



International Labour Office



Challenges in the Arab World: An ILO response Report

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INTRODUCTION BY MR. JUAN HUNT, OIC PARTNERSHIPS AND DEVELOPMENT COOPERATION DEPARTMENT

Mr. Juan Hunt (Officer in Charge, ILO Partnerships and Development Cooperation Department)

welcomed everyone to the event: “The Arab World: Towards a New Era of Social Justice”. He presented the programme of the meeting and the strategic paper: “Challenges in the Arab World: An ILO response”, prepared in a joint ILO effort with the Two Regional Offices (Arab States and Africa) and ILO constituents (Governments, Employers and Workers). This document comprises a preliminary group of 30 concept notes for the programs and projects that the ILO proposed in response to the aspirations of the Arab World to move towards a new era of social justice. Their total value was just over \$90 million.



Mr. Hunt expressed his gratitude to the panellists: Ms. Nada Al-Nashif, ILO Regional Director for Arab States and Mr. Charles Dan, ILO Regional Director for Africa; and by H.E. Mr. Hisham Badr, Ambassador, Permanent Mission of Egypt, Geneva, and H.E. Mr. Samir Koubaa, Chargé d’Affaires, Permanent Mission of Tunisia, Geneva.

Following Mr Hunt’s introduction a video describing the situation in the Arab Countries and the ILO’s response was shown.

OPENING REMARKS ON BEHALF OF THE ILO DIRECTOR-GENERAL BY MS. NADA AL-NASHIF, ILO REGIONAL DIRECTOR FOR ARAB STATES

Speaking on behalf of the ILO’s Director-General, Mr. Juan Somavia, Ms. Al-Nashif recalled how the initiative of developing the MENA strategy was very much based on Mr. Somavia’s own personal commitment to the region and the ILO’s institutional engagement – the Director-General’s unequivocal and consistent support had provided enormous guidance and confidence to the work.

The ILO Constitution states that: “Universal and lasting peace can be established only if it is based on social justice.” Recent events across the Arab World had confirmed this absolute truth. Popular uprisings from Morocco to Bahrain were calling for social justice and freedom, confirming that employment, protection and dialogue are closely inter-twined demands – and an integral part of true democracy.

Passionate and brave demonstrations had reaffirmed people’s demands – across the divides of age, gender, religion and class – to be treated as citizens, not subjects. They rejected piecemeal reforms that served only narrow interests; government that is unaccountable and corrupt; and the false trade-off between socio-economic and political rights. They rallied against entrenched patterns of exclusion, discrimination, autocracy and inequality – all driving forces behind these powerful protests.

Arab Governments, organizations and institutions had offered responses across the region: initiatives to raise minimum wages, create new jobs for young people, increase housing and social benefits, restore subsidies and scrap taxation. ILO support, through a strategic and integrated Decent Work Agenda, could corroborate those efforts, and provide the platform for a coherent, sustainable response that upheld civil liberties and human dignity.

For many years the ILO had pointed to the decent work deficits in the Middle East and North Africa, where:



- unemployment, underemployment and informal work remained among the highest in the world: between 20 to 40% of young people were unemployed, with young people's risk of unemployment being four times higher than that of adults, and young women being doubly impacted
- there were major gaps in social security coverage
- labour market governance remained inadequate
- the systematic violation of fundamental principles and rights at work was widespread, especially those related to freedom of association, collective bargaining and the right to organize.

It was therefore critical that the ILO strategy respond to the immediate challenges of job creation in the region while also addressing the structural issues that required medium- to long-term responses. The failure to tackle these problems effectively had nurtured the popular revolts. Growth alone was not enough: an efficient and equitable growth model was needed that had a positive impact on poverty reduction, income insecurity and employment generation, especially in the distribution of wealth and access to opportunity.

The new spirit had proved contagious: demands for democratic and constitutional reforms that began in Tunisia and Egypt had been echoed in most countries of the region. The courageous expressions of the will of the people of the Arab world had been heard during this Arab Spring. The official statements by Director-General Juan Somavia had charted a consistent and principled course for the ILO as it called on authorities to respect workers' rights and to use social dialogue as a means to achieve social justice and democracy. A special meeting of Arab tripartite leaders – workers of Tunisia, employers of Algeria and the new Minister of Labour of Egypt, at the ILO Governing Body in March 2011 had further confirmed the ILO's commitment to this momentous transformation. The Arab Youth Panel during the International Labour Conference had cemented the direction of our response.

Early in this process the Director-General had expressed grave concern at the violent attacks against the offices of Tunisian trade unions and called for peaceful dialogue to ensure a democratization process that benefited the fundamental interests of workers, employers and society as a whole. As the revolt began to spread, the DG highlighted his respect for the dignified and steadfast expression of the will of the people of Egypt. He commended the Government of Egypt on its "Declaration on Freedom of Association" which was issued during his mission to Cairo in March when he accepted an invitation from the newly formed Egyptian government, met with representatives of the Government, workers, employers, youth leaders and civil society groups, and pledged his support in this period of critical transition.

In February Mr. Somavia had issued a statement echoing the concern and condemnation expressed by the UN Security Council and the UN Secretary-General regarding the dramatic developments in Libya: the ILO was fully engaged in UN preparedness efforts.

In Yemen, he had spoken up against the repression and killing of peaceful protesters and called for dialogue and reform, very much in line with the statements by national Employers' representatives.

And the ILO remains closely and actively engaged in the ongoing crisis in Bahrain - issuing statements condemning anti-trade union activities, meeting with the Government and social partners' representatives, dispatching a high-level mission to support national dialogue, and reiterating calls for the reinstatement of dismissed workers.

These were historic times and they presented historic opportunities. They marked the outset of a new era of social justice in the Arab region. The ILO's unique mandate, constituency and principles would now accompany and consolidate the irreversible transition to democracy.

This made the idea of business as usual almost impossible. This meeting was one of many steps towards implementing an innovative interregional response that was:

- firmly grounded in a close understanding of the difficult challenges that lie ahead;
- rooted in the substance of the Decent Work agenda;
- informed by our track-record/experience from other parts of the world that have undergone democratic transitions; and
- truly tripartite, involving governments, workers and employers from across the region.

STATEMENTS BY REPRESENTATIVES OF ARAB STATES

Statement by H.E Ambassador Hisham Badr, Permanent Mission of Egypt to the United Nations, Geneva

The Ambassador congratulated the ILO for the prompt and action-oriented response it had provided to countries in the Middle East and North Africa, building on its profound experience and extensive knowledge, which was essential and crucial to help overcome the main difficulties of unemployment and address the social deficit for a better and decent future.



The day of 25 January 2011 had taken the whole of Egypt and probably the whole world by surprise. Nobody could have really believed that protests by youth would have gathered such strength. The demonstrations, which then became the revolution, started by Egyptian youth, who were able to make the whole world listen to their voice of change under the slogan of “Freedom, Democracy and Social Justice”.

The Egyptian revolution resulted in a real change in Egypt everywhere. The new Government had embarked on a series of political, societal and economic transformations, which involved significant amendments to the Egyptian Constitution, enhanced democracy, new laws for political and civil rights, and setting a date for parliamentary and presidential elections.

Immediately after its formation, the Government issued its the Declaration on Freedom of Association in early March 2011, in which it asserted Egypt’s commitment to the free establishment and independent functioning of trade unions in the country according to ILO Conventions Nos. 87 and 98, which Egypt had ratified. This step resulted in the establishment of almost 27 new trade unions, which afterwards formed the new Federation of Independent Unions.

The Government of Egypt also moved forward to extend freedoms, social dialogue and industrial relations according to the ILO Declaration on Fundamental Principles and Right at Work. In this respect, and with the technical support of the ILO, new initiatives had been introduced to strengthen employers’ and workers’ organizations in Egypt. A new phase of social dialogue involving all social partners in Egypt together with civil society entities was now envisaged, aimed at enhancing the institutional capacity of the social partners to solve their problems and disputes.

Egypt was now in the process of legislating new trade union legislation, which had been submitted to the social partners in the country and was under consideration by the Cabinet.

Egypt had weathered the global and financial crisis well from a macroeconomic perspective. However, higher growth did not generate greater economic opportunities for large segments of Egypt’s population. Small businesses faced difficulties in accessing markets and credit; labour market mismatches and other distortions prevented the economy from creating enough jobs to absorb the educated young and fast growing labour force.

While the fundamentals of the Egyptian economy remained strong and would be further enhanced by the ongoing process of democratic change, economic policy faced significant short-term challenges, as follows.

Economic growth had slowed substantially, whereas domestic economic activities were affected by the disruption of business activities during the weeks of massive protests. Tourism had temporarily collapsed, banks and the stock market were closed, capital flows reversed rapidly and manufacturing, construction and internal trade had also suffered.

The balance of payments weakened because of a steep decline in tourism, capital flows and the negative impact of sharply higher commodity prices on the import bill. After a surplus of US\$ 557 million during the last quarter of 2010, it had run an overall deficit of US\$ 6.071 billion in the first quarter of 2011.

While economic activity began to rebound slowly in March 2011 domestic and foreign investment in Egypt were still affected by the overall circumstances in the Arab region. As a result, the Egyptian economy would likely contract by 1.4% in the second half of the current fiscal year and growth for 2010-11 as a whole would decelerate to a mere 2 per cent. Nevertheless, a gradual recovery of economic activity in 2011-2012 was expected. Real growth was projected to reach 3.2%, and the overall economic activity would accelerate following a return of consumer and investor confidence in the economy. External financing needs were substantial in the coming year. While Egypt expected a gradual return of foreign investors to the government securities market, over the full year there may be some additional portfolio capital outflows and continued weakness of FDI inflows. With unchanged international reserves, this left a financing gap of \$11 billion in 2011-12.



The National Budget recently approved in Egypt:

- focused on human capital investment and spending on labour intensive public works, as part of a new strategy to deal with unemployment pressing challenge
- provided allocations for an increase in the minimum wage for underpaid workers in the public sector, aiming to raise it to a decent level.
- injected additional resources to combat insecurity and finance with new priorities such as social spending, employment generation, finance, food and fuel subsidies, and improving public sector financial management.

On the employment challenges in particular the Government of Egypt was working with the ILO in the following areas:

- a youth employment scheme, where a special public finance fund of LE 1 billion (almost US\$ 166 million) had been established by the Government to provide training and job opportunities for youth
- developing the National Action Plan for Youth Employment: a bilateral agreement had been signed recently between Egypt and Canada (through CIDA) to provide funding of 10 million Canadian dollars for the implementation of the plan in three Egyptian governorates. He thanked the Government of Canada for its generous support in this area
- developing a roadmap to better occupational safety and health
- promoting fundamental principles and rights at work and social dialogue through a trilateral agreement project signed by Egypt, the ILO and the Government of the United States in this regard.

Ambassador Badr stressed that these significant steps had been taken in a relatively short time span after the revolution of 25 January in Egypt and with its spirit, and had already helped restore the social dimension to the core of national socio-economic development process.

Job creation was a top priority for the new Government, but this would be a lengthy process and would involve major partnerships between Egypt and international development partners.

In the medium term much could be achieved in four areas:

- make the training of young people focus more on the needs of employers and enterprises
- help young entrepreneurs, including women, to set up their own businesses
- encourage employers to improve working conditions for young people
- ensure that labour market policies meet supply and demand.

**Statement by H.E. Mr. Samir Koubaa, Chargé d’Affaires,
Permanent Mission of Tunisia, Geneva**

Mr. Koubaa thanked the ILO for organising the meeting, which reflected the solidarity shown by the ILO and by its Director General Mr. Somavia to Tunisia as it underwent democratic transition. He also thanked the ILO’s Regional Director for Africa, M. Charles Dan, for his support in finalising the roadmap for decent work in Tunisia.



The Tunisian people had risen up against oppression and injustice in an unprecedented revolution, which had been led by young people who thirsted for dignity, freedom, democracy and respect of fundamental rights.

Tunisia had now taken the first steps prompted by the revolution, including the establishment of a high authority to pursue its aims of political reform and democratic transition, which now involved laying the legal foundations for a democratic political system. Elections were foreseen for 23 October in the presence of international observers, and the voting wards had been defined.

Revolution had no price, but it did entail costs. The country’s current economic circumstances meant that there was an urgent need to reattain growth and create jobs. This would be difficult with GDP forecast at between 1 and 3 per cent, but it would be manageable if recovery was sustained.

Unemployment had grown to 700,000 jobseekers, of whom 69 per cent were under 30 years of age, and over 170,000 of them were graduates of higher education.

The country had been badly hit by the collapse of several enterprises and the impact of events in neighbouring Libya, with more than 100,000 impoverished Tunisians and refugees returning to or entering the country.

Tourism, the country’s main earner involving some 350,000 jobs, had seen a fall in visitors, with a 51 per cent decrease in income from tourism, meaning that some 3,000 jobs had been lost.

The textile industry, the largest manufacturing industry with 1,752 companies working solely for export markets had also seen a fall of 15.8 per cent in January.

Foreign direct investment was of particular importance to economic and social development, each year generating some 16,000 new jobs, nearly 20 per cent of all jobs created in the country.

Nevertheless, FDI had fallen considerably over the past five years – by around 24 per cent – to add to a current account deficit and increased pressure on the state budget. Additional external financing was needed to serve the current deficit and compensate for other planned financing which could not be mobilized in international markets.

These figures showed how economic recovery was a major objective accompanying the transition to democracy, with institutional reform and guarantees needed for the foundations of the new Tunisia.

The Government had hence decided on a number of emergency measures:

- the creation of more than 40,000 jobs in the public and private sectors
- the award of assistance and microcredit to needy families
- the introduction of a programme to reassure investors and buyers in Tunisian markets through greater stimulus for regional investment and the offer of employment incentives
- support for local and foreign enterprises through fiscal and financial measures
- introducing a new communication and promotional strategy to boost tourism and increase growth in the sector.

The authorities were also holding consultations with the social partners to respond to wage demands and bolster social harmony. The minimum wage had been increased and negotiations were continuing with the social partners on wage raises in the public and private sectors during 2011.

With ILO assistance, the Government had also begun studies on labour and structural reform touching on social security coverage, wages policy and industrial relations.

Tunisia would draw first on its own resources, then on those of its international partners to implement its economic development plan.

The determination of Tunisia's youth was strong: it was keen to learn new ways and was educated: within a short space of time Tunisia had accomplished a revolution that would go down in Arab and world history. It was now their duty to make a success of the outcome.

Tunisia had faith in its partners, who would help consolidate efforts through new partnerships, for the success of Tunisia's revolution would affect others elsewhere. He accordingly expressed thanks to the ILO Regional Office for Africa for its cooperation in helping finalize the roadmap for economic recovery and decent work. This would involve various activities and the organization of a national conference to assess the current situation and undertake a critical evaluation of poverty and social exclusion in the country. It was hoped that the Office would be able to assist in the implementation of this programme.

The support of the international community was of particular importance, especially since Tunisia was struggling to cope with a situation that was being exacerbated by the influx of more than 600,000 refugees and displaced persons on the southern borders, who had been helped by the authorities in a spirit of openness, showing the attachment of the people of Tunisia to international solidarity and the protection of fundamental human rights.

PRESENTATION OF THE ILO RESPONSE TO DATE: CHALLENGES AND THE FUTURE

Mr. Charles Dan, ILO Regional Director for Africa

Mr. Dan stated that the recent 17th Summit of Heads of State and Government of the African Union (Malabo, Equatorial Guinea) had adopted a "Declaration on creating employment to accelerate youth development and empowerment" and decided "that all Member States should advance the youth agenda and adopt policies and mechanisms towards the creation of safe, decent and competitive employment opportunities by accelerating the implementation of the Youth Decade Plan of Action (2009-2018) and the 2004 Ouagadougou Plan of Action on Employment Promotion and Poverty Alleviation".



During the debate in Malabo, everybody – from Heads of State to young community leaders – agreed that in the years to come our collective response to the youth employment challenge would determine both the stability and development of our societies.

Nothing demonstrated more visibly the challenge that large-scale youth unemployment posed than the recent developments in North Africa and the Arab world at large, which brought into sharp focus how universal was the call for social justice. They confirmed that everywhere peoples aspire to live and work in decent societies, and revealed that everywhere young people aspired to grow and participate in conditions of freedom and fairness.

Over the years, the ILO had pointed to the gravity of the decent work deficits in Africa, including in North Africa, which included in many cases:

- a lack of productive opportunities: while the economies of the region had been growing, this had not created enough jobs to absorb the magnitude of new labour market entrants; levels of youth unemployment and underemployment were among the highest in the world, particularly affecting young women
- the lack of a conducive environment for sustainable enterprise development
- the lack of social justice in the distribution of wealth, leading to unequal access to social services and gender discrimination
- the lack of participative governance.

This unbalanced development, together with limitations on basic freedoms and rights, had triggered a historic outpouring of popular demand in North Africa. Through years of engagement with its tripartite constituents in North Africa, through research, capacity building and joint activities, the ILO was close to the needs and priorities of the countries. Together with colleagues here at headquarters, the ILO in Africa had the necessary tools, programmes and networks to act fast and bold given the magnitude of the challenges. It had responded to the call for technical assistance from countries undergoing change in the region, and was working with constituents

In Tunisia, the ILO was following the transition, and at the International Labour Conference had agreed with the Minister of Social Affairs, Mr Mohamed Naceur, to further support the country through a concrete road map. The ILO's technical assessment of the situation in Tunisia had been comprehensive, including a rich study on Tunisia entitled *Strengthening the Social Contract*, undertaken by its International Institute for Labour Studies. Based on this assessment, the road map combined –

- creating decent employment opportunities for young people and other vulnerable groups, including entrepreneurship development, local economic development, strengthening employment services and reducing the mismatch between skills gained and labour market demand
- establishing a minimum social protection floor and extending social protection to the informal economy
- building the capacity of social partners and social dialogue institutions
- promoting labour standards to protect vulnerable workers and promote rights at work.

Agreements were already being considered for expanding the ILO's employment-related initiatives in Tunisia: the ILO was in discussions with the European Commission on a project of 6 million Euros targeting employment creation and employment-intensive investment in some of the most disadvantaged areas of the country. Other donors had shown interest in this approach, including Switzerland, with whom the ILO was discussing employment-related quick impact interventions.

The ILO would support the high-level conference on “Social Justice and Exclusion” expected to take place in Tunis on 21-22 September 2011. The conference would further consolidate the transition efforts by clearly defining milestones in the national fight against social exclusion.

As regards Egypt, the ILO Director-General issued a statement on 2 February 2011 and undertook a mission to Cairo in March 2011 to identify needs and pledge ILO's continued support. A roadmap for recovery had been developed in close collaboration with the Minister of Manpower and Migration, Mr Hamed Hassan El-Borai, and the Minister of Finance, Mr Samir Radwan. The roadmap foresaw up-scaling ongoing ILO activities in Egypt and setting up new interventions and cooperation in areas of particular need. The international donor community was responding favourably to this undertaking: the Government of Canada had already contributed \$10 million to the implementation of a large-scale youth employment project. Additional support from development partners would make it possible to expand the project to additional governorates.

Particular attention in Egypt was also needed to strengthen freedom of association, social dialogue and collective bargaining. Through an ongoing project funded by the United States Department of Labor, the ILO was supporting the promotion of fundamental principles and rights at work with special emphasis on social dialogue. In support of the Government's decision to respect freedom of association, ILO would also continue to provide technical expertise on how to translate such legislative amendments into practice and guarantee the right to freely organize. In this regard, particular support would be given to the newly established trade unions.

Another area receiving attention was social protection. Existing social protection systems needed to be strengthened and improved in size and scope. This included measures such as minimum wages and addressing conditions of work. Already, after the revolution the ILO has provided assistance on minimum wage setting, resulting in a new minimum wage in the public sector. Discussions were under way on the design and implementation of a strategy for the application of a minimum wage in the private sector.

In Algeria a Decent Work Country Programme had been drafted, reflecting constituents' priorities. It focused on employment creation for young women and men and enhanced measures for social protection. The programme was closely aligned with the strategic development framework of the United Nations. The ILO had already been able to partner with the Governments of Italy and Spain

to realize some of these priorities, such as developing micro and small enterprises for young people.

The ILO has received specific requests from the social partners in Algeria to build their capacity to enable them to play a decisive role in this reform process.

As regards Morocco, he congratulated the people of Morocco on the results of the important referendum of 1 July, which brought about important constitutional reforms.

The ILO was proud to work with constituents in Morocco to support this process of change. Building on the tripartite Regional Conference on Social Dialogue hosted in Rabat in December 2010, the Government of Morocco had taken steps to establish a Socio-Economic Council to facilitate social dialogue and collective agreements between the Government and trade unions. Through a technical cooperation project funded by the Government of Sweden, the ILO was meeting the request by Morocco to assist in strengthening these of social dialogue, including in rural areas.

Morocco has also called upon ILO for support to give effect to international labour standards, such as the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and the Social Security (Minimum Standards) Convention, 1952 (No. 102). The ILO would develop additional technical cooperation projects to meet such requests and was already providing support to the revision of national social security policy.

As agreed with the Minister of Employment and Vocational Training, Mr. Jamel Rhmani, during the International Labour Conference, productive employment and decent work for young people would remain a priority for ILO work in Morocco in order to counter the challenge of high unemployment rates among Morocco's youth. This was essential in order to accelerate and deliver on the promise of reform.

Finally, the ILO was carefully monitoring the situation in Libya. As stated by the ILO Director-General on 24 February 2011, "the Libyan people deserve to benefit from a sustained effort for development with social justice which gives all women and men, and particularly youth, their rightful share in the fruits of progress and respects dignity and basic rights through decent work. When this becomes possible, the ILO is ready to assist Libya in pursuing these objectives".

Estimates had put the unemployment rate in Libya at close to 30 per cent, affecting youth and women in particular. The ILO could assist and advise in the process of human resource development, capacity-building, economic diversification and participatory development.

The ILO was committed to adapt the Decent Work Agenda effectively to the situations and conditions prevailing in North Africa, and would do much more to match the impatience and expectations of the people for decent and productive employment opportunities.

The ILO now presented a broad portfolio of technical cooperation projects that would depend on the availability of additional resources, and which addressed priorities identified with constituents. The proposals were rooted in the realities of the countries and indicated the level of resources required to have an impact in the short, medium and longer term. They built on the strengths of the North African region, acknowledging its vast natural resources and large regional market, and would represent an investment in its young population. Decent work for all was a journey, and required mainstreaming and up-scaling. Commitments and partnerships were needed.

Ms. Nada Al-Nashif, ILO Regional Director for Arab States

Ms. Al-Nashif considered that the popular uprisings across Arab States underscored the urgent need to address chronic development failures and structural impediments to equitable growth and social justice, along with key political and social reforms that could liberate the potential of the region and harness existing capacities.

The ILO had been on the mark in pressing for such reforms. In 2009 it had brought together government, worker and employer representatives from 22 Arab countries at the first-ever Arab



Employment Forum (AEF) to address these problems. The result was a regional agenda for action: the Arab Action Agenda for Employment sought to provide an overarching framework for ILO activities in Arab States. It was based on a review of the evidence and policies for employment creation and social protection, and concluded by stressing the need for more thinking about an alternative development paradigm; the promotion of knowledge sharing between Arab countries; and the reinforcement of social dialogue as both a means to and an end of the targeted socio-economic growth and employment models.

Soon thereafter the AEF Tripartite Committee convened in Egypt in May 2010, and met again in Morocco in December 2010 at the ILO/ALO Regional Conference on Social Dialogue in Arab States, which was the first Arab meeting to tackle the challenge of institutionalizing mechanisms and structures for dialogue, including the important prerequisites of strong, independent and representative workers' and employers' organizations. Participants had been unequivocal in their call for the establishment and reinforcement of existing national frameworks for social dialogue. The centrality of this issue to meaningful and sustainable reform in Arab countries had never been so apparent, as millions of people from all walks of life took to the streets demanding freedom, dignity and social justice. The ILO understood better than ever before the implications of its own programming:

Effective social partners were crucial to the Decent Work Agenda – the greater the deficits in real and genuine participation by workers and employers, the less responsive were policies and priorities to popular needs and aspirations. But this transformation required that workers' and employers' organizations embrace internal democracy, nurturing the size and diversity of their membership. The ILO would provide the capacity building efforts needed to support the transition and sustain it. One example at the regional level was the initiative to enhance workers' socioeconomic and legal literacy through a project that brought together trade unionists from Bahrain, Jordan, Kuwait, Lebanon, Oman, Syria and Yemen.

Women had been at the heart of the demonstrations and must be kept at the forefront of reform; in Jordan, for example, the ILO was not only targeting enhanced employment and economic integration policies for young men and women, but also launching a National Committee for Pay Equity and a National Strategy that could be a model for the region.

Stronger links were needed between constituents and national civil society organizations and actors. Human rights defenders and activists, women's associations and youth leaders, and other UN entities were needed to support alliances of like-minded advocates for social and economic transformation.

In response to these overall challenges, the ILO Regional Office for Arab States had developed a portfolio of programmes addressing both specific national needs as well as regional priorities.

In Bahrain the ILO was realigning the Decent Work Country Programme's planned activities to emphasize the priority of tripartite dialogue:

- improving national capacity and mechanisms for social dialogue and reaffirming these as the umbrella for the programme as a whole
- promoting fundamental principles and rights at work
- supporting the Government in further developing its social security system through technical assistance and enhancing national statistical capabilities.

In Jordan the ILO aimed to accompany announced national reforms, further supporting the capacity of the Government, national authorities and the social partners within the framework of the second Decent Work Country Programme, including –

- enhanced employment opportunities for young women and men for a jobs-led recovery
- assistance in the development of sector-based collective bargaining following the amendment of the Labour Code in 2010 [to allow collective bargaining]
- leveraging Better Work project activities at factory and sectoral level to support national labour reforms, promoting linkages to national youth employment
- improving the institutional capacity of labour administration to enhance respect for labour standards, including for migrant workers, and to enhance competitiveness and productivity – including through a pilot initiative in the port city of Aqaba tackling trafficking, inspection and migration challenges.

In Syria, when the time was right, the ILO would be ready to resume efforts –

- to strengthen social security reforms in the framework of the transition to a social market economy
- to assist in the implementation of an integrated youth employment package as part of a United Nations inter-agency youth strategy
- to formalize support to social dialogue and strengthen labour market governance
- to maintain the target of improved working conditions and the enforcement of international labour standards.

In Oman the ILO had pledged its support to the development of a national strategy for social dialogue as part of the ongoing Decent Work Country Programme. It was also working with the national authorities to consolidate their serious steps towards substantive legal reforms, including –

- several far-reaching amendments to the national Labour Code which should be finalized by the end of 2011
- further anti-trafficking regulations
- the consolidation of capacity building for the nascent General Federation of Oman Trade Unions, to ensure, among other things, that more women, informal sector and migrant workers were actively organized and represented.

These were just a few examples of the ILO's expanding portfolio of activities in Arab States. It endeavoured to pre-empt as well as respond to emerging realities on the ground in Iraq and Lebanon; in the occupied Palestinian territories; and of course in a beleaguered Yemen very much in coordination with the UN system in anticipation of a political settlement that would allow real development work on the ground.

The shifting regional landscape required –

- a reordering of priorities;
- the redistribution of available resources even as the Office sought more
- the development of more innovative approaches
- enhanced interaction between the national and regional levels.

The ILO counted on partners' support to be able to continue to serve the workers, employers and governments of this region in their quest for social justice.

H.E Ambassador Hisham Badr, Permanent Mission of Egypt, acknowledged the presence in the room of the Director-General and thanked him for his leadership. Not only ILO presented the vision and response for the Arab world. In the G20 the issue also is very important. During ECOSOC the DG had highlighted the fact that numerous educated people were unable to find a job. The growth model had to change. Employment was not only about profits: it was a matter of human dignity.



DISCUSSION MODERATED BY MR. JUAN HUNT

Mr. Shukri Dajani (Counsellor and Labour Attaché, Permanent Mission of Jordan to the United Nations) expressed his gratitude to the Office for convening the meeting and his appreciation for the statements made by the Ambassador of Egypt, the Chargé d'Affaires of Tunisia, and the directors of both regional offices.

He pointed out the ILO's pivotal role in the MENA countries at this crucial juncture and emphasized that donor countries were asked to consider providing the necessary funding to the Organization to enable it carry out the needed technical assistance.

He highlighted the major political, social and economic changes and reforms developed under the leadership of King Abdullah II bin Al-Hussein: creation of a national dialogue committee for the elections, a review of the constitution to explore possible amendments for the institutionalization

of work and pluralistic democratic parliamentary standards. Jordan would accelerate efforts to abolish all forms of discrimination against women, and would be using dialogue as a mechanism between youth and the State to ensure their voices were heard. Jordan needed ILO assistance more than ever, and he hoped that ILO actions would run in parallel with current reforms.

Mr. Antonio Peñalosa (Secretary General, International Organization of Employers (IOE)) expressed his gratitude to the Office for the efforts in the region and expressed the IOE's support. He stressed two main issues: i) inexistent social dialogue in the region, and the great effort needed to build trust and confidence between workers and employers; ii) efforts to create employment by supporting a market economy and private enterprises: the role of private enterprises was fundamental and the ILO needed to create an enabling environment for the development of the private sector, thereby persuading trade unions and the government. The ILO should focus on key issues such as women, youth entrepreneurship and enterprise creation for the development of decent work in the region.

Ms. Esther Buzzer (International Trade Union Confederation, ITUC) thanked the ILO for the panel and for the efforts carried out in the region, particularly in Bahrain. She addressed three issues –

- the high value of social dialogue considering the extremely complex situation of trade unions and the major value of the ILO's work in this regard;
- the importance of ILO Conventions on freedom of association (C.87) and the right to organise (C.98), as well as ILO's work to promote their ratification and implementation; the absence of any reference to the Gulf countries on this subject was a cause for concern.
- employment creation and employment policy: the strategic paper reflected "business as usual" whereas a more macroeconomic approach placing employment at the centre should be considered, as should the important role of industrial policy in transforming economies and creating productive jobs.

Mr. Martin Hubert (Counsellor for Social Affairs, Permanent Mission of France to the United Nations) drew attention to the importance of the response given to the challenges and needs of the region, and highlighted the G8 response proposed in the G8 meeting of May. The Deauville Partnership was intended to assist the transition to free and democratic societies. The economic axe of cooperation would address several economic issues such as job creation, adjustment of the labour market, developing human capital and skills, and matching skills training to the labour market. This partnership would associate countries of the G8, the Arab countries and development agencies and a framework for its implementation would be developed in September.

Mr. Koubaa supported comments acknowledging the importance of social dialogue and the role of private enterprise. Employers were needed to provide jobs, and social dialogue was fundamental to peace.

H.E Ambassador Badr expressed his gratitude to the French leadership of the G8. He emphasized that the time to act and engage was at that moment.

Ms. Nada Al-Nashif, ILO Regional Director for Arab States, replying to Ms. Buzzer, stated that the Gulf Cooperation Council countries were not absent from the ILO approach; however, the strategy meant to first focus on the countries most affected. Proposals addressed assistance for Jordan and Oman, and the ILO was ready to act when the time came in Syria and Bahrain. ILO had an important commitment in the UAE concerning fundamental principles and rights at work. In Saudi Arabia a new programme on social dialogue and a workers' capacity building project were being initiated. Innovation was a continuous process, and the ILO was adapting to new criteria and being more critical in the assessment of programmes.

Mr. Charles Dan, ILO Regional Director for Africa, acknowledged the comments made by representatives from the ITUC and IOE on the importance of social dialogue, and the value of partnerships highlighted by the representative of France.

Mr. Greg Vines (Minister, Permanent Mission of Australia and Chairperson, ILO Governing Body) expressed his appreciation of the effective and rapid response by the ILO and underlined the key role of long-term cooperation between the ILO and other international organizations. As regards the discussion held between the ILO and the G20 on cooperation and coherence, he requested clarification on the ILO's level of confidence, given the critical nature of the projects and the comprehensive portfolio.

Mr. Peter Ajuzie (Permanent Mission of Nigeria) expressed his gratitude for the statements by the panellists and for the work of the ILO. The pursuit of social justice concerned not only the Office and other development partners, but required action at the bilateral level so that countries could share information and experience. He emphasized the need for the ILO strategy to be adequate to dealing with the difficulties in Arab countries.

Ms. Kristine Goulding (United Nations Research Institute for Social Development, UNRISD) observed that 25 to 30 per cent of the Tunisian economy existed in the informal economy and that the majority of the workers in this sector were women. She requested information on concerning measures being taken by the Governments of Tunisia and Egypt and the ILO.

Mr. Koubaa observed that in order to implement the needed projects and programmes resources was required. He therefore regretted the absence in the meeting of certain donors. Regarding the gender dimension, he announced that the electoral law approved in Tunisia stipulated that 50 per cent of participants presented in the lists must be women. Concerning the informal economy he responded that this was a lesser evil tolerated by governments, which allowed people to find a job when governments could not provide one.

Mr. Yaser Hassam, Counsellor, Permanent Mission of Egypt, replying to the statements by the IOE and ITUC, stressed that the challenges faced in dealing with employers' and workers' organizations in Egypt were considerable. Up-scaling and upgrading the capacity of both organizations was needed. To date some 27 new independent unions had been created in Egypt and needed help and support to raise their awareness of ILO principles and standards. He agreed with Mr. Ajuzie from the mission of Nigeria that social justice was a long process and joint work within the African framework was possible and necessary. More than 55 per cent of workers in Egypt were in the informal economy, and the Government was working to create decent work and had a comprehensive approach. However, the priority was to provide jobs to young people, even informal jobs, as 27 per cent were unemployed.

Ms. Al-Nashif stated that the relationship between countries and international organizations had historical ties that determined the scope and nature of ILO support. The approach depended on the stage of development, the maturity of the partners, and the level of commitment to the reforms. At the request of constituents, more DWCPs were being signed. The ILO was determined to be more transparent and bring a stronger results orientation to its activities.

Regarding cooperation and coherence, the scale of the challenge in the Arab countries moved the ILO to work from information sharing to joint planning. All office directors in the Arab world had met in Lebanon in May, and a number of considerable interagency interventions (statistics, youth employment and a new social security programme) would be jointly tackled. In parallel, specialized programmes would be delivered at country level.

Mr. Dan responded that as the ILO was a tripartite organization, ILO assistance could be requested by governments, workers or employers. Concerning women in the economy and women's empowerment, the Office had been active in organizing the Cairo platform. In regard to policy coherence and coordination, the ILO would at the forthcoming regional meeting be launching a joint initiative with the African Development Bank and the Economic Commission for Africa. As regards the informal sector, this concept had been developed by the ILO, and in order to address its problems the ILO promoted the social and solidarity economy as a bridge between the formal and informal economies. For this the ILO would each year organize an international meeting on the social and solidarity economy. The first had been held at the ILO's Turin Centre, and the next would take place in Montreal (Canada). The informal economy was a worldwide issue.

Geneva, 8 July 2011.