **419 million** with the working-age population increasing by **116 million** over the same period. The youth population, those aged between 15 and 24, are estimated to grow by **45 per cent** to reach **64 million** in 2050. This increase in the Arab States and Egypt's population and demographics will further strain the region's labour markets, which already suffer from substantial structural unemployment and the highest aggregate rates of youth unemployment in the world.

The increase in the Arab States and Egypt's population will require a corresponding increase in the generation of decent jobs. This will require economic diversification and structural transformation through significant investment, coupled with effective skills development in order to ready the youth population to acquire the jobs generated through inclusive growth. Employment-friendly macroeconomic, sectoral, investment, trade, education and labour market policies will need to be pursued in a coherent and complementary manner in order to be effective. Broad-based private sector development will be required to lead the job creation efforts. For example, with declining oil revenues and growing fiscal constraints, a greater sense of urgency has developed around the labour market nationalization policies of the GCC countries that hinge on effective private sector development policies. This in turn necessitates not only policies that increase the competitiveness and productivity of enterprises operating in the region in order to attract the requisite levels of investment, but also policies that secure decent wages, working conditions, and workers' rights.

The discussions of the Meeting will focus on:

- Identifying the necessary policies needed to lay the foundations for the large-scale creation of decent jobs for youth, in line with the principles of the ILO Employment Policy Convention (ILO Convention No. 122), and to promote a strong business environment within the Arab States that is capable of attracting significant investment levels.
- How these policies can best respond to the need for diversification and upgrading of economies and worker skills.
- How to advance the effectiveness of labour nationalization policies.
- How such policies can be tailored to create resilient and robust economies in the region.

² The Arab States here denote the 11 member States of the ILO-ROAS and the Occupied Palestinian Territory.

3. Boosting Women's Employment Prospects to Shape a Just Future

The Arab States are renowned for lack of equal rights for women, including endemically low participation and high unemployment rates for women in the labour force. The most recent Global Competitiveness Report by the World Economic Forum, ranked 12 countries of the MENA region within the lowest 20 countries globally in terms of the participation rate of women in the labour force. According to ILO data, the region has an average participate rate of 24.9 per cent for women compared to 78.4 per cent for men; representing a ratio of 0.32 in 2014.

As the low participation rate of women in the labour force is tantamount to lost economic potential, the explicit goal of boosting women's participation in the regional labour force and economy must be a regional priority. Increasing women's rights and the labour force participation rate of women in the region should be done by facilitating the acquisition of the jobs generated in the future by women who are currently in or about to enter the labour force as well as by enhancing entrepreneurial opportunities for women in particular and the region's youth in general.

In light of this, the discussions of the Meeting will centre on:

- Identifying appropriate public policy responses that address the current gender distribution of education enrolment by field and what measures can be taken to position women in the region to acquire the jobs of the future.
- Discussing the impact of new forms of work on the work-life balance and identifying public policy responses³ to ensure that the jobs of the future are equitably accessible to men and women.
- Reaching a consensus on an approach grounded on ILO Convention 100 and 111 to boost women's participation in the Arab States' economies that addresses the barriers preventing women from contributing their full potential to the region's economy and society.

4. Strengthening Social Security in Arab States

In addition to the existing structural deficits in social security systems in the Arab States, the regional is expected to face challenges pertinent to changing demographics. While the population aged between 65 and 74, and those aged 75 and above are expected to grow at an annual rate of 4 per cent and 4.4 per cent respectively, the youth population in the Arab States is expected to increase only by 0.7 per cent annually.⁴ Thus, the population aged 65 and above will quadruple from 17 million today to 70 million in 2050. This change will bring about significant concern regarding the financial sustainability and compound existing structural deficits of today's social security schemes in the region and their ability to adapt to this rapid increase of the elderly population.

The strain on the region's social security structure will be exacerbated as well through the rise of unconventional, or new forms of work as evidenced by the rise of the network and sharing economies. These new forms of work are increasingly blurring the traditional lines between "employer" and "employee", and franchising, subcontracting, and the globalization of supply chains mean that

³ The public policy response should further address additional issues impeding women's participation in the labour force such as social and cultural norms, unequal pay for work of equal value, inadequate maternity leave provisions, occupational segregation, unequal access to quality care services and skills training, high incidents of unpaid care work, among others.

⁴ World Bank, Population Estimates and Projections.

responsibility for workers' basic rights, including social security rights, is more and more diluted – or ignored.

These changes go hand-in-hand with sluggish economic growth, high levels of unemployment and increasing rates of vulnerable employment, as well as increasing rates of poverty, income insecurity, and informality worldwide. The Arab States are not spared from these global trends, and political insecurities and streams of refugees have further contributed to the destabilization of their social protection systems.

The low labour force participation rate in Arab States contributes to high social security coverage gaps, which in selected countries are often below 50 per cent of the population. Women are even more penalized as few countries in the Middle East reach coverage rates of more than 10 per cent of the population for women. Furthermore, many countries of the region do not provide social security short-term benefits, as unemployment insurance benefits, which play an important role as social and economic stabilizers in times of economic downturns.

Bearing these social protection gaps in mind, the discussions of the Meeting will focus on:

- Identifying the challenges which countries are facing to provide social protection to all.
- How to ensure the sustainability of national social security systems in line with the principles of ILO Convention No. 102 on social security (minimum standards), and In light of the region's demographic changes.
- Identifying new social protection mechanisms to provide social security coverage to workers in new forms of work.
- How countries can advance the development of national social protection floors as a human right, with due regard to ILO Recommendations No. 202 on this subject.