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المنتدى العربي للتشغيل Arab Employment Forum

Growth, employment and decent work in the Arab region:
Key policy issues

Thematic Paper

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Arab Employment Forum
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Thematic Background Paper for the Arab Employment Forum

This paper was prepared by Azita Berar Awad, Director of the Employment Policy Department for the Arab Employment Forum: *A Jobs Pact for Recovery and Growth*, held in Beirut from 19 to 21 October 2009. The statistical data and analysis are provided by Dorothea Schmidt, Employment Specialist, ILO Subregional Office for North Africa using the ILO's Key Indicators of the Labour Market (KILM). Mary Kawar, Senior Skills and Employability Specialist, ILO Regional Office for the Arab States, provided useful comments and contributions.

This paper is one of the six thematic papers that were prepared to inform participants and frame the discussions of the thematic sessions of the Arab Employment Forum. The titles of these thematic papers are:

1. Growth, employment and Decent Work in the Arab region: Key policy issues;
2. International labour migration and employment in the Arab region: Origins, consequences and the way forward;
3. Tackling the global jobs crisis through social dialogue: Issues, challenges and perspectives in the Arab region;
4. Supporting recovery policies through international labour standards and respect for workers' rights: Issues and challenges for the Arab region;
5. Building adequate social protection systems and protecting people in the Arab region; and
6. Sustainable enterprise development and employment creation in the Arab region: A review of issues.

The choice of the themes reflects the priority areas and employment challenges facing the Arab region, particularly as a result of the global financial and economic crisis. These thematic papers provide the background material for the realization of commitments made at the global and regional levels on decent work and on the implementation of the Global Jobs Pact. Moreover these papers are complementary to ILO approaches and they build on an ongoing process to support the realization of decent work at global level.

At the Fourteenth Asian Regional Meeting held in Busan, Korea, in August/September 2006 the tripartite delegates launched an Asian Decent Work Decade and committed to the achievement of specific decent work outcomes. The Meeting recommended cooperation on specific initiatives at the regional level, where joint action and sharing of knowledge and expertise will contribute to the realization of decent work. Recommendations also included strengthening employment services, developing reliable regional statistics to complement decision-making, providing support services for small enterprises, establishing benchmarks and good practices on the extension of social protection and strengthening labour inspection, dispute prevention and settlement.[1]

At the 11th African Regional Meeting, which took place in Addis Ababa in April 2007, tripartite delegations from Arab countries in Africa committed themselves to a series of targets for the development of integrated Decent Work Country Programmes to accelerate progress towards the achievement of agreed international development goals including the Millennium Development Goals. The conclusions of the Meeting emphasized specific goals, including closure of the skills gap, social inclusion through job creation, tripartism

1 For further information, visit http://www.ilo.org/public/english/region/asro/bangkok/

as a key governance mechanism for inclusive poverty-reducing growth, a fair regional policy on migrant workers, freedom of association, the elimination of child labour, slavery and discrimination, the extension of a basic social protection package for poverty reduction, and escape from the informal economy trap. The constituents also committed themselves to the African Decent Work Decade for the period 2007-2015, following up on the conclusions of the Ouagadougou Summit of 2004 and its Declaration, Plan of Action and Follow-up Mechanism on Employment and Poverty Alleviation in Africa.[2]

The conclusions of the 35th Arab Labour Organization Conference in April 2009 called for greater regional cooperation in the areas of employment, human resources and social dialogue. The Conference conclusions placed emphasis on developing regional initiatives, including a unified Arab Labour Law, and creating regional mechanisms to tackle shared challenges, such as the establishment of an Arab Tripartite Forum and an Arab Labour Market Information system. The ALO has highlighted the need for greater regional cooperation and coordination with the ILO to address the financial and economic crisis. The ALO, in cooperation with the ILO, organized the Arab Forum on Development and Employment in November 2008 that resulted in the Doha Declaration, which identifies a shared set of regional priorities. The subsequent Arab Economic, Social and Development Summit (Kuwait, January 2009) ushered in the Arab Decade on Employment (2010-2020) that established clear goals for the region, such as decreasing unemployment, halving the percentage of working poor, enhancing production, promoting worker training, supporting small and medium enterprises and continuing the ratification process in the region towards full compliance with international and Arab labour standards.

2 For further information, visit http://www.ilo.org/public/english/region/afpro/addisababa/index.htm

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Introduction

1. Jobs and quality jobs or decent work are the primary social demand in the region and the essential elements for realizing inclusive and sustainable growth and fair globalization. The current global financial and economic crisis is focusing policy attention on the need for re-thinking strategies globally. The adoption of the Global Jobs Pact by the International Labour Conference in June 2009, responds to the twin objectives of: (1) mitigating the impact of the crisis on workers and enterprises, and speeding up labour market recovery; and (2) addressing the structural problems, the jobs and decent work deficit, or the "crisis before the crisis". The purpose of this paper, prepared by the ILO for the Arab Employment Forum (Beirut, October 2009), is to stimulate debate and discussion and to draw policy attention to the need for reconsidering priorities in the region by making: (a) employment a central goal of development and economic policies; and (b) labour market governance an essential element of the reform agenda – if the dividend of the growth and economic performance of the region is to translate into real gains in higher productivity, sustained human development and decent work.

2. The Arab region includes some 22 countries in the Middle East and North Africa with very diverse political, social and economic conditions and perspectives on development, employment and social inclusion. This diversity ranges from demographic parameters (countries with a large population and an abundant labour force versus those with a small population and a minority domestic labour force) to the criteria of income (the region includes some of the richest and the poorest countries) as well as the specific constraints of countries affected by crises and conflicts (such as Iraq, occupied Palestinian territory and Sudan).

3. The objectives of Decent Work have therefore to be cast in specific national contexts, and the opportunities and constraints thereof. Nevertheless, this paper places emphasis on some common trends and policy issues that characterize the region's labour markets. It advocates for the implementation of proactive employment strategies backed by public and private investments, for increased coherence between objectives of economic performance with those of employment generation and calls for coordinated action across government institutions and agencies and public and private partnerships in delivering on the Decent Work Agenda. Commitments made by the tripartite (government, employers and workers) constituency of the region at the ILO Regional Meetings in Busan, 2006 (by West Asian countries) and in Addis Ababa, 2007 (by Arab countries in Africa), provide more detail regarding the priorities and specific actions.[1]

4. This paper is structured into two main parts. The first part provides an analytical review of the main labour market challenges and recent trends. The second part provides an in-depth statistical picture of labour market indicators, including variations between countries. This section is referred to as the annex on labour market indicators for the Arab region. The regional estimates for the Arab region were specifically developed to include the 22 Arab countries attending the Arab Employment Forum.[2]

1 To consult the conclusions of the two meetings, see http://www.ilo.org/public/english/region/asro/bangkok/) and http://www.ilo.org/public/english/region/afpro/addisababa/index.htm

2 There are 22 countries in the Arab region as defined in this paper: Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Kuwait, Jordan, Lebanon,

1. Economic growth and employment (1997-2007)

5. Prior to the global financial crisis, and since 2000, the Arab region (Middle East and North Africa) has experienced a relatively strong and sustained growth of around 5 to 6 per cent, mostly driven by the oil boom and the rise in energy prices. This pattern represents a significantly higher average growth than in the 1990s, estimated at about 3.5 to 4 per cent. The growth has been stronger in resource-rich countries of the region. Sources of growth have evolved considerably over the last decade from being driven principally by domestic consumption to an increasing role for investment.

6. Another characteristic feature of growth in the region is the fluctuating nature of oil revenues, as the recent sharp decline in the international prices of oil in the midst of the current financial crisis has once again shown. The oil sector is not an employment-intensive sector, per se, and for oil exports-led economic growth to result in job creation, deliberate policies are needed – policies that utilize the high revenues for investment in infrastructure for knowledge and skills development, and for economic policies that boost job creation and increase productivity.

7. The employment/growth relationship has been robust over the last decade in the region (as shown in figure 2a), although employment has grown at a slower pace than economic growth during the same period (figure 2b). The regional average, however, masks important facts; the impact of growth on employment has been extremely uneven across countries and across different segments of the population. Unemployment rates have been decreasing in the Arab region on average since 2003 in spite of rapid population growth. Unemployment increased in some GCC countries and to a larger extent in the conflict-affected countries of Iraq and the occupied Palestinian territory. Prior to the financial crisis, other GCC countries were at the higher end of employment growth (United Arab Emirates, Bahrain and Qatar), with a relatively high growth in some of the labour-abundant countries such as Algeria followed by Morocco and Tunisia.

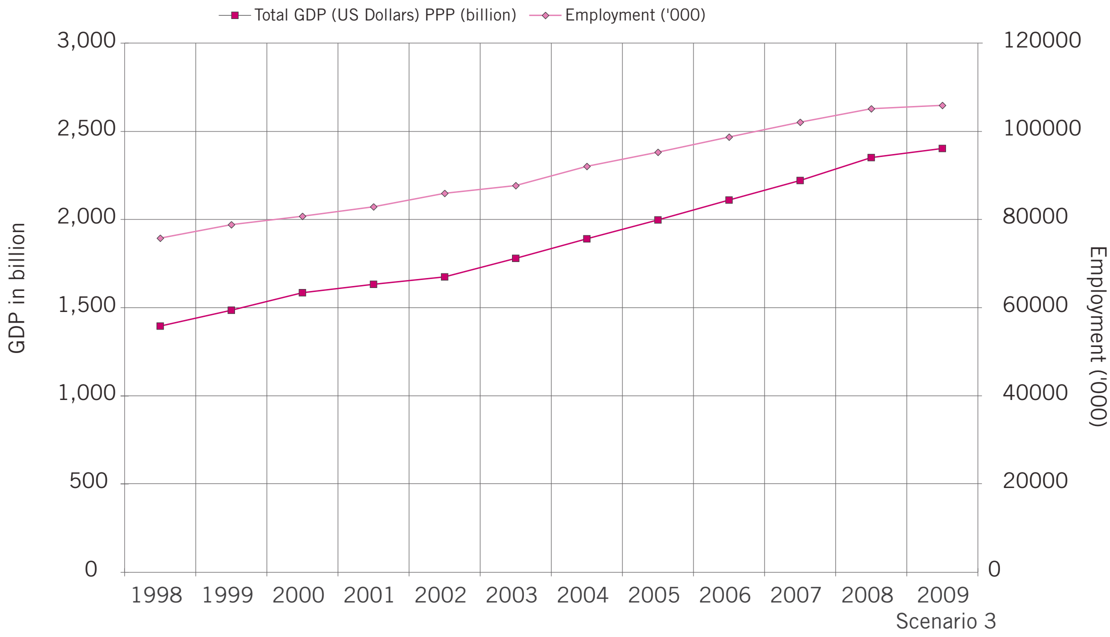
Figure 1: GDP growth rates 2007 to 2009, selected countries

*2009 values are estimates

Source: IMF Economic Outlook, 2009.

Libyan Arab Jamahiriya, Mauritania, Morocco, occupied Palestinian territory, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates and Yemen.

Figures 2a: Total GDP and employment, 1998 to 2009



Source: ILO, Trends Econometric Models, September 2009; see footnote 15 for a definition of the Arab region.

Figure 2b: GDP capital and employment growth index, 1998=100

Source: ILO Global Employment Trends Model; for the 2009 estimate on employment, the estimate for the most pessimistic scenario was taken.[3]

3 See ILO: *Global Employment Trends, January 2009* (Geneva, 2009) for the methodology of scenarios.

8. The significant job creation performance in the region, however, is to be cast against the slow progress in labour productivity. The structural shifts in the economy of the region show the increasing share of the services sector in employment (from 47.9 per cent in 1998 to 49.5 per cent in 2008) and manufacturing (from 19.1 per cent to 22.8 per cent) in contrast to the decline in agriculture (from 33.0 per cent to 27.8 per cent). However, the services and agriculture sectors together represent almost 80 per cent of employment (table A8 in the annex on labour market indicators). The slow progress in labour productivity over the last decade has resulted from the types of new jobs created, low-paying jobs mostly in agriculture and the lower end of the services sector, to a great extent disconnected from the capital-intensive growth sectors.

9. In order to better appreciate the interaction between the economic dynamism of the region and the employment outcomes, it is essential to understand and analyse the specific and often unique characteristics of labour markets in the region. Seven major characteristics are highlighted hereunder based on the most recent ILO data. A fuller picture, including the country variations, is given in the annex prepared especially for the Arab Employment Forum.

2. Structural characteristics and recent developments in the labour markets: Seven challenges

2.1 Rapid but decelerating labour force growth

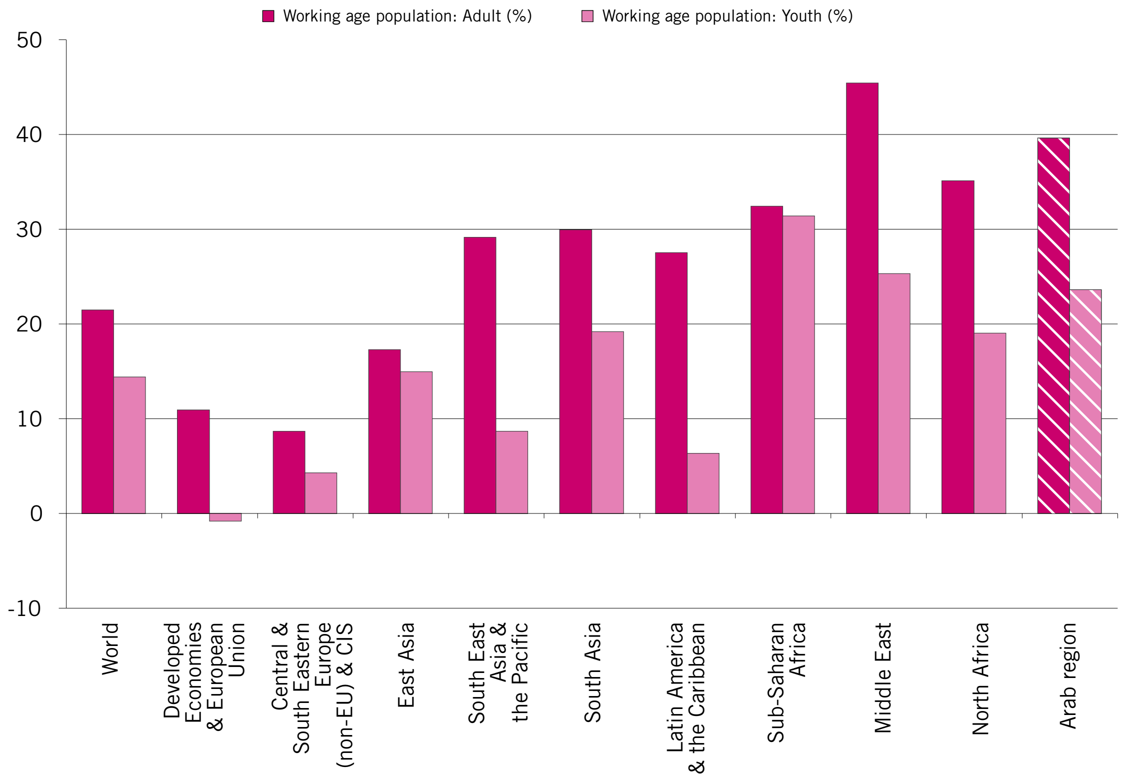
10. The region has had one of the highest labour force growth rates in the world, exceeding 3 per cent per annum which itself is a result of rapid growth of the working-age population as well as increasing labour force participation rates – largely driven by the higher women's labour force participation rates in larger countries and driven by labour migration in the GCC countries. Figure 3 shows that working-age population growth over the last ten years was highest in the region in comparison with all other regions and that the youth population growth was the second highest after Sub-Saharan Africa.

11. While the labour force growth will stay high until 2020, the pace of growth is decelerating as a result of the demographic transition. Until then, however, the challenge of job creation will need to take account of the millions of new entrants to the labour market as both the working age population and the labour force participation rates, especially for women, will continue to expand.

2.2 Unemployment still significant though reduced in some countries

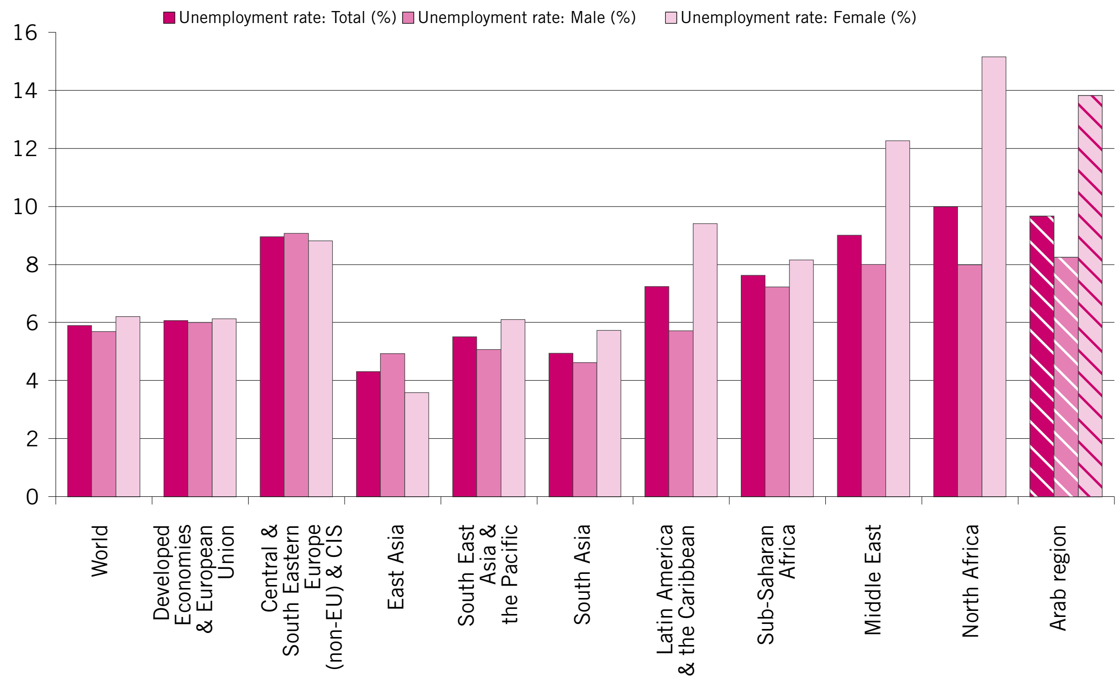
12. As mentioned above, the good performance on job creation and employment growth has lowered the regional average of unemployment. Employment grew by some 39 per cent during the 1998-2008 period, while the working-age population increased by 34 per cent during the same period (tables A1 and A4 in the annex). This explains the decline in unemployment rates from 11.2 per cent in the region to some 9.7 per cent (table A6 in the annex). Country variations are great, as shown in the annex. The unemployment rate still remains one of the highest in the world, both in the Middle East and North Africa (table A6 in the annex).

Figure 3: Percentage changes between 1998 and 2008 in working age adult and youth population



Source: ILO, Trends Econometric Models, September 2009; see footnote 15 for a definition of the Arab region.

Figure 4: Unemployment rates



Source: ILO, Trends Econometric Models, September 2009; see footnote 15 for a definition of the Arab region.

2.3 The challenge of youth employment – highest unemployment in the world

13. The problem of unemployment in the region is first and foremost the problem of youth unemployment. As shown in figure 5 and noted previously, unemployment amongst Arab youth is the highest in the world. Youth unemployment represents 50 per cent, on average, of all unemployment, and it is higher amongst females. What makes the situation more intriguing is the high rate of unemployment amongst educated youth who have completed secondary and/or tertiary education.

14. In order to better understand and analyse the underlying factors explaining youth unemployment, the ILO conducted its "School to Work Transition Survey" in three Arab countries: Egypt, Jordan and the Syrian Arab Republic, among other countries in the region. The survey aims to capture the experiences of young men and women from five target groups – in-school youth, jobseekers, young employees, young self-employed and own-account workers, youth who are neither in school nor in the labour market. The results of these surveys show that a very low percentage of youth had successfully transited from school to work. These include those who are working either in a job with a permanent contract or with one that they are satisfied with and do not wish to change. These results are indicative of the major obstacles faced by Arab youth. The young generation of today is the most educated the region has ever seen. However, finding decent work is particularly hard. The sheer proportion of youth in the working-age population and their aspirations present a particular challenge to policy-makers. Some of the national policies and regional initiatives are examined in greater depth by the thematic paper on youth employment.

2.4 Gender gap closing albeit slowly

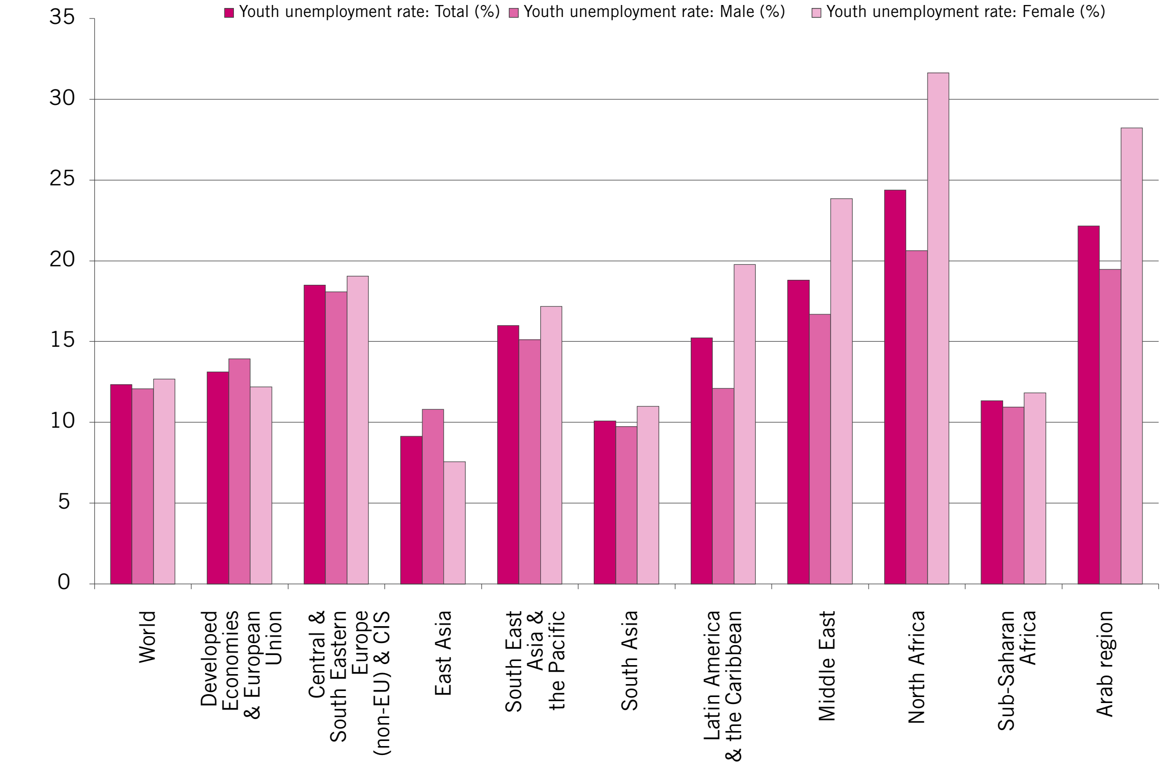
15. Economic participation of women has been progressively increasing in the region although it remains noticeably low compared to all other regions in the world (figure 6). Women's labour force participation varies across countries and is positively associated with rising education levels.

16. A closer look into the distribution of unemployment clearly shows significantly higher female unemployment rates (see figures 4 and 5 above). One reason for the high female unemployment and perhaps, to some extent, the low female economic activity rates in general, is the highly segmented labour markets where women tend to be concentrated in specific "acceptable female" occupations. The "crowding" of women in specific occupations augments competition for specific jobs and increases unemployment. The gap between male and female unemployment rates remains high (at the same level as ten years ago) but has recently shown a decreasing trend. The female unemployment rate has been higher among educated women.

17. Figure 7 shows that women have gained much more from the job increase in the last decade: jobs for women increased by 56.0 per cent, whereas for men the increase was 38.8 per cent.

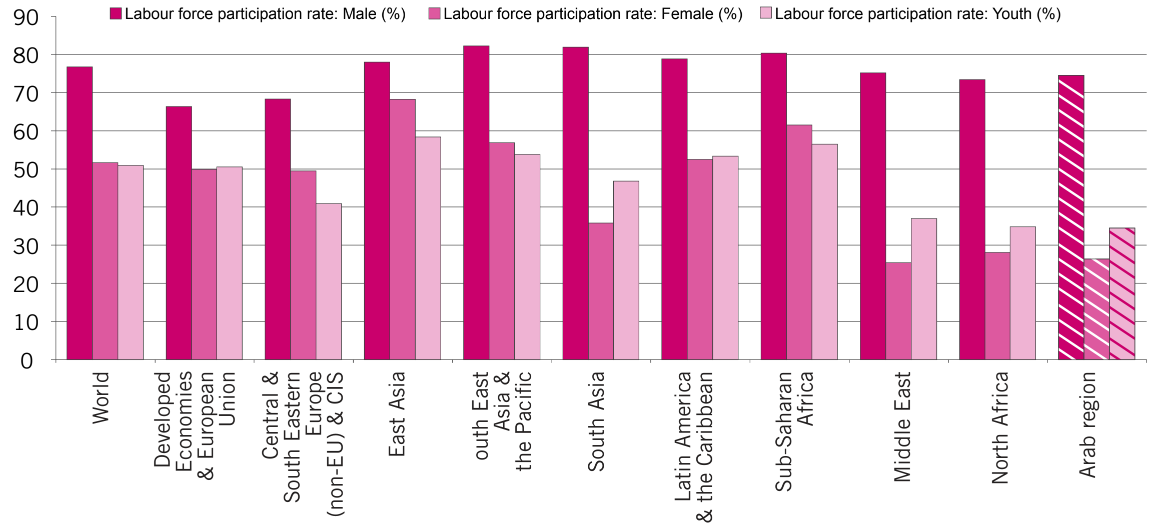
18. In summary, the female participation rates are increasing fast; however, given the low starting point, are the lowest in the world, the potential for improvement is huge. Women and men's labour markets are highly segmented and women face visible or hidden barriers to accessing jobs, especially in the private sector. While there seems to be a high correlation between women's educational levels and increased labour force participation rates, even educated women have difficulty finding decent jobs, as reflected in the unemployment figures as well as the growing phenomenon of "discouraged workers" in the region. Higher education is no guarantee for access to quality jobs, especially for women. Several countries in the region have initiated legal and policy initiatives aimed at achieving gender equality. Nevertheless, the structures which are needed to allow women to enter and remain in the labour force need to be strengthened (for example, family-friendly policies, flexible working hours, maternity protection and equal pay).

Figure 5: Youth unemployment rates, 2008



Source: ILO, Trends Econometric Models, September 2009; see footnote 15 for a definition of the Arab region.

Figure 6: Labour force participation rates, 2008



Source: ILO, Trends Econometric Models, September 2009; see footnote 15 for a definition of the Arab region.

Figure 7: Percentage changes in employment between 1998 and 2008

Source: ILO, Trends Econometric Models, September 2009; see footnote 15 for a definition of the Arab region.

2.5 Public and private sectors' share in employment: Public sector, major employer

19. A characteristic feature of the 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 region, have not succeeded in drastically changing this pattern. The public sector remains the major employer in the region. 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 sharp contrast to other countries in the world. This is almost double the world average (excluding China). The corresponding figures for the Republic of Korea are 4.5 per cent and 16.3 per cent respectively, for Brazil 11.5 per cent and 25.1 per cent, and for Mexico 16.4 per cent and 19.2 per cent (table A1).

20. However, variations across countries in the region have to be taken into account. The significantly lower share of the public sector in Morocco (10 per cent) is to be distinguished from the 30 to 40 per cent, on average, at the other extreme for the GCC States.

21. While recent data are scarce and not available for all countries in the region, there are indications that in some countries (Algeria, Egypt, Jordan and Yemen, for example), the public sector employment growth rate may have been slowing down.

22. The reasons behind the predominant role of the public sector for job creation in the Arab region are multiple. It is a fact that in the context of high levels of labour force growth, expectations and social pressure remain high for the public sector to continue to play its role as the major employer and provider of better quality jobs and conditions of work. Indeed, unlike other regions in the world, wages, conditions of work, non-wage benefits and the prestige of public sector jobs remain far superior to those offered in the private sector. This is particularly important for educated youth who queue for years in the hope of obtaining government jobs, and form a significant portion of the unemployed and of "discouraged workers".

23. This factor is of even greater significance for promoting gender equality in the region. The increasing labour force participation of women and the persistence of high unemployment rates – often double the male unemployment rate – are noted above. The availability of maternity leave, childcare facilities, flexible working hours and the lower wage disparity between men and women in the public sector, are strong pull factors for women's persistent preference for public sector jobs. In contrast, the limited dynamism of the private sector in terms of job creation, as well as its record in the conditions of jobs offered, have limited the efficient allocation of human resources and led to the current high turnover and low productivity in private sector establishments.

Table 1: Public sector share in employment

	Public sector share of total employment, 2000	Public sector wage share of current expenditure, 2004
MENA	29.0	37.9
Algeria	29.0	31.1
Bahrain	28.0	63.7
Egypt	29.0	29.2
Iran	28.0	37.8
Jordan	44.0	27.5
Kuwait	93.0	40.5
Libya	66.0	..
Morocco	10.0	50.8
Saudi Arabia	79.0	..
Tunisia	22.0	62.9
World	27.0	..
Excluding China	18.2	..

	Public sector share of total employment, 2000	Public sector wage share of current expenditure, 2004
East Asia Pacific	33.8	..
China	36.0	..
Republic of Korea	4.5	16.3
Philippines	5.2	..
Americas	..	..
Brazil	11.5	25.1
Colombia	8.4	14.5
Ecuador	13.8	44.6
Guatemala	14.9	..
Mexico	16.4	19.2
OECD	13.5	..
Canada	17.5	8.2
Germany	12.3	..
Japan	7.7	..
Spain	15.2	..
United Kingdom	18.9	..
United States	14.6	7.8

Source: World Bank; MENA Economic Developments and Prospects (2005).

24. One policy conclusion from the limited impact of the current public sector reforms is that these should be undertaken in tandem with policies that improve wages and conditions of work in the private sector and introduce safety nets. Prioritizing decent work as a road to growth and employment and private sector development is proving more effective and sustainable, as shown by the experiences of countries in the region.

2.6 Labour migration for employment inside and outside the region

25. Another characteristic feature of the employment challenge in the region is the high incidence of migration. Labour migration is intimately associated with employment and labour market developments in the region. In a number of countries, deficits in employment or in decent terms and conditions of work lead parts of their labour forces to seek work in external labour markets, in the region or outside. This out-migration is experienced by countries in North Africa as well as, to varying degrees, by Iraq, Jordan, Lebanon, the occupied Palestinian territory and the Syrian Arab Republic.

26. In other countries, particularly members of the GCC, the operation of labour markets and systems of production and exchange, the small size of the domestic labour force and high oil revenues, create demand for migrant labour. In these migration-destination countries, the volumes of migrant labour have continuously increased, in absolute terms, as well as relative to national labour forces. Migrant labour represents some 60 to 90 per cent of total employment in the GCC and some 20 per cent in Lebanon.

27. There is also a high and growing representation of female migrants amongst international migrants. It is noteworthy that, since the mid-1970s, the share of workers from Arab countries of origin in migrant labour in the GCC countries has continuously decreased. From over 70 per cent in the mid-1970s, it dropped to some 30 per cent in the period 2000-05. Jordan and Lebanon have become, at the same time, countries of origin and of destination.

28. When they do not meet demand for migrant labour in GCC member countries, Arab migrant workers respond to demand elsewhere, especially in Western European countries. They fill low-skilled and medium-skilled jobs, but also take up highly-skilled employment. The League of Arab States (LAS) has estimated that 450,000 highly-skilled workers from Arab countries reside and work outside the region. All development theories agree on the importance of human capital for development. Hence, the impact

of the migration of highly-skilled Arab workers – "brain drain" – on prospects of development in their countries of origin needs to be emphasized.

29. In GCC countries of destination, the increasing numbers of foreign workers, especially from South and South-East Asia, are employed in essentially low-skilled, low-value-added, low-wage jobs in the private sector. Construction, wholesale trade, and hotels and restaurants are the branches of economic activity that have employed migrant workers in particular.

30. Labour out-migration from Arab countries of origin has not dissipated pressures on their labour markets. In GCC countries of destination, increased labour immigration has coexisted with rising unemployment among national workers, especially university graduates. The clear segmentation of labour markets, with nationals essentially employed in the public sector and migrant workers in the private sector, indicates that, in the present situation, labour migration is not a significant cause for the unemployment of nationals.

31. GCC countries have expressed their wish to reduce their dependence on foreign labour. Administrative quotas have shown limited effectiveness in achieving this objective, or in promoting the employment of national graduates. Segmentation should be overcome and the integration of labour markets needs to be realized. This integration includes improvement in terms and conditions of employment in the private sector so as to attract national workers. This improvement in terms and conditions of work also benefits migrant workers. The premise, naturally, is that needs for migrant labour will persist for the foreseeable future.

32. Managing labour migration in all its dimensions should therefore be seen as an integrated component of employment and labour market policies.

2.7 Low productivity, expanding the informal economy?

33. It is well established that unemployment rates provide only a partial picture of the overall employment situation in the developing country context. This holds true for Arab countries as well. Underemployment, work in the informal economy or "working poor" are other concepts that aim to capture the low quality of employment and/or decent work deficits that affect a large number of the employed. While poverty rates remain low overall in the region, in comparison to other developing regions, they are particularly daunting in some countries for certain segments of the population and exacerbated in situations of conflict.

34. The term informal "economy", instead of "sector", was proposed at the 2002 ILO Conference,[4] in order to better capture the complex and diverse realities of the underemployed and of the "working poor". The informal economy represents the greater proportion of the employed in the region, and a significant portion of the private sector employment. It is composed of micro-businesses and small businesses, as well as casual and precarious wage employment, with low and insecure wages and incomes, and serious deficits in conditions of work and in access to social protection. Data available for four countries in North Africa show the extent of the phenomenon ranging from 40 to 80 per cent of non-agriculture employment in the region (figure 8).

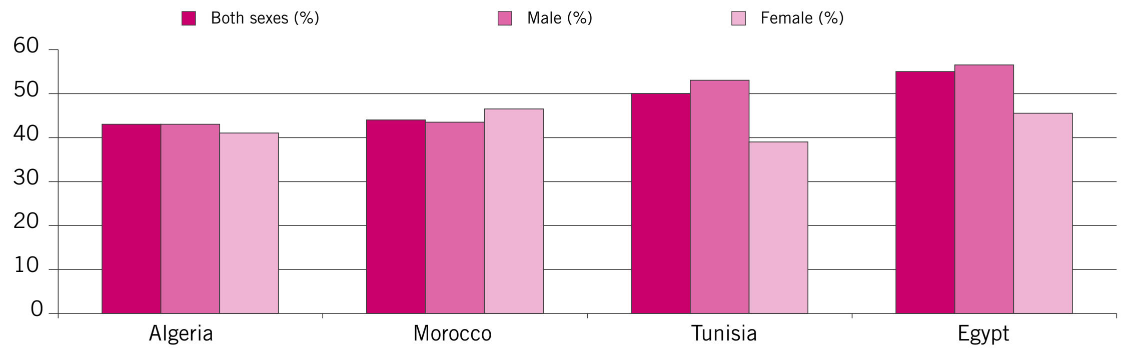
35. The slow productivity growth in the 1998-2008 period suggests that the bulk of new jobs are created in the informal economies, particularly in agriculture and the lower end of the services sector. While more detailed data and analysis are needed, it is clear that the informal economy can no longer be considered a transient phenomenon. It has been expanding in recent decades, including in countries that experience high economic growth rates and integration in the global economy.

36. In spite of low productivity and serious decent work deficits, the informal economy nevertheless plays an important role in the livelihood of millions, and represents a potentially important source of entrepreneurship and job creation. To unleash this potential and to improve overall productivity and competitiveness, comprehensive measures are needed to facilitate transition of informal activities to the formal and mainstream economy. Priorities for action require a closer examination of the dynamics of formality and informality in specific country contexts, the channelling of investment for infrastructure and for providing accessible public and business services that aim to upgrade and integrate the informal economy. The range of measures and the international good practices documented by the ILO can inspire action in the region.[5]

4 Resolution and Conclusions concerning decent work and the informal economy, adopted on 19 June 2002, International Labour Conference, 90th Session, Geneva, 2002.

5 ILO: The informal economy: *Enabling transition to formalization (Geneva, 2007)*, available at http://www.ilo.org/public/english/employment/policy/events/informal/materials.htm

Figure 8: Informal economy employment as percentage of non-agricultural employment



Source: ILO: Women and men in the informal economy: A statistical picture (2002).

3. The financial crisis, 2008-09

37. The global economic crisis has not left the Middle East and North Africa region unaffected. Its impact, however, has been relatively milder than elsewhere in the world, and a widely-shared opinion is that the region will recover soon, unless the crisis deepens. The extent to which the countries have been affected differs widely among the energy-producing and non-energy-producing countries. According to IMF projections,[6] the average growth for the region will slow to 2.5 per cent in 2009, down from 6 per cent the previous year. The most significant exceptions to the general trend are Qatar and Yemen, which according to the IMF's projections are expected to experience a sharp GDP growth owing to the expanded production of liquefied natural gas.

38. Some energy producers – such as Kuwait, Saudi Arabia and the United Arab Emirates – have been hit especially hard by the dramatic drop in commodity prices. These countries are positioned at the lower end of the region's annual growth rate in 2009, with negative economic growth.

39. The losses in revenue from oil exports in some countries have resulted in GDP contraction by as much as a quarter. However, the substantial financial reserves accumulated over the boom years by most of the Gulf countries should allow them to weather the crisis. The situation does not look as optimistic for the emirate of Dubai, Iraq, Yemen and Oman, which have significantly fewer energy reserves and/or a larger population, and hence are not able to sustain public expenditure levels and public project financing. The Sudanese economy, which has turned from being mainly agriculture-based to oil-dependent, has been dramatically affected by the low energy prices. The Government responded by freezing wages, and increasing taxes and essential commodity prices.

40. On the other hand, energy-importing countries[7] that have suffered from high commodity prices over recent years are now able to save 5-10 per cent of their GDP due to low energy prices. This, however, is balanced by the decline in industrial exports, tourism and remittances.[8] The energy-importing countries of the Arab region have been spared the severe impact of the global recession owing to their more limited integration in international trade and global financial markets.

41. Focusing solely on the financial effects of the crisis, however, downplays the much more significant real economic effect the crisis has had in the region. In 2009, Egypt's growth dropped to 3.6 per cent,[9] a 50 per cent decline compared to 2008. Along with Tunisia and Morocco, Egypt is strongly linked to Europe in the areas of trade and tourism, which partly explains the severity of the impact of the crisis on their real economies.

42. Significant for these economies is the anticipated decline in the remittances these countries receive from labour migrants in Europe. Remittances represent an important source of income and play a huge role in the national economies of labour-donor countries. The largest migrant-receivers, such as

6 IMF: *World Economic Outlook: Crisis and Recovery* (April 2009), available at http://www.imf.org/external/pubs/ft/weo/2009/01/pdf/c2.pdf.

7 Jordan, occupied Palestinian territory (oPt), Morocco, Tunisia and Lebanon

8 J. Brach and M. Loewe: *Getting Off Lightly? The Impact of the International Financial Crisis on the Middle East and North Africa*, in GIGA Focus International Edition 1/2009, available at http://www.giga-hamburg.de/dl/download.php?d=/content/publikationen/pdf/gf_international_0901.pdf .

9 IMF: *World Economic Outlook* (April 2009).

the emirate of Dubai, witnessed a large wave of layoffs of migrant workers and a mass outflow of labour due to the cancellation or suspension of large construction projects.

43. In a situation of paucity of labour market data, the absence of regular updates and the evolving nature of the crisis, the impact of the crisis on the real economy is difficult to appraise. Efforts to monitor and respond need to be increased. Nevertheless, if compared with the structural characteristics of labour markets in the region reviewed in the preceding paragraphs, a more proactive approach is required to protect the most vulnerable and to support the economic and productive capacity of enterprises and workers. Responses to crisis need to take into account the needs of the real economy and to integrate employment and social protection focus. Action to mitigate the impact of the crisis could be the opportunity to build and strengthen the foundations for sustainable and inclusive growth by focusing on employment and social protection. The Global Jobs Pact adopted at the 2009 International Labour Conference provides policy options that can guide national strategies.

4. Beyond the crisis: Key policy issues for employment and decent work in the region

44. The population in the region is maturing; however, until 2020, population growth will continue to exert pressure on labour markets. The region will face the challenge of creating some 70 million jobs to absorb new entrants into the labour markets, to curb the unemployment rate, to include "discouraged workers" and, equally important, to improve the quality of jobs and overall productivity.[10]

45. The challenge of employment and decent work remains significant even if the high growth rates are resumed and sustained beyond the current financial turmoil and economic slowdown. Migration alone, as important a feature of Arab labour markets as it is, will not solve the problem. Most of the jobs need to be generated through the dynamism of national economies and added incentives of regional integration. Skills development, entrepreneurship and sustainable enterprise development and innovation are key to the private sector's improved role in job creation. A strong rights base and sound labour market governance are the foundations. Extended and more inclusive social protection systems are within the reach of countries in the region. Social dialogue is the most effective means to build consensus and a common approach around policy choices and options, and to enhance commitment for their effective implementation.

46. Recent performance shows that a number of countries in the region have been able to reap the benefits of high growth, and to translate that into increased employment opportunities. Advances in education and skills development are noteworthy. **Two priority areas emerge for policy attention: first, the need for proactive, comprehensive and coordinated policies for employment; and second, the development of strategies to remove multiple dimensions of labour market segmentation.**

47. **Proactive and comprehensive employment policies.** To deliver on the commitments made by the countries in the region at the national, regional and international levels, country-specific employment strategies and decent work goals need to be developed and supported by effective and sustained measures over time.

48. While all countries in the region have put in place some type, or often a range, of unconnected targeted employment and/or training programmes, few countries have developed a clear vision and a comprehensive and proactive strategy that delivers on the employment and Decent Work goals at the country level and in the region, taking account of the integration in the global economy and the increasing search for competitiveness.

49. The vision for Decent Work entails a turnaround in the current policy frameworks and priorities. It is important that employment becomes a central goal and criterion for assessing the overall performance at the country level. This entails a systematic assessment of the employment impact of investments (domestic and foreign, public and private), a conducive incentives policy including fiscal incentives for higher employment generation, and improved productivity. A better analysis of sectoral policies in the tradable and non-tradable sectors and appropriate strategies to maximize their employment potential is also required. The adoption of counter-cyclical policies, especially in the context of countries in or

10 The estimates are a function of labour force participation rates which cannot be forecasted with precision and vary according to numerous factors ranging from wage levels to non-wage expectations and other factors.

recovering from conflict and crises, are important to boost jobs, incomes and safety nets, especially for the population in the lowest income groups.

50. The 2008 ILO Declaration on Social Justice for a Fair Globalization underscored the need for "making employment a central goal of economic and social policies" and not their residual outcome. The ten core elements of the Global Employment Agenda (2003) provide a policy platform and menu for action to adapt to local diverse realities of the region. Such a vision of Decent Work and of proactive employment policies cuts across several policy domains and institutional responsibilities; therefore, consistency and coherence of action amongst policy areas, sustained action over time and effective coordination mechanisms within governments, and through public/private partnerships, are key to success.

51. **Facilitating labour market fluidity and removing segmentation.** To ensure the effectiveness and inclusiveness of the employment outcomes of development strategies, labour market policies and institutions play an important intermediation role. It is essential that this role is better understood and that institutions are developed and reformed in order to fulfil their twin functions of bringing about more efficiency and equity.

52. As the preceding analysis in chapter 2 shows, labour markets in the region remain, by and large, highly segmented along the lines of public versus private sector employment; formal versus informal; gender, age and national/foreign labour criteria. This high degree of segmentation is the result of a combination of factors ranging from past developmental strategies, social norms and sociological characteristics to sheer neglect. Isolated operations of these segmented markets hamper the achievement of the very developmental and economic goals that countries have assigned themselves, in addition to generating unmet expectations by a growing proportion of the population. For achieving the decent work vision, removal of labour market segmentation should become an objective of labour market policies, and placed high on the reform agenda in the region, both for economic and governance reform.

53. Segmentation means that the conditions of access and terms of employment are fundamentally different in different labour markets. This particularly hampers the mobility of labour and the matching of demand with supply as economic opportunities arise, and absorbing newcomers into the labour markets. Dedicated thematic papers prepared by the ILO for the Forum provide a closer look at the policies and good practices that remove the segmentation in order to boost the prospects for creating the conditions for sustainable enterprise development, thus increasing and improving the private sector's role and ability to create more and better jobs. There is a large scope in the region for developing active labour market policies and programmes that are adequately resourced and implemented. Bridging the gender gap is possible through sustained and multi-dimensional action with a particular focus on discriminating factors of the cost of maternity protection and the accessibility of childcare facilities. A clearer focus on the quality of jobs and improving productivity means the development of context-specific and cross-cutting measures that facilitate the transition of informal activities into the mainstream economy and direct access to financial, training, protection and other developmental resources. Finally, managing migration in an efficient, responsible and equitable manner is part and parcel of employment strategies in the region. In all these domains, good practices in the region and elsewhere in the world should inspire further action on a more significant level.

54. A Decent Work perspective promotes a high road for integrating with the global economy and increases competitiveness. The potential of regional integration and global integration in the region is largely underdeveloped and presents new promising perspectives for growth and development, in spite of and beyond the current financial crisis. The crisis has generated the opportunity to rethink current economic and development strategies both in their global as well as national dimensions. This Forum provides an opportunity to develop a regional perspective and identify follow-up action relating to the Global Jobs Pact.

5. Selected questions for discussion and debate:

1. What policies effectively support high growth strategies and the creation of decent work opportunities? What measures underlie the "success" stories in the region? What could be the regional and country goals and targets?

2. How can we best appraise and monitor the impact of the crisis on the real economy? What responses can mitigate impact and speed up labour market recovery? What elements of the Global Jobs Pact are of particular interest and relevance?

3. What are the prospects for increased regional integration and how could this process lead to more and better employment opportunities?

4. What policies boost investment (domestic and FDI) in a manner that is employment-intensive and that raises productivity? What opportunities are there for public and private partnerships?

5. What targets and measures are there for improving productivity in the region?

6. What are the good practices that can facilitate the transition from an informal economy into a formal one?

7. What are the mechanisms for coordination, coherence and social dialogue?

8. How can regional cooperation support the adoption of proactive policies, initiation of key programmes and exchange of good practices?

Annex on labour market indicators for the Arab region

1. This statistical overview aims to provide a comprehensive picture of labour market and employment trends in the Arab region using the latest data available and to estimate regional trends by applying the ILO methodology on labour market indicators.[11] An expanded version of the Social and Labour Market Trends in Arab countries is in preparation and will be published by the ILO in late 2009.

2. This regional overview shows that, in spite of the diversity of the countries within the region, some common labour market trends can clearly be established. Given that, in many countries, an extensive analysis of the labour market is difficult due to the lack of data, regional trends are interesting points of reference within the region as well as in comparison to other areas in the world.[12]

3. In this annex, seven key indicators are analysed from this twin perspective. These include: population, labour force, employment, unemployment, sector of employment, status of employment and labour productivity. Whenever possible, the analysis is done for sub-groups of the population such as women, men and the young. As a matter of fact, three of the four indicators specifically calculated for the Arab region are indicators that were chosen to measure progress towards the new Millennium Development Target of "full and productive employment and Decent Work for all".[13] The four indicators are: employment-to-population ratios, vulnerable employment shares, productivity growth and working poverty shares.[14]

Key labour market indicators

1. Demographic trends

4. Overall, the working-age population in the Arab region was 229 million in 2008. Therefore, the region accounts for 4.6 per cent of the world's working-age population. With 70 million young people, the region accounts for 5.8 per cent of the world's youth population, an indication of the youth-rich population structure.

5. The total working-age population grew by 34.3 per cent between 1998 and 2008. This increase was driven by the increase of the working-age population in the Middle East which was 38.4 per cent, coupled with 29.8 per cent in North Africa.[15] The youth population increased by 23.6 per cent, more so in the Middle East (25.3 per cent) than in North Africa (19.0 per cent). The difference between the two regions can be explained by the fact that the observed decline in fertility rates started later in the Middle East than in North Africa. In spite of this decline, both the working-age population and the youth population have been growing faster than anywhere else in the world, with the exception of Sub-Saharan Africa (table A1).

11 When less data are available, it becomes more difficult to produce estimates that are representative of the region as a whole. Consequently, the modelling exercise which is done to estimate regional indicators remains limited to indicators where regular and comparable data are available for the majority of countries in the region. Taking this as the criteria, the indicators estimated for the Arab region are: working-age population, youth population, labour force and labour force participation rates disaggregated by age and sex, total employment and employment-to-population ratios disaggregated by age and sex, total unemployment and unemployment rates disaggregated by age and sex, status of employment shares, vulnerable employment shares, sectoral employment shares and productivity levels. All indicators are estimates for the period between 1998 and 2008.
The regional estimates were calculated using the Global Employment Trends Model, a sophisticated econometric model developed by the ILO. This model takes all real labour data available for a region plus data on economic and social trends to: (a) fill the data gaps; and (b) calculate, based on this filled matrix of country-level data, regional numbers of the key indicators of the labour market. For technical details, see Annex 1 of ILO: *Global Employment Trends for Youth, 2008* (October 2008). Extended information on the methodology can also be found at http://www.ilo.org/public/english/employment/strat/wrest.htm.

12 2008 are still preliminary numbers and are could be revised at a later date when more real data for this year are available.

13 For details and the history of this new target, see ILO: *Key Indicators of the Labour Market*, 5th Edition (Geneva 2007) Chapter 1.

14 It is only the latter that is not used here given that working poverty shares at the US$1 per day level are comparatively low in the region. In ILO: *Global Employment Trends, 2008* (Geneva, January 2008), it was estimated that the share of people working but still living with their families in poverty with less than US$1 per day per family member in the total number of people working (the "working poor share") was less than 3 per cent in North Africa as well as in the Middle East.

15 The Arab region includes 22 countries: Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libyan Arab Jamahiriya, Mauritania, Morocco, occupied Palestinian territory, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates and Yemen. The estimates for the Arab region include, whenever possible, all 22 countries and were specifically produced for this publication. The list of countries of North Africa and the Middle East (taking the ILO list of countries within each region, see, e.g. ILO: *Global Employment Trends, 2008* (January 2008) for the grouping) is not completely identical to the Arab region which is why the total numbers of the two regions do not match precisely.

Table A1: Total working-age population, and adult and youth population, by region

	1998	2008	Change between 1998 and 2008 (%)
	Total working-age population ('000)		
World	4,170,917	4,991,468	19.7
Developed Economies & European Union	810,056	883,267	9.0
Central & South-Eastern Europe (non-EU) & CIS	284,814	306,797	7.7
East Asia	983,803	1,148,638	16.8
South-East Asia & the Pacific	344,103	423,799	23.2
South Asia	856,592	1,084,512	26.6
Latin America & the Caribbean	344,993	418,967	21.4
Sub-Saharan Africa	339,585	448,349	32.0
Arab Region	170,156	228,453	34.3
Middle East	98,489	136,346	38.4
North Africa	108,482	140,792	29.8
	Adult population ('000)		
World	3,114,375	3,782,996	21.5
Developed Economies & European Union	680,163	754,386	10.9
Central & South-Eastern Europe (non-EU) & CIS	223,114	242,461	8.7
East Asia	771,705	904,875	17.3
South-East Asia & the Pacific	243,747	314,741	29.1
South Asia	593,200	770,660	29.9
Latin America & the Caribbean	246,432	314,184	27.5
Sub-Saharan Africa	219,028	289,981	32.4
Arab Region	113,317	158,203	39.6
Middle East	64,343	93,568	45.4
North Africa	72,643	98,141	35.1
	Youth population ('000)		
World	1,056,542	1,208,472	14.4
Developed Economies & European Union	129,894	128,881	-0.8
Central & South-Eastern Europe (non-EU) & CIS	61,700	64,335	4.3
East Asia	212,097	243,763	14.9
South-East Asia & the Pacific	100,357	109,059	8.7
South Asia	263,392	313,853	19.2
Latin America & the Caribbean	98,560	104,783	6.3
Sub-Saharan Africa	120,557	158,368	31.4
Arab Region	56,839	70,250	23.6
Middle East	34,147	42,779	25.3
North Africa	35,839	42,651	19.0

Source: ILO, Trends Econometric Models, September 2009; see Annex 1 of ILO: Global Employment Trends for Youth, 2008 (Geneva, October 2008) for information on the methodology.

2. Trends in labour force and labour force participation

6. With 50.9 per cent, labour force participation rates[16] in the region are the lowest in the world, resulting from the very low participation rates for women. In 2008, only 2.5 out of every ten women were active in labour markets; in other words, more than seven out of ten women were inactive. For men, the figures are the opposite: of ten men at working age, 7.5 are active and 2.5 are inactive (see figures A2 and A3 and table A2). Labour force participation rates for women are slightly higher in North Africa than in the Middle East, the region with the lowest female labour force participation rate in the world. Estimates for female labour force participation rates on the country level vary between just above 14 per cent in the occupied Palestinian territory and 54.3 per cent in Somalia. The variations for male rates are also considerable; they range from 65.9 in Yemen up to over 90 per cent in Qatar and the United Arab Emirates (all estimates are for 2008[17]).

7. During the past decade, however, the labour force participation rate for women has increased steadily (see table A2). This is true for 20 out of the 22 countries in the region. The highest increases of female participation rates were observed in Algeria, Qatar and the United Arab Emirates.

8. Young people in general have a lower participation rate than adults because at least a certain proportion of them should be in education (thereby counted as inactive). Taking the Developed Economies & the European Union region as a reference point, one can see the Arab region's challenge: while the labour force participation rate for young men (46.9 per cent in 2008) is very close to the one in the Developed Economies & the European Union (52.7 per cent), the labour force participation rate for young women is far too low – 21.6 per cent in 2008 in comparison with 48.2 per cent in the Developed Economies & the European Union. This figure indicates that out of every ten young women, only two are active and eight are inactive. In Qatar, the occupied Palestinian territory, Saudi Arabia and Iraq, labour force participation rates for young women are estimated to be below 10 per cent.

9. Over time, labour force participation rates of young men have decreased, whereas those of young women have increased. The decrease in the participation rates of young men can mainly be explained by their increased enrolment in education, especially at secondary level. Educational attainment of young women has increased as well (see table A3) but even more young women entered labour markets, leading to a rise in their labour force participation rates over time.

16 The labour force is the sum of the employed and the unemployed. These are the two groups that are considered to be "active" in labour markets. The labour force participation rate is calculated by taking these active people and dividing this number by the total number of people at working age. The calculated labour force participation rate indicates how many people are active within the entire working-age population. The counterpiece is the inactivity rate, which is all people not active in labour markets as a share of the working-age population. This number gives a first indication of the human potential the economy does not use. One has to be careful though, as persons enrolled in education and those voluntarily not engaged in labour markets are also considered inactive. There is no "correct" labour force participation rate but there are rates that can be identified as being too high (which is often the case in poor countries where all people have to work in order to survive and take up any job available) or too low. The industrialized economies are taken as a reference point

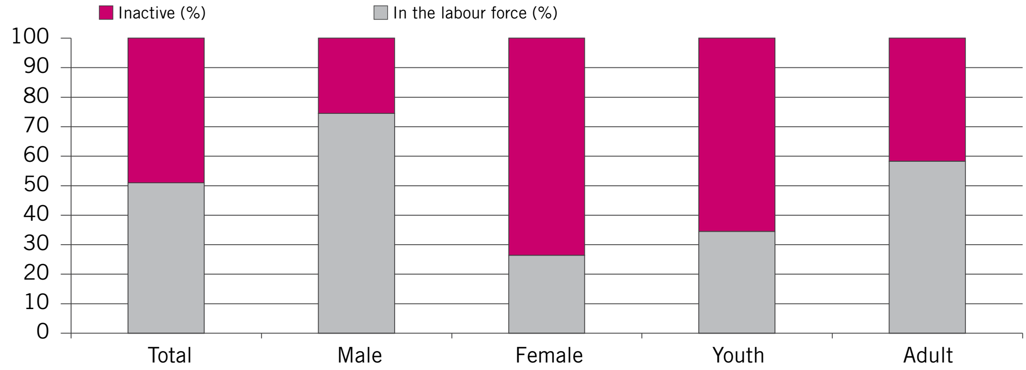
17 ILO: *Key Indicators of the Labour Market,* 6*th* Edition (Geneva, 2009). When a country does not provide real data on labour force participation rates, the ILO estimates a rate based on an econometric model. See S. Kapsos: *World and regional trends in labour force participation: Methodologies and key results, Labour Market Paper* (ILO, Geneva, 2007).

Table A2: Labour force and labour force participation rates

	Labour force ('000)		Labour force participation rate (%)		Inactivity rate (%)	
Total	**1998**	**2008**	**1998**	**2008**	**1998**	**2008**
World	2,707,394	3,198,794	64.9	64.1	35.1	35.9
Developed Economies & European Union	475,634	509,945	58.7	57.7	41.3	42.3
Central & South-Eastern Europe (non-EU) & CIS	168,468	178,517	59.2	58.2	40.8	41.8
East Asia	754,025	840,357	76.6	73.2	23.4	26.8
South-East Asia & the Pacific	238,277	293,721	69.2	69.3	30.8	30.7
South Asia	513,252	644,198	59.9	59.4	40.1	40.6
Latin America & the Caribbean	215,594	273,400	62.5	65.3	37.5	34.7
Sub-Saharan Africa	239,121	317,258	70.4	70.8	29.6	29.2
Arab region	85,315	116,357	50.1	50.9	49.9	49.1
Middle East	49,040	70,153	49.8	51.5	50.2	48.5
North Africa	53,983	71,246	49.8	50.6	50.2	49.4
	Male					
World	1,628,158	1,901,987	78.6	76.7	21.4	23.3
Developed Economies & European Union	267,401	280,212	69.2	66.3	30.8	33.7
Central & South-Eastern Europe (non-EU) & CIS	91,926	97,136	69.5	68.3	30.5	31.7
East Asia	412,937	455,312	82.4	77.9	17.6	22.1
South-East Asia & the Pacific	137,964	171,294	81.6	82.2	18.4	17.8
South Asia	367,439	455,154	83.2	81.9	16.8	18.1
Latin America & the Caribbean	135,086	160,533	80.2	78.8	19.8	21.2
Sub-Saharan Africa	135,867	177,296	81.6	80.3	18.4	19.7
Arab region	66,027	86,851	76.0	74.5	24.0	25.5
Middle East	38,974	53,676	75.6	75.1	24.4	24.9
North Africa	40,564	51,374	75.1	73.4	24.9	26.6
	Female					
World	1,079,236	1,296,807	51.4	51.6	48.6	48.4
Developed Economies & European Union	208,233	229,733	49.2	49.8	50.8	50.2
Central & South-Eastern Europe (non-EU) & CIS	76,542	81,381	50.2	49.5	49.8	50.5
East Asia	341,089	385,044	70.7	68.2	29.3	31.8
South-East Asia & the Pacific	100,313	122,427	57.3	56.8	42.7	43.2
South Asia	145,813	189,044	35.1	35.8	64.9	64.2
Latin America & the Caribbean	80,508	112,867	45.6	52.4	54.4	47.6
Sub-Saharan Africa	103,254	139,962	59.6	61.5	40.4	38.5
Arab region	19,288	29,506	23.1	26.4	76.9	73.6
Middle East	10,066	16,477	21.5	25.4	78.5	74.6
North Africa	13,420	19,872	24.6	28.1	75.4	71.9

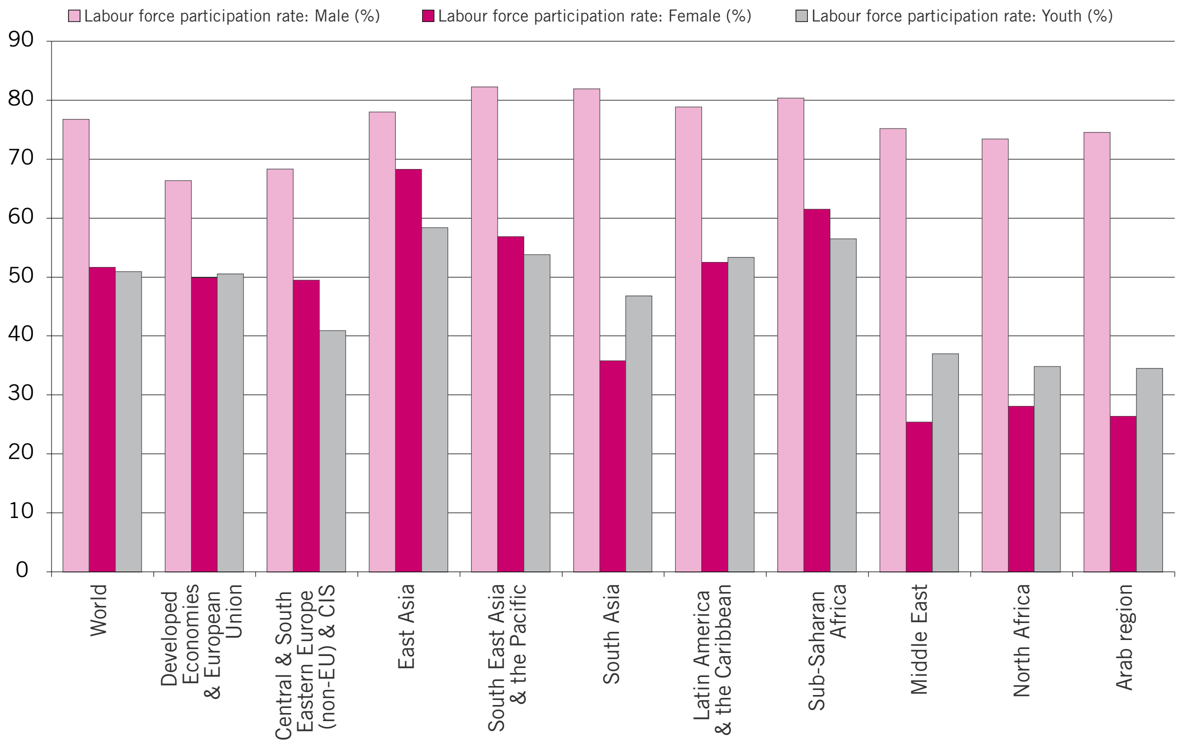
Source: ILO, Trends Econometric Models, September 2009; see Annex 1 of ILO: Global Employment Trends for Youth, 2008 (October 2008) for information on the methodology.

Figure A1: Labour force participation and inactivity as shares of total working-age population, Arab region, 2008



Source: ILO, Trends Econometric Models, September 2009; see footnote 15 for a definition of the Arab region.

Figure A2: Labour force participation rates, 2008



Source: ILO, Trends Econometric Models, September 2009; see footnote 15 for a definition of the Arab region.

Table A3: Gross enrolment ratios, by region

Gross enrolment ratios	Secondary total		Secondary male		Secondary female		Tertiary total		Tertiary male		Tertiary female	
Year	1999	2006	1999	2006	1999	2006	1999	2006	1999	2006	1999	2006
Arab States	60.1	67.8	63.5	70.4	56.5	65.1	19.1	22.0	21.8	22.0	16.2	22.0
Central and Eastern Europe	87.4	87.7	88.1	89.4	86.7	86.0	37.8	59.6	34.6	53.0	41.0	66.4
Central Asia	83.4	91.4	84.3	93.3	82.4	89.6	18.4	24.7	19.1	23.5	17.8	25.8
East Asia and the Pacific	64.8	75.2	..	75.0	..	75.5	13.8	24.6	15.7	25.3	11.7	23.9
Latin America and the Caribbean	80.3	89.4	77.7	86.3	83.1	92.6	21.5	31.3	20.3	29.1	22.7	33.6
North America and Western Europe	100.4	100.7	100.8	100.9	100.0	100.6	61.2	69.7	54.9	60.1	67.8	79.9
South and West Asia	44.5	..	50.5	..	38.0	..	..	10.9	..	12.3	..	9.4
Sub-Saharan Africa	23.8	31.8	26.1	35.4	21.4	28.2	3.7	5.2	4.4	6.2	2.9	4.2

The UNESCO regions are not identical to the regions used in the report; for a list of countries included in each region see source below.

Source: UNESCO, see http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=182, and http://stats.uis.unesco.org/unesco/Table Viewer/tableView.aspx?ReportId=167

Figure A3: Enrolment rates

Source: See table A3.

3. Employment trends

10. A closer look at the components of the labour force – the employed and the unemployed – shows the following trends over the last decade.[18]

11. While the working-age population increased by 34.3 per cent between 1998 and 2008, employment increased by 38.8 per cent during the same period. This explains the upward shift in the employment-to-population-ratio from 44.5 per cent in 1998 to 46 per cent in 2008. Women have profited much more from the employment increase than men: the number of jobs for women increased by 56 per cent whereas, for men, the increase was only 34.1 per cent. This has reduced the gap between women's and men's employment-to-population ratios, but the gap is still the largest in comparison to other regions of the world. Women have an employment-to-population ratio of only 22.7 per cent, which is significantly lower than 68.3 per cent for men (see table A4).

12. Country variations are considerable: female employment-to-population ratios for Comoros and Somalia are estimated to be more than 50 per cent. The lowest rates, however, have been estimated for the occupied Palestinian territory, Iraq, Jordan, the Syrian Arab Republic, Saudi Arabia and Egypt, with rates below 20 per cent.[19] As expected, male rates are much higher than female ones ranging from 48.4 per cent in the occupied Palestinian territory up to 91.3 per cent in the United Arab Emirates.

18 Employment trends can best be analysed by using the development of the total number of employed as well as the employment-to-population ratios. As described in the ILO publication "Key Indicators of the Labour Market (KILM)" employment-to-population ratios indicate the efficiency of an economy to provide jobs for those who want to work. Employment-to-population ratios express the number of people in employment as a percentage of the population for the corresponding age group (either 15 years and over, or youth). There is no "correct" employment-to-population ratio, but there are certain "benchmarks" and favourable trends that have a positive impact on reducing decent work deficits in the short-term and long-term. For example: (1) ratios should be lower for youth than for the overall population as more young people (as a share of their age group) participate in education in comparison to adults. Also, a reduction of employment-to-population ratios for young people can be seen as a positive sign if this is caused by an increase in education. (2) Efforts to increase employment-to-population ratios are needed when unemployment is very high in a country (indicating that people are looking for work but not finding it). (3)Efforts to increase ratios are also needed whenever they are low as a result of discouragement (indicating that people have probably given up hope of finding a job). (4) Ratios for women can be lower than those for men as long as this is the result of women voluntarily staying at home and not participating in labour markets. However, if the difference is the result of involuntarily low labour force participation for women, ratios should increase over time. (5) On the other hand, employment-to-population ratios should not be too high. Ratios above 80 per cent, for instance, often occur in very poor countries and usually indicate an abundance of low quality jobs. (6) In addition, increases in employment-to-population ratios should be moderate as sharp increases could be the result of decreases in productivity.

19 ILO: *Key Indicators of the Labour Market*, 6th Edition (Geneva, 2009).

13. Young people have also benefited from job growth. Employment growth for young people has been the largest in the Middle East (relative to all other regions); also, North Africa has seen youth employment increase considerably (see figure A4). In the Middle East, jobs for young women have increased by an impressive 48.4 per cent. Again, in both subregions, young women profited more than young men. Still, while the youth population grew by 23.6 per cent (19 per cent in North Africa and 25.3 per cent in the Middle East), the employment rate for young people only grew by 17.1 per cent. Subregional differences in job creation for young people were huge, with an increase in employment for young people of only 13.8 per cent in North Africa and of 28.6 per cent in the Middle East. Therefore, the job creation was less than the youth population increase in North Africa, but higher in the Middle East. As is the case with the overall employment-to-population ratios, the ratios for youth point at a decreasing gender gap; however, the female employment-to-population ratio continues to be the lowest in the world – out of ten young women in the Arab region, only 1.5 have a job, compared to four out of every ten young men.

4. Unemployment trends

14. What has been the impact of an increasing labour force and rapidly growing employment on unemployment? The overall unemployment rate in the region[20] continues to be the highest in the world at 9.7 per cent in 2008, with an unemployment rate in North Africa of 10.0 per cent and in the Middle East of 9.0 per cent. The unemployment rate has seen a moderate decrease over the last decade (see table A6 and figure A6).

15. The data also show that it remains more difficult for women to find jobs than for men despite the fact that fewer women are active in the labour markets. Out of the 12 countries with more recent data on unemployment rates, ten have a higher unemployment rate for women than for men. In the cases of Egypt and the Syrian Arab Republic, the percentage point difference between male and female rates is more than 15. Such a difference may easily discourage women, and result in them dropping out of the labour force, thereby taking away the progress that has been made in lowering female inactivity. This would be a huge loss of investment allocated

20 The unemployment rate is calculated as the share of people in the labour force who did not work for more than one hour but were looking for work during the reference period (the unemployed). This is the internationally agreed upon ILO definition. For more details see ILO: Key Indicators of the Labour Market, 6*th* Edition (Geneva, 2009).

to female education. The female unemployment rate stood at 13.8 per cent in 2007, in comparison to 8.2 per cent for men for the region as a whole.

16. With 22.1 per cent, the youth unemployment rate is very high in the Arab region (24.4 per cent in North Africa and 18.8 per cent in the Middle East, see table A7). North Africa's rate is the highest in the world. Once again, young women find it even harder than young men to find a job. Out of ten women active in the labour market, almost three unsuccessfully look for a job. For men, it is less than two out of ten. This represents a huge waste of potential, given that it represents the most educated generation ever.

17. The youth unemployment problem (table A7) needs to be analysed carefully as the challenges vary with different education levels. In the majority of countries, workers with little or no education, or highly educated people, have a lower risk of being unemployed. Most of the unemployed are either semi-skilled or have intermediary or secondary education, a sign of the under-evaluation of their training in the economy. However, unemployment rates amongst university graduates show an increasing trend in some countries. In Egypt, for example, the tertiary educated now face the highest unemployment rate of all educational levels. There are several reasons for this trend. University students are the fastest growing group among new entrants into the labour markets, and the ones most dependent on government employment which is not growing as fast, or may even be shrinking. As was previously the case, young people with university degrees want a job in the public sector, and they expect governments to provide such jobs. Given that these young people most likely come from wealthier backgrounds, they are willing to wait for longer periods to get such employment rather than take up a private sector job. Instead of filling the employment gap, the private sector continues to discriminate against young persons, in particular against young women, for reasons such as the added cost of maternity leave and child care that the companies are reluctant to bear, and the suspected limited geographic mobility of women. The private sector also complains that graduates do not have the types of skills they need.

5. Sectoral employment trends: Moving out of agriculture and into the services sector

18. As can be seen from the data on the sectoral distribution of employment (see table A8 and figure A5), the services sector is by far the biggest employer in the region. It is also the sector that has seen the biggest increase in its share between 1998 and 2008. In 2008, the services sector provided 49.5 per cent of all jobs in the region. The industry sector has grown slightly between 1998 and 2008, from 19.1 per cent to 22.8 per cent of all jobs in the region. This sector plays a much bigger role in providing jobs for men than for women. In 2008, of 100 men in the region with a job, 23 worked in the industry sector; out of 100 women, only nine. Finally, the agriculture sector has seen its share in employment decline over time. In 2008, it provided 27.8 per cent of all jobs in the region, down from 33 per cent in 1998. It is, nevertheless, very important for women, as 39.3 per cent of all jobs for women are found in this sector. For men, the importance of the agriculture sector continues to decrease. In 1998, the share stood at 33 per cent but by 2008 it was down to 27.8 per cent.

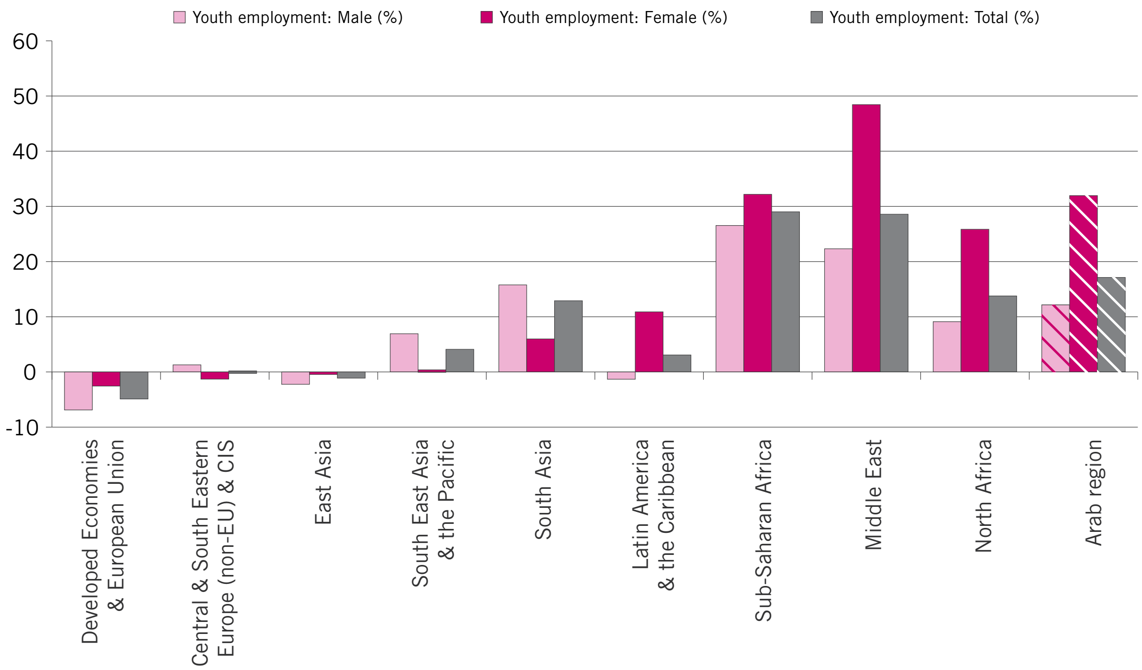
19. However, the regional average should not mask the diverse realities of the Middle East and North Africa. In North Africa, agriculture still represents an important sector in terms of employment: 33 out of 100 people with a job work in this sector. In the Middle East it is only 18 out of 100 people. Services play a smaller role in providing jobs in North Africa – 44 out of 100 jobs are in the services sector, whereas in the Middle East it is 54 out of 100. In terms of industry, the shares are quite close with 22.6 per cent in North Africa and 28.1 per cent in the Middle East.

Table A4: Employment and employment-to-population ratios

	Employment ('000)		Employment-to-population ratio (%)		Change between
Total	1998	2008	1998	2008	1998 and 2008
World	2,537,229	3,010,467	60.8	60.3	18.7
Developed Economies & European Union	441,855	479,080	54.5	54.2	8.4
Central & South-Eastern Europe (non-EU) & CIS	147,962	162,539	52.0	53.0	9.9
East Asia	718,659	804,203	73.0	70.0	11.9
South-East Asia & the Pacific	226,792	277,579	65.9	65.5	22.4
South Asia	492,385	612,408	57.5	56.5	24.4
Latin America & the Caribbean	197,439	253,613	57.2	60.5	28.5
Sub-Saharan Africa	220,622	293,067	65.0	65.4	32.8
Arab Region	75,745	105,119	44.5	46.0	38.8
Middle East	44,440	63,841	45.1	46.8	43.7
North Africa	47,076	64,136	43.4	45.6	36.2
	Female				
World	1,007,250	1,216,502	48.0	48.4	20.8
Developed Economies & European Union	192,064	215,668	45.4	46.8	12.3
Central & South-Eastern Europe (non-EU) & CIS	67,033	74,212	44.0	45.1	10.7
East Asia	327,825	371,296	67.9	65.8	13.3
South-East Asia & the Pacific	95,083	114,963	54.3	53.4	20.9
South Asia	139,327	178,230	33.6	33.7	27.9
Latin America & the Caribbean	71,634	102,250	40.6	47.5	42.7
Sub-Saharan Africa	94,560	128,564	54.6	56.5	36.0
Arab Region	16,298	25,427	19.6	22.7	56.0
Middle East	8,724	14,457	18.6	22.3	65.7
North Africa	11,000	16,862	20.2	23.8	53.3
	Male				
World	1,529,979	1,793,965	73.9	72.4	17.3
Developed Economies & European Union	249,791	263,412	64.6	62.4	5.5
Central & South-Eastern Europe (non-EU) & CIS	80,929	88,327	61.2	62.1	9.1
East Asia	390,834	432,908	78.0	74.1	10.8
South-East Asia & the Pacific	131,709	162,616	77.9	78.1	23.5
South Asia	353,058	434,178	79.9	78.1	23.0
Latin America & the Caribbean	125,806	151,363	74.7	74.3	20.3
Sub-Saharan Africa	126,061	164,504	75.7	74.5	30.5
Arab Region	59,447	79,692	68.5	68.3	34.1
Middle East	35,715	49,384	69.3	69.1	38.3
North Africa	36,076	47,274	66.8	67.5	31.0

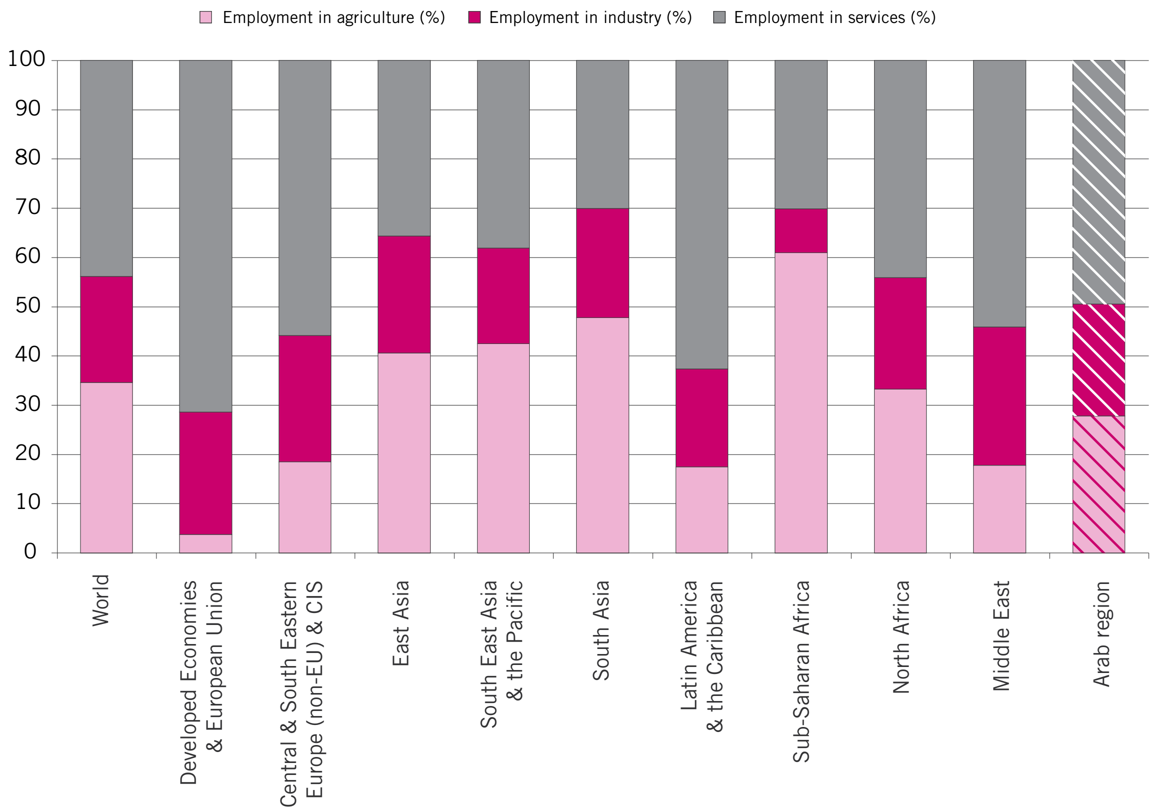
Source: ILO: Trends Econometric Models, April 2008; see Annex 1 of ILO: Global Employment Trends for Youth, 2008 (October 2008) for information on the methodology.

Figure A4: Percentage changes between 1998 and 2008 in youth employment



Source: ILO, Trends Econometric Models, April 2008; see footnote 15 for a definition of the Arab region.

Figure A5: Employment shares by sector (2008)



Source: ILO, Trends Econometric Model September 2008; see footnote 15 for a definition of the Arab region.

Table A5: Youth employment and youth employment-to-population ratios

	Youth Employment-to-Population Ratio		Youth Employment ('000)	
Total Youth	**1998**	**2008**	**1998**	**2008**
World	47.6	44.6	519,059	557,941
Developed Economies & European Union	45.8	43.9	59,467	56,555
Central & South-Eastern Europe (non-EU) & CIS	34.7	33.3	21,387	21,427
East Asia	61.6	53.0	130,701	129,235
South-East Asia & the Pacific	47.2	45.2	47,352	49,293
South Asia	44.4	42.0	116,828	131,897
Latin America & the Caribbean	46.6	45.2	45,931	47,343
Sub-Saharan Africa	51.0	50.1	61,451	79,281
Arab Region	28.3	26.8	16,095	18,850
Middle East	29.2	30.0	9,987	12,842
North Africa	27.5	26.3	9,861	11,218
	Male youth			
World	54.9	51.4	293,515	315,142
Developed Economies & European Union	48.4	45.3	32,108	29,896
Central & South-Eastern Europe (non-EU) & CIS	39.4	38.2	12,319	12,477
East Asia	58.3	48.7	63,709	62,282
South-East Asia & the Pacific	53.2	52.0	26,914	28,777
South Asia	60.5	58.6	82,520	95,536
Latin America & the Caribbean	59.4	55.0	29,405	29,017
Sub-Saharan Africa	57.3	55.0	34,487	43,640
Arab Region	41.6	37.7	12,054	13,518
Middle East	43.4	42.5	7,595	9,291
North Africa	39.2	35.9	7,117	7,765
	Female youth			
World	40.0	37.5	205,697	218,740
Developed Economies & European Union	43.0	42.4	27,359	26,659
Central & South-Eastern Europe (non-EU) & CIS	29.8	28.3	9,068	8,950
East Asia	65.2	57.8	66,991	66,953
South-East Asia & the Pacific	41.1	38.2	20,438	20,516
South Asia	27.0	24.1	34,309	36,361
Latin America & the Caribbean	33.7	35.2	16,526	18,326
Sub-Saharan Africa	44.7	45.1	26,964	35,641
Arab Region	14.5	15.5	4,041	5,332
Middle East	14.4	17.0	2,392	3,551
North Africa	15.5	16.4	2,744	3,453

Source: ILO, Trends Econometric Models, September 2009; see Annex 1 of ILO: Global Employment Trends for Youth, 2008 (October 2008) for information.

Table A6: Unemployment and unemployment rates

	Unemployment ('000)		Unemployment rate (%)	
Total	**1998**	**2008**	**1998**	**2008**
World	170,165	188,326	6.3	5.9
Developed Economies & European Union	33,779	30,865	7.1	6.1
Central & South-Eastern Europe (non-EU) & CIS	20,506	15,978	12.2	9.0
East Asia	35,366	36,154	4.7	4.3
South-East Asia & the Pacific	11,485	16,142	4.8	5.5
South Asia	20,867	31,789	4.1	4.9
Latin America & the Caribbean	18,155	19,787	8.4	7.2
Sub-Saharan Africa	18,499	24,191	7.7	7.6
Arab Region	9,570	11,238	11.2	9.7
Middle East	4,600	6,312	9.4	9.0
North Africa	6,908	7,111	12.8	10.0
	Male			
World	98,178	108,022	6.0	5.7
Developed Economies & European Union	17,609	16,800	6.6	6.0
Central & South-Eastern Europe (non-EU) & CIS	10,998	8,809	12.0	9.1
East Asia	22,102	22,405	5.4	4.9
South-East Asia & the Pacific	6,255	8,678	4.5	5.1
South Asia	14,382	20,976	3.9	4.6
Latin America & the Caribbean	9,281	9,170	6.9	5.7
Sub-Saharan Africa	9,806	12,792	7.2	7.2
Arab Region	6,580	7,160	10.0	8.2
Middle East	3,259	4,292	8.4	8.0
North Africa	4,488	4,100	11.1	8.0
	Female			
World	71,986	80,304	6.7	6.2
Developed Economies & European Union	16,169	14,065	7.8	6.1
Central & South-Eastern Europe (non-EU) & CIS	9,509	7,169	12.4	8.8
East Asia	13,264	13,749	3.9	3.6
South-East Asia & the Pacific	5,230	7,464	5.2	6.1
South Asia	6,486	10,813	4.4	5.7
Latin America & the Caribbean	8,874	10,616	11.0	9.4
Sub-Saharan Africa	8,693	11,398	8.4	8.1
Arab Region	2,990	4,078	15.5	13.8
Middle East	1,341	2,019	13.3	12.3
North Africa	2,420	3,010	18.0	15.1

Source: ILO, Trends Econometric Models, September 2009; see Annex 1 of ILO: *Global Employment Trends for Youth, 2008* (October 2008) for information on the methodology.

Table A7: Youth unemployment and youth unemployment rates

	Youth unemployment ('000)		Youth unemployment rate (%)	
Total	**1998**	**2008**	**1998**	**2008**
World	64,810	69,194	12.3	12.3
Developed Economies & European Union	9,591	8,532	13.9	13.1
Central & South-Eastern Europe (non-EU) & CIS	6,236	4,857	22.6	18.5
East Asia	13,760	12,997	9.5	9.1
South-East Asia & the Pacific	6,880	9,375	12.7	16.0
South Asia	11,594	14,797	9.0	10.1
Latin America & the Caribbean	8,534	8,499	15.7	15.2
Sub-Saharan Africa	8,215	10,139	11.8	11.3
Arab Region	4,877	5,362	23.3	22.1
Middle East	2,415	2,972	19.5	18.8
North Africa	3,545	3,613	26.4	24.4
	Male youth			
World	37,378	39,892	12.2	12.1
Developed Economies & European Union	5,142	4,833	13.8	13.9
Central & South-Eastern Europe (non-EU) & CIS	3,520	2,751	22.2	18.1
East Asia	8,058	7,528	11.2	10.8
South-East Asia & the Pacific	3,799	5,122	12.4	15.1
South Asia	8,171	10,308	9.0	9.7
Latin America & the Caribbean	4,317	3,987	12.8	12.1
Sub-Saharan Africa	4,371	5,363	11.2	10.9
Arab Region	3,270	3,266	21.3	19.5
Middle East	1,607	1,861	17.5	16.7
North Africa	2,241	2,016	23.9	20.6
	Female youth			
World	27,433	29,302	12.5	12.7
Developed Economies & European Union	4,449	3,698	14.0	12.2
Central & South-Eastern Europe (non-EU) & CIS	2,717	2,107	23.1	19.1
East Asia	5,702	5,469	7.8	7.6
South-East Asia & the Pacific	3,082	4,253	13.1	17.2
South Asia	3,422	4,489	9.1	11.0
Latin America & the Caribbean	4,217	4,511	20.3	19.8
Sub-Saharan Africa	3,845	4,776	12.5	11.8
Arab Region	1,606	2,096	28.4	28.2
Middle East	808	1,112	25.2	23.8
North Africa	1,304	1,597	32.2	31.6

Source: ILO, Trends Econometric Models, September 2009; see Annex 1 of ILO: *Global Employment Trends for Youth, 2008* (October 2008) for information on the methodology.

Table A8: Employment shares by sector

	Employment in agriculture (%)		Employment in industry (%)		Employment in services (%)	
Both sexes	**1998**	**2008**	**1998**	**2008**	**1998**	**2008**
World	41.6	34.5	20.0	21.6	38.4	43.8
Developed Economies & European Union	5.8	3.7	28.0	24.9	66.2	71.4
Central & South-Eastern Europe (non-EU) & CIS	27.3	18.5	27.1	25.7	45.7	55.9
East Asia	51.0	40.6	21.5	23.7	27.5	35.7
South-East Asia & the Pacific	50.2	42.5	15.5	19.4	34.3	38.1
South Asia	59.4	47.7	15.5	22.2	25.2	30.1
Latin America & the Caribbean	22.1	17.4	20.1	19.9	57.8	62.6
Sub-Saharan Africa	66.7	61.0	7.9	8.9	25.4	30.2
North Africa	36.9	33.2	18.9	22.6	44.3	44.1
Middle East	22.4	17.8	25.6	28.1	52.0	54.1
Arab Region	33.0	27.8	19.1	22.8	47.9	49.5
	Male					
World	40.3	33.5	22.9	25.4	36.9	41.4
Developed Economies & European Union	6.4	4.3	37.0	34.8	56.6	60.9
Central & South-Eastern Europe (non-EU) & CIS	27.0	18.9	32.0	32.6	41.1	48.6
East Asia	47.6	38.7	22.9	24.9	29.7	36.4
South-East Asia & the Pacific	49.4	42.6	17.6	21.7	33.1	35.6
South Asia	53.4	40.6	17.0	24.8	29.5	35.4
Latin America & the Caribbean	26.7	22.9	24.0	25.1	48.8	51.6
Sub-Saharan Africa	65.8	62.0	10.2	11.6	24.0	26.4
North Africa	40.4	33.8	19.1	24.1	42.3	44.9
Middle East	21.0	12.6	26.7	30.9	52.2	56.2
Arab Region	33.0	27.8	19.1	22.8	47.9	49.5
	Female					
World	43.7	36.1	15.5	16.1	40.7	47.5
Developed Economies & European Union	5.0	3.0	16.3	12.8	78.7	84.2
Central & South-Eastern Europe (non-EU) & CIS	27.6	17.9	21.2	17.4	51.2	64.6
East Asia	55.0	42.7	19.9	22.4	24.9	34.9
South-East Asia & the Pacific	51.3	42.2	12.7	16.1	36.0	41.7
South Asia	74.5	65.1	11.4	15.8	14.1	17.2
Latin America & the Caribbean	14.1	9.4	13.2	12.2	73.7	79.1
Sub-Saharan Africa	67.9	59.6	4.8	5.4	27.3	35.0
North Africa	25.1	31.6	17.9	18.4	50.8	42.0
Middle East	28.4	35.4	21.3	18.5	50.8	47.1
Arab Region	41.3	39.3	11.8	8.8	47.0	52.0

Source: ILO, Trends Econometric Models, September 2009; see Annex 1 of ILO: *Global Employment Trends for Youth, 2008* (October 2008) for information on the methodology.

6. Trends in status of employment

20. Status of employment distinguishes between four categories: wage and salaried workers, employers, own-account workers and contributing family workers. The majority of people in the Arab region have jobs as wage and salaried workers; the share in 2007 was close to 60 per cent and has increased over time (Figure A6). This share is higher in the Middle East than in North Africa. Compared to other regions, employers account for quite a large share with 6.6 per cent of all jobs. Own-account workers account for 18.5 per cent, and contributing family workers for 16.5 per cent. The latter two shares have decreased between 1998 and 2008.

21. The own-account workers and the unpaid contributing family workers, taken together, form a proxy indicator of "vulnerable employment".[21] People in vulnerable employment are most likely to be employed under relatively precarious circumstances, often in the informal economy. Contributing family workers and own-account workers are less likely to have formal work arrangements, access to benefits or social protection programmes and are more "at risk" with respect to fluctuating economic cycles. The vulnerable employment share in the region has decreased between 1998 and 2008, from around 40 per cent to around 35 per cent, still leaving more than one third of the employed in vulnerable conditions.

22. The indicator is highly gender-sensitive since, historically, contributing family work had been a status that was dominated by women. This is also the case in the Arab region: the female share in contributing family work (30 per cent) is much higher than the male share (12.2 per cent). Given that contributing family work is most likely to be seen in agriculture, it is not surprising that it plays a bigger role in North Africa than in the Middle East.

23. There is a strong connection between vulnerable employment and working poverty: if the proportion of vulnerable workers is sizeable, it may be an indication of widespread working poverty. The connection arises because workers in a vulnerable status lack the social protection and safety nets to guard against times of low economic demand and often are incapable of generating sufficient savings for themselves and their families to offset these setbacks. But does vulnerability always lead into working poverty? This depends on the levels of labour productivity. The higher the levels of productivity, the weaker the link is to working poverty. The reason for this is that higher productivity levels translate into higher wages (of course, not for all people and not immediately, but on average). In the case of the Arab region, vulnerability is closely connected to the US$2 per day working poverty, not so much to the US$1 per day working poverty. This is typical for a region with productivity levels approaching those of a middle-income region. This relationship is underlined by the fact that, in the Middle East (with higher productivity levels compared to the regional average), the vulnerable employment rate of around 30 per cent goes along with a working poor share of close to 20 per cent whereas, in North Africa with its lower productivity levels, the almost identical vulnerable employment share of around 35 per cent goes together with a working poverty share (US$2 per day level) of around 40 per cent.[22]

7. Trends in productivity

24. The region has seen growth in productivity (21.4 per cent between 1998 and 2008) but, compared to the regions that were successful in reducing their decent work deficit, the growth has been relatively small, especially in the Middle East (see table A10). Countries vary a lot in terms of their level of productivity as well as productivity trends over time. As can be seen in figure A8 for countries with available data, the highest increase in productivity level and rate has been observed in the United Arab Emirates. The lowest level has been observed in Sudan. The figure also shows the slow growth in recent years in the majority of countries in the Middle East. The low productivity growth is one of the biggest challenges in the region.

21 The vulnerable employment rate is calculated as the sum of own-account workers and contributing family workers as a percentage of total employment. The indicator is not without its limitations; some wage and salaried workers might also carry high economic risk and some own-account workers might be well-off and not vulnerable at all. But, despite the limitations, vulnerable employment shares are indicative of employment in the informal economy. For more details on the indicator and its interpretation in tandem with other measures, see ILO: *Key Indicators of the Labour Market*, 5th Edition (Geneva, 2007), Chapter 1.

22 See: ILO: *Global Employment Trends, 2008* (Geneva, January 2008).

Table A9: Employment shares by status

	Wage and salaried workers (%)		Employers (%)		Own-account workers (%)		Contributing family workers (%)	
	Total							
Both sexes	1998	2008	1998	2008	1998	2008	1998	2008
World	44.0	48.0	2.9	2.5	32.1	33.0	21.0	16.5
Developed Economies & European Union	84.4	86.2	4.4	3.9	9.0	8.5	2.3	1.4
Central & South-Eastern Europe (non-EU) & CIS	76.6	78.4	2.4	2.4	11.8	14.1	9.2	5.1
East Asia	36.4	45.1	2.1	1.5	34.1	35.5	27.4	18.0
South-East Asia & the Pacific	33.0	36.4	3.6	2.5	36.7	39.5	26.7	21.6
South Asia	17.9	21.5	1.8	1.4	49.7	51.4	30.6	25.6
Latin America & the Caribbean	61.8	63.5	4.2	5.1	27.6	25.5	6.4	5.9
Sub-Saharan Africa	18.1	24.7	1.6	1.6	48.5	44.3	31.9	29.4
Arab Region	49.4	58.3	6.9	6.6	23.0	18.5	20.7	16.5
North Africa	45.6	54.1	8.8	8.5	18.9	15.3	26.7	22.1
Middle East	50.3	62.0	4.4	4.9	33.1	24.3	12.2	8.8
	Male							
World	44.9	48.6	3.8	3.2	38.1	37.2	13.2	11.0
Developed Economies & European Union	82.5	83.8	5.8	5.3	10.6	10.3	1.1	0.7
Central & South-Eastern Europe (non-EU) & CIS	75.1	77.0	3.3	3.4	15.0	16.3	6.6	3.3
East Asia	40.7	48.9	2.8	1.5	39.6	36.7	16.8	12.9
South-East Asia & the Pacific	35.0	38.6	5.4	3.4	47.0	46.5	12.6	11.5
South Asia	21.0	24.4	2.3	1.7	59.5	59.0	17.2	14.9
Latin America & the Caribbean	60.6	62.0	5.4	6.4	28.9	27.2	5.0	4.4
Sub-Saharan Africa	22.4	30.5	1.8	1.9	48.9	45.3	26.9	22.3
Arab Region	51.4	61.4	8.2	8.2	23.2	18.2	17.1	12.2
North Africa	46.8	56.8	10.8	10.8	20.3	15.9	22.1	16.4
Middle East	52.6	64.8	5.2	6.0	34.6	24.6	7.6	4.7
	Female							
World	42.7	47.0	1.4	1.5	23.1	26.8	32.9	24.6
Developed Economies & European Union	86.8	89.2	2.5	2.2	6.8	6.4	3.9	2.2
Central & South-Eastern Europe (non-EU) & CIS	78.4	80.0	1.3	1.3	8.0	11.5	12.3	7.2
East Asia	31.2	40.7	1.1	1.4	27.6	34.1	40.1	23.9
South-East Asia & the Pacific	30.2	33.4	1.0	1.2	22.5	29.6	46.3	35.8
South Asia	10.0	14.5	0.5	0.8	24.9	33.0	64.6	51.7
Latin America & the Caribbean	63.8	65.7	2.2	3.1	25.3	22.9	8.8	8.2
Sub-Saharan Africa	12.5	17.3	1.2	1.3	47.9	42.9	38.4	38.5
Arab Region	41.9	48.6	1.9	1.6	22.2	19.8	33.9	30.0
North Africa	41.6	46.4	2.5	1.9	14.2	13.8	41.7	37.9
Middle East	41.3	52.6	1.0	1.2	26.7	23.5	31.0	22.7

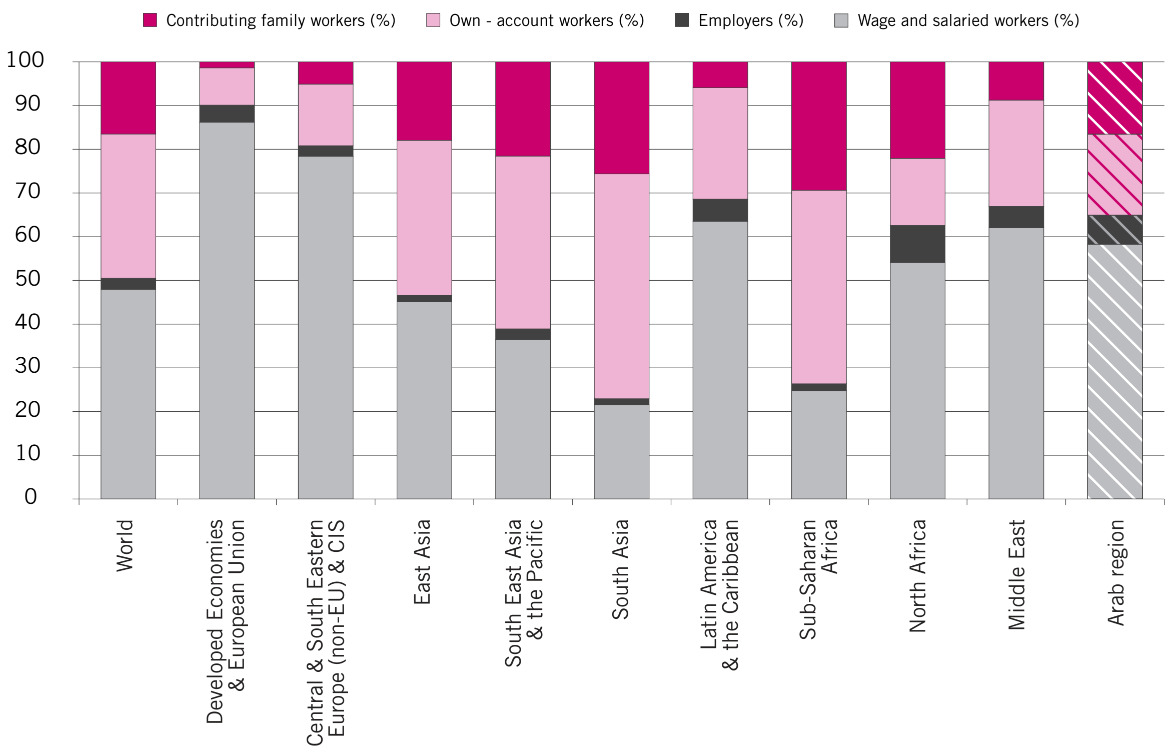
Source: ILO, Trends Econometric Models, September 2009; see Annex 1 of ILO: *Global Employment Trends for Youth, 2008* (October 2008) for information on the methodology.

Table A10: Productivity measured as output per person employed (constant 2000 US$, PPP adjusted)

	1998	2008	Change between 1998 and 2008 (%)
World	17,013	21,022	23.6
Developed Economies & European Union	61,005	71,102	16.6
Central & South-Eastern Europe (non-EU) & CIS	15,009	24,652	64.2
East Asia	5,246	10,920	108.2
South-East Asia & the Pacific	6,807	9,222	35.5
South Asia	4,054	6,341	56.4
Latin America & the Caribbean	19,857	21,377	7.7
Sub-Saharan Africa	4,128	5,028	21.8
Arab Region	18,416	22,358	21.4
Middle East	28,129	32,319	14.9
North Africa	12,703	16,117	26.9

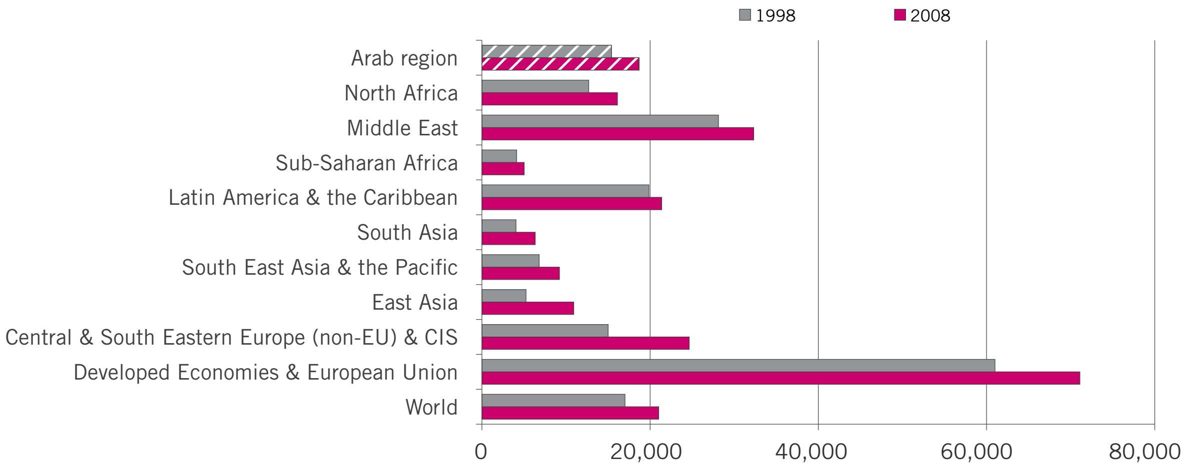
Source: ILO, Trends Econometric Models, September 2009; see Annex 1 of ILO: *Global Employment Trends for Youth, 2008* (October 2008) for information on the methodology.

Figure A6: Employment shares by status (2007)



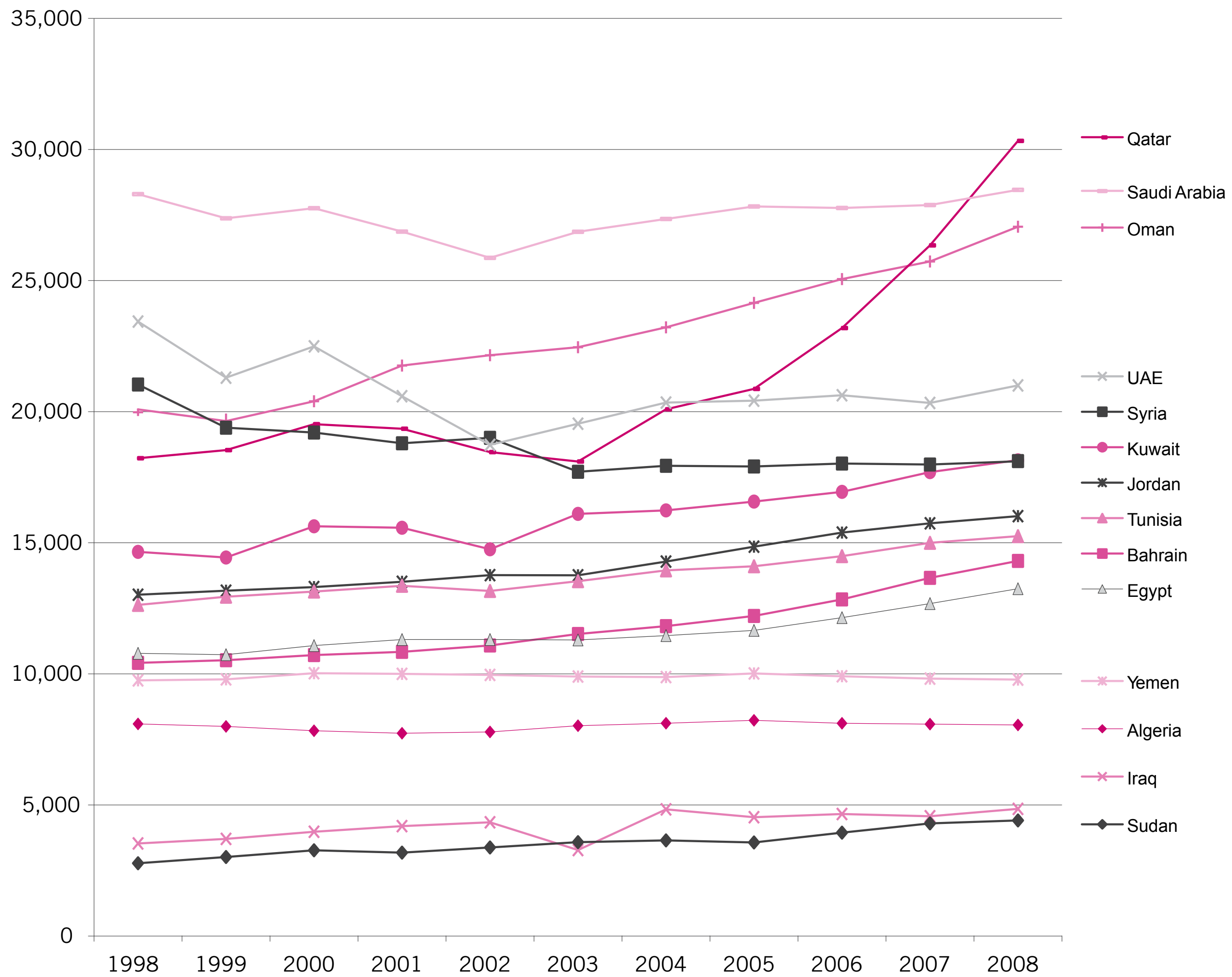
Source: ILO, Trends Econometric Model September 2008; see footnote 15 for a definition of the Arab region.

Figure A7: Productivity measured as output per person employed, (constant 2000 US$, PPP adjusted)



Source: ILO: Trends Econometric Models, September 2009; see footnote 15 for a definition of the Arab region.

Figure A8: Productivity measured as output per person employed (constant 1990 US$, PPP adjusted)



Source: ILO: *Key Indicators of the Labour Market*, 6th Edition (Geneva, 2009)