

United Nations Expert Group
Meeting On The Challenge Of Building Employment
For A Sustainable Recovery
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Contribution :
The Employment Dimensions of
On- going Socio-political events in Arab Region

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1. What Happened and what is happening in Arab states? Arab popular protests were described by western media as Arab Spring, and by Arab foreign ministers as “major developments and changes¹”. Events started 18th of December 2010 in Tunisia, a month later in Egypt, in February 2011 in Yemen, a week later in Libya, and in 15th of March in Syria. In between, popular protests erupted in Jordan, Oman, Algeria, Lebanon, West Bank and Gaza Strip, Iraq, Mauritania and Bahrain, where protests were the fiercest.
2. Protests started with social demands and claims, atop of which were job opportunities, job security, social protection and wages improvement. When some protesters fell as victims, demands tended to eliminate the causes of their claims, i.e., corruption, mismanagement and misdistribution. As the number of victims increased, protests became a revolution demanding to bring down the head of the regime, then the whole regime.
3. Eruption of protests appeared to be sudden, but their preludes were evident. In the last couple of years, a wave of protests spread out amongst workers and employees, but the fiercest were protests of textile workers in the Egyptian city of Mehalla and protests of miners in the south of Tunisia. Meanwhile, strikes and set-ins of several categories of employees and workers outspread in several Arab cities.
4. The ruling elites dealt with the crises with some sort of confusion, giving priority to security solutions, amidst a media blockade. Established political parties, cultural elites or trade unions did not adequately respond to such protests. As they presented some response, such responses were either insufficient or late.
5. The ruling elites did not understand the aspirations of their peoples, as well as effects of deep changes on Arab societies. Therefore, the last statement of former Tunisian and Egyptian presidents was “We understand you”, but this was either too late or incomplete.
6. The Arab demographic composition has changed in the last few decades, as youth in the age bracket of 15 to 24 years represent an average of 20 percent, whereas people under 40 years of age represent the majority of the people. Nevertheless, most of them do not know but one ruler, as the one-man rule in Libya has continued for 41 years, in Egypt 31 years, 33 years in Yemen, and 22 years in Tunisia. Although these are all republican regimes, they do not allow peaceful transition of power.
7. The Arab people are young, and had more education than previous generations; meanwhile, a considerable percentage of the Arab population uses information and telecommunication technologies. However, this generation has fewer opportunities in the labor market, deprived from free political participation, and

¹ Arab foreign ministers’ meeting: 09.02.2011

witnesses a demographic window, a significant demographic development, as in this decade the growth rate of Arab labor force reaches its highest to be 3.2% annually, where the rate for labor women is 5%.

8. Effects of the uncontrolled globalization and economic reforms decided by US-led major economic powers overwhelmed the recent period. This led to adopting privatization programs for the public sector, which is characterized with corruption, mismanagement, widespread laying off for workers, stopping recruitment in the government sector, and lack of allocations dedicated for social welfare, like education, health and insurance.
9. In light of the GATT agreement or direct foreign investment policies, economic openness policies could not help in realizing improvement of conditions. In essence, Arab economies are rental, as more than 40% of Arab GDP is oil and gas revenues in 15 Arab states.
10. The influx of direct foreign investments, which were significant in recent years with more than 100 billion US dollars in 2009, did not create sufficient job opportunities, as most of the investments were directed to luxury housing, telecommunication industry and oil production. However, the states that benefited from these investments were limited, but at the top of the list comes Saudi Arabia, then the United Arab Emirates, and way after that there are Egypt, Lebanon, Tunisia, Morocco and Jordan.
11. Bilateral or multilateral aids did not respond to development needs, but rather they were subject to political considerations. Meanwhile, Arab aids were not committed to the international 20:20 compact adopted in Copenhagen summit, which calls for interested donor and recipient countries to allocate a minimum of 20% of official development assistance and 20% of national budget to basic social development programs.
12. Official figures suggest that cash flows from Arab expatriates' remittances were 27 billion US dollars annually. These significant cash flows have direct influence on families. However, job opportunities for migrants decline for several cultural and security reasons, as geographic closeness, cultural familiarity and common history have little effects, if any.
13. The phenomenon of unemployment increased, as unemployment rates in the Arab region have been the highest in the world for two decades. Unemployment swelled to include most Arab states, including oil-rich states like the Kingdom of Saudi Arabia and Libya, with high rates of unemployment that exceed rates of a state like Egypt. The average unemployment rate goes around 14%, and now more than 16% and it might be higher due to the effects of the global economic crisis.
14. Reports of international organizations, like the World Bank and ILO, on unemployment in Arab states have not been accurate in reflecting Employment specificity in Arab Region as they estimated unemployment rates to be a little more than 10% for the Middle East and North Africa (MENA) region. However,

15. Some progress in employment was achieved in the region, but the real progress was achieved in the irregular sector with an increase of demand on migrant workers. The regular private sector and government sector, on the other hand, played limited role in employment.
16. The problem was not limited to lack of job opportunities, especially to new entrants to the labor market, rather the available opportunities were not decent. The case of Bouazizi, the catalyst of the revolution in Tunisia is an example: an educated young man, whose work in the irregular sector did not generate sufficient income for him, humiliated by a policeman, complained to a municipal official, who refused to listen to him; therefore he set himself on fire, inciting millions to go out for demonstrations.
17. The problem of unemployment was not a surprise to most Arab states and governments, while plans to curb it were always present in introductions of development plans and in rhetoric statements of officials. In effect, achievements were scarce; the macro economy had all the attention, as it is believed that the development of GDP would be sufficient to create sufficient job opportunities. Employment content in development plans and in national or foreign investment schemes did not have the prime concern. What adds insult to injury is paying more attention to the quantity in education and training at the expense of quality, while there is a blatant incompatibility between education and training outputs on one hand and labor market needs on the other.
18. When there was a political determination, unemployment rates were decreased with more than 10 points in few years, i.e., the cases of Algeria and Bahrain. In fact, Arab and international aids were limited in the past as since Arab Employment Regional Scheme in 1977, there was no regional employment program in the Arab world, neither from UN bodies like the International Labor Organization, nor from Arab entities.
19. The Arab Summit, held in Kuwait in January 2009, focused on the issue of unemployment for the first time, after 32 summit sessions. This summit adopted this decade as an Arab employment decade, targeting to reduce unemployment rates to 50%, and to decrease the number of poor labor with a similar percentage. This means decreasing unemployment rates to 7.5%, and decreasing the number of poor labor to 14% before 2020. In addition, the summit supported technical education, Arab labor mobility and increasing productivity. The summit also adopted a package of two billion US dollars to support small and medium enterprises. The amount is almost ready by subscription, yet projects have not started yet.

20. The summit showed interest in employment because unemployment was seen in previous summits as one of the most significant six challenges the region faces. In addition, the interest was due to other several factors like the relationship between unemployment, extremism & internal security, the global crisis, which had negative effects on employment, and agreement of economic and social players in the region to give more emphasis on employment through Doha Declaration (2008), which gave full support for the summit resolution.
21. The international community was concerned with effects of the global crisis on employment, and adopted a charter for job opportunities to refresh labor markets. On the Arab level, this was interpreted through an Arab employment agenda, reached as an outcome of a conference organized by ILO and ALO in Beirut, in October 2009.
22. Arab Employment Agenda stated that the crisis aggravated unemployment levels, partial unemployment, reduced productivity, limited access to decent work opportunities and demoted social protection. The agenda determined priorities to build social protection systems, support Arab and international labor policies and standards, support labor rights, social dialogue, sustainable development for institutions, as well as having regional initiatives and partnerships, among others
23. No change inflicted by resolutions of the Arab summit, Arab labor conferences, Arab employment agenda, or all researches and studies that warn against dangers of unemployment, its social, economic and security risks. However, youth movement, known as Arab Spring, made considerable change, and even more.
24. During three months of popular uprisings, governments achieved more than what previous governments failed to achieve in years to support employment, enhance job security, improve wages, subsidize basic food supplies, show readiness to dialogue or improve labor representation. This means that if governments want, they act, and the issue is not primarily an issue of finances, but an issue of priorities. Unfortunately, these procedures were insufficient, or its timing is inappropriate.
25. In 24.02.2011, the Kingdom of Saudi Arabia adopted a package of procedures that costs more than 30 billion US dollars. This package comprises 13 procedures that includes a financial aid for job seekers, supporting beneficiaries of social insurance, supporting housing funds, increasing basic salaries and preparing a plan to solve unemployment problem. This was connected to another 93 billion US dollar package that takes in improving conditions of public servants, giving additional aids for the unemployed, disseminating a 2-month grant for all employees, retired and students abroad.
26. In the Sultanate of Oman, it is decided to employ 50 thousand citizens urgently effective February 2011, raise minimum wages for citizens 45%, offer the unemployed a monthly assistance grant of 150 Omani Riyals, and raising

pensions to 100%. Oman's People's Council, the elected Shoura Council, the appointed Council of State are given legislative and monitoring powers.

27. In Syria, additional subsidies were allocated to basic consumer items, especially for heating, as procedures were taken to avail popular housing schemes, to create new job opportunities in the government sector, making temporary workers permanent, and to increase the minimum wages to around 200 US dollars. The government offered a package of incentives that includes payment of an annual salary for employment in the private sector, in addition to reduce tax burdens, and a promise to lift its emergency law. Syria offered to put in place mechanisms to fight corruption, enhance litigation conditions, and to prepare two new draft bills, one for political parties and the other for media. However, this was made before 15th of March 2011.
28. In Bahrain, significant financial aids were offered to poor families, housing loans were offered at easier conditions, 50 thousand popular residential units were decided to be built. In addition, GCC states supported the Kingdom of Bahrain and Sultanate of Oman with 20 billion SUS dollars as protesters were in Pearl Square and before the deployment of the Peninsula Shield Forces and duly taking oppressive security actions.
29. In Morocco, 10% of the balance of payment this year is allocated to support employment, especially for university graduates, starting March 2011, in addition to subsidizing basic consumer items, and suggesting major constitutional reforms to transfer the current regime into a constitutional monarchy. Employers presented a project to create 2.5 million jobs and support small enterprises before 2020.
30. In Tunisia, after 18 December 2010 and before the collapse of Ben Ali's regime, the government offered a feeble bid to develop Sidi Bouzeid area, where Bouazizi was born, with 17 million US dollars, before pressing employers to offer new job opportunities, and basic consumer items were subsidized. The bid later developed to be a plan aiming at tackling the disparity evident in the development of different areas, but that was too late.
31. In Libya, after Benghazi fell in the hands of rebels, significant cash offers were presented to families, especially in Tripoli. Consumer items were subsidized as dialogue was promised about everything and anything but the change of regime.
32. In Algeria, consumer items were subsidized, as the government guaranteed to maintain current prices and to respond to demands of several categories of workers and employees on wages, job security and retirements, as a part of a long chain of demands. A comprehensive political reform project was presented, with guarantees to annul the Algerian emergency law, introducing constitutional, legal and media reforms and giving more space for the right of expression and more emphasis on the civil society. However, the project prohibited demonstrations without prior approvals, and in closed halls.

33. In Egypt, as the revolution started, procedures were taken to make temporary workers permanent, create new job opportunities, especially in the construction sector, as support was presented to SMEs afflicted by the turmoil in the country. Retirement pensions were improved and basic consumer items subsidized. The regime, promised to amend the constitution before it was toppled.
34. From its part, Mauritania started to increase wages, raise the minimum wage, and extend coop markets selling subsidized items. Youth demonstrations in the West Bank and Gaza Strip played a significant role in the Palestinian reconciliation. In Jordan, protests helped in keeping the subsidies to basic consumer items and looking forward to constitutional reforms. In Lebanon, youth demonstrations to abandon sectarian division and ridding the country of the families dominating the political scene were not sufficiently widespread.
35. Employment difficulties started to appear blatantly in Tunisia and Egypt. Economic development rate in Tunisia is less than 1%, and in Egypt, it is less than 3%. The influx of tourism is less than 40% of the same season last year, direct foreign investments decreased sharply, and exports declined sharply. However, the economy is still holding back, the reserve is still safe, as production facilities were not directly connected to former officials accused with corruption charges or anti-protesters actions.
36. The situation is different in Libya, Yemen and Syria to some extent, as the breakdown is comprehensive, losses are quick, and protests are severely suppressed. However, Yemen is in bad need to effective and serious efforts to avoid bankruptcy, dismantling of the society and the spread of another type of chaos. Nevertheless, gains and losses have to be calculated on medium and long range basis, and duly putting up with losses or changing them.
37. Whatever this might take, social demands and the feeling of longing to social justice shall intensify demands, in addition to the fishy role played by supporters of the old regimes and the legitimate demands accumulated for years.
38. Regional concern about effects of the revolutions on economic and social conditions, especially employment, started to appear. This was the theme of a panel held in the sidelines of the Arab Labor Conference (15 May 2011), and a theme of a debate in the 100th session of the International Labor Conference by youth panel from four Arab states, and theme of an interesting presentation by the Egyptian Finance Minister.
39. As the issue is studied in the latest G20 meeting held in Deauville, the World Bank, the International Monetary Fund and the European Investment Fund expressed their concern over the issue. Unfortunately, similar concern is absent from Arab development funds, except what was offered to Bahrain and Oman (20 billion US Dollars). This could play a pivotal role, especially in Yemen, after peace is restored. The question to ask is whether the world shall support the newborn democracy or shall youth dreams in the Arab Spring turn into nightmares in a very long autumn.

40. Changes in the Arab states yielded a high level of transparency that sometimes puts the Arabs in a dilemma of choosing between favoring values and the wills of the peoples on one hand and urgent interests on the other. The Arab Labor Organization is closer to favor the application of its values.

41. The response adopted by the Arab Labor Conference calls for:

- National employment programs that aim at reducing unemployment rates to half during this decade,
- Integrating “employment” in development and investment programs as a national priority,
- Giving priority to reducing the disparity in development between different regions in the same state, and between different states,
- Supporting Decent Work, especially among workers in the informal sector,
- Adopting mechanisms against unemployment,
- Improving laws, rules and mechanisms of social dialogue and free labor representation,
- Reviewing terms of aids and grants to be distributed according to the 20:20 principle,
- Supporting micro, small and medium enterprises (MSMEs) and raising the loan ceiling offered by banks and funds for such enterprises,
- Supporting the private sector as much as it generates new job opportunities, and putting in place social accountability of enterprises,
- Augmenting consultations between labor sending and receiving states to improve conditions of migrants.

