



Arab Labor Organization

An Outline of
The First ALO Report on
Employment and Unemployment in Arab States

Towards Effective Policies and Mechanisms



Arab Labor Organization

Introduction

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The Arab Labor Organization (ALO) has prepared a periodic report on labor issues in Arab states. Selecting the issue of employment and employment in this first report is not but a reflection of the concerns raised by social partners, especially after the phenomenon of unemployment has developed due to local, regional and international variables.

It is weird that rates of unemployment among illiterates are the lowest in most Arab states, while unemployment rates among literates of different education backgrounds are high. This observable fact is even more evident in the case of women, as unemployment rates among literate women exceed 23% in most Arab states, while unemployment of female university graduates in Gulf States are the most prominent. This shows a severe mismatch between education outputs on one hand and labor market needs, education development and effectiveness of approaches to employ women on the other.

As the phenomenon of unemployment has prevailed among graduates of vocational and technical education and training, some Arab states had to review and develop strategies and policies of the whole system of vocational and technical education and training. This tends to have some bearing on labor supply, with required training programs are relevant to production needs, partnerships and developing vocational and technical education and training programs so that outputs match labor market needs.

ALO assigned specialist Arab experts to prepare the report. However, it is important to say that unavailability of updated official data and statistics affected the comprehensiveness of the content of the study, and thus Arab experts found it inevitable sometimes to resort to non-Arab sources, such as statistics and reports of international organizations, when official Arab statistics and data were not available. The issue of unavailability of updated and precise information, data and statistics is too serious.

This document is an outline of the first ALO report and aims at giving the reader an introduction to the report, which is the first of many that shall be prepared later. The report seeks to encourage production parties in all Arab states to face economic, social and technical challenges and variables that affect Arab states.

The problem of employment and unemployment is one of the most significant challenges ALO is concerned with. As an ALO priority, this problem has had a special ALO attention as the Organization promotes special programs and activities such as expert meetings, workshops, seminars, conferences, studies and research, and cooperation with other Arab and international organizations, among others, to find solutions to curb this phenomenon.

ALO calls for studying the full report because the problem of employment and unemployment is significant and needs more study and follow up due to its complications as economic and social changes influence unemployment and planning employment policies in Arab states. As a result, ALO was keen to seek assistance of distinguished Arab experts and researchers to prepare the themes of this report for a better understanding of the problem and duly suggest apt solutions.

As we launch the first report on employment and unemployment in Arab states, ALO hopes that Arab politicians, decision makers, planners and researchers find the report useful. We also seize this opportunity to express our deepest thanks and appreciation to all experts and participants in preparing this report in the Arab Labor Office and the Arab Center for Human Resources Development. We would like also to apologize for any shortcoming you might find in this report as we welcome any contribution or criticism for better future reports.

As we gather pace to serve the Arab nation by promoting Arab cooperation, we seek a more peaceful, secure, stable and prosperous Arab nation.

Ahmed Luqman
Director General
The Arab Labor Organization

Cairo, July 2008



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The issue of employment and unemployment in Arab states are aggravated to the extent that the ultimate goal of development and inter-Arab cooperation is to support employment and curb unemployment, because the problem affects everyone, without exception. The general rate of unemployment in Arab states is more than 14%, which means that the Arab region has more than 17 millions struck by unemployment.

Unemployment was a phenomenon in a limited number of Arab states, but today it covers all Arab states, without exception, especially after the retreat of governments and the public sectors to offer employment opportunities and the increase of the contemporary migration phenomenon which some Arab states witness today. Achieving tangible progress in supporting employment needs convincing economic key players with performing activities such as investment, economic planning and involvement in international trading and cooperation. Also, parties concerned with human resources development need to utilize education, training and cooperation between the three production parties to boost employment and curb unemployment.

There are various challenges to support boost employment and curb unemployment; this needs the creation of new jobs that would suit the 3.9 million new comers to the labor market every year, increase the rate of employment of women, boosting education and training, developing economic activities to absorb high skills, offering more care to the irregular sector and protect workers, increase productivities to increase chances of sustainable economic development and upgrade social security networks. In addition, Arab states must boost inter-Arab cooperation and coordination.

The Arab Labor Organization pays significant attention to the conditions of employment and unemployment in Arab states and duly prepared a periodic report on employment and unemployment. Therefore, we are pleased to present the first periodic report that encompasses the following 12 themes:

- 1- Strategies and policies of employment in the Arab World
- 2- Development of human resources and employment
- 3- Globalization and knowledge economy

- 4- Small and medium-sized enterprises and their role in employment
- 5- The irregular sector in Arab states
- 6- Analyzing the role of governments and the private sector in employment
- 7- Issues of Arab migrations
- 8- Labor force and employment information system
- 9- Labor and employment legislations
- 10- Arab cooperation and supporting employment
- 11- Employment and unemployment in the Arab World
- 12- Services and mechanisms supporting employment in Arab states

1- Strategies and policies of employment in the Arab World

Employment is a key challenge to development in all Arab states, which suffer from world highest unemployment rates. Transforming to the market economy, where the private sector is mainly responsible for economic activities, does not mean that governments ignore their commitments to their employment strategies and policies because subsequent results of unemployment could be devastating to economy, society, culture and politics. In addition, high employment rates indicate the failure of managing human resources, the most important development element.

Employment policies are among the most important policies in all states worldwide. Furthermore, transforming from central planning economy to free market economy, and thus changing from a productive system to a regulatory system does not diminish the significance of these policies due to the close link between employment and human development on one hand, and political, security, economic social and cultural consequences of unemployment on the other hand. Therefore, unemployment rate becomes an indicator to compare between different world countries.

This study on strategies and policies of employment in the Arab World tackles the following subjects:

- Presenting and analyzing Arab strategies for development of labor force and employment issued by the ALO.
- Presenting samples of employment policies in Arab states.
- Presenting and analyzing international agenda for employment issued by the ILO.
- Suggestions to develop employment strategies and policies in Arab states.

The following are recommendations relevant to the framework of employment strategies and policies in Arab states:

- Offering more new employment opportunities for current unemployed people and the new comers to the labor market.
- Dealing with the double-faced phenomenon of under-employment and working in two or more jobs because this leads to dissatisfaction and to negative consequences on productivity.
- Facing the problem of deteriorated quality of work through:
 - Increasing the level of skills
 - Raising the scientific/technological elements at work
 - Improving the ability of creativity
- Matching between work supply and demand in terms of restructuring both supply and demand so as to:
 - Build more diverse production structure
 - Generate demand on skilled labor equipped with hi-tech and sciences
 - Restructure the education, training and habilitation system
 - Increase productivity and competitiveness according to international standards
 - Match between wages, prices and productivity on the medium range
 - Develop skills in the agricultural sector on one hand and develop the irregular sector on the other hand, though the two sectors absorb most labor hands in many Arab states, like the case of Egypt

2- Development of human resources and employment

The study focuses on the following subjects:

- Population
- Education
- Education and vocational & technical training
- Employment

2-1 Population

The population of Arab states amounts to 338.4 millions in 2008. The population in 2006 was 319.2, 200.8 millions of which were in African Arab states (62.6%), as males outnumbered females with 3.4%.

The percentage of the population in the age bracket of less than 15 years represented 36.3% in 2003, whereas the percentage was 31.6% in developing countries. The world percentage was 28.9% in 2003. Indicators suggest that by 2015, the percentage would reach 32.5. Youth represented 20.66% of the total population, while the percentage of those who have economic activities in 2005 was 32.69, according to available data.

Population growth in the Arab region is 2% in the current decade, compared to 2.4% in the previous decade, while the world population growth rate is 1.6. The population growth rate in the developed world is 0.8% and in the developing world 1.9% in the period between 1995-2003. The percentage of Arab population in urban areas was 54.7% in 2003, while the world percentage was 48.3% and 42% in the developing world.

2-2 Education

Three indicators shall be tackled in this theme, which are the level of participation in education, the rate of literacy and expenditure on education.

The rate of enrollment in the pre-elementary stage was 17% in 2005 (18% males and 16% females). The reason for this low rate is that most kindergartens are owned and run by the private sector, and thus they charge high fees. Furthermore, this stage is not obligatory in Arab states, but it is observed that there is an incessant increase in enrollment in this stage.

The rate of enrollment in the elementary stage was 95% in 2005 (100% males and 91% females), as the net enrollment was 83% (86% males and 20% females).

The rate of enrollment in the secondary stage was 88% in 2005 (71% males and 65% females), as the net enrollment was 59% (61% males and 58% females). The rate of enrollment in the secondary stage in the developing world was 63%, East Asia and the Pacific 69%, Latin America and the Caribbean 81%, South Asia 56% and the whole world 67%.

The rate of enrollment in the higher education was 21% in 2005 (21% males and 21% females). Literacy rate for adults (+15years) in the Arab region was 70.5% (80.7% males and 59.7% females). The rate in the developing world was 76.6%, East Asia and the Pacific 90.4%, Latin America and the Caribbean 84.6%, South Asia 58.9% and in Africa and south of Sahara 61.3%.

Expenditure on education in the Arab world compared to GDP ranges from 1.3% (UAE) and 9.6% (Yemen). Expenditure on education in the Arab world compared to the general expenditure exceeds 25% in UAE, Saudi Arabia, Morocco and Yemen, while it ranges from 20-25% in Jordan, Tunisia, Algeria and Oman; whereas it ranges from 10-15% in Syria, Bahrain, Kuwait and Lebanon. In Mauritania, it is 8.3%. Expenditures on education vary in the Arab world due to availability of funds and the variety of resources to finance education.

The quality of education outputs and matching them with labor market needs are an indicator to the efficiency of expenditure on education. Though there is a quantitative expansion in education, outputs are weak, as specialized studies indicate.

2-3 Education and vocational & technical training

UNESCO has developed some education-related indicators, which have been adopted by member states. UNESCO developed statistics to be in harmony with education indicators so as to facilitate exchange, comparison and analysis of data.

However, there are no similar indicators for vocational & technical education and training. Since 2005, some Arab states, i.e. Lebanon, Syria, Jordan, Palestine, Egypt, Tunisia, Algeria and Morocco, supported by ETF, have paid attention to indicators of vocational & technical education and training and setting up an observatory for labor market information.

Unavailability of such indicators leads to hardships in collecting, comparing and exchanging data between Arab states. As a result, it is difficult in this report to analyze statistical data of vocational & technical education and training in Arab states because they are not available and they do not share a common reference.

Problems of vocational & technical education and training

A. Strategies and politics of vocational & technical education and training

National strategies for employment represent the cornerstone of building and developing strategies and policies of human resource development in general, and strategies and policies of vocational & technical education and training in particular.

There are initiatives in some Arab states like Tunisia, Egypt, Yemen, Saudi Arabia and Jordan to develop, adopt and implement national strategies and policies for vocational & technical education and training.

B. Governance

Official authorities for governing vocational & technical education and training systems in Arab states are diverse and scattered, and governance follows suit, as there is no unified national authority concerned with governance in most Arab states.

C. Managing vocational & technical education and training system

The following table clarifies the management of vocational & technical education and training systems in the Arab world:

Managing Subsystems for vocational education and training

Subsystem	Independent National Authority	Single Ministry	Several Ministries
Technical Education	Jordan, Saudi Arabia and Kuwait	Algeria, Tunisia, Morocco, Egypt, Qatar, Palestine and Yemen	Syria and Lebanon
Vocational Education		Most Arab states	Syria
Vocational Training	Jordan and Saudi Arabia	Algeria, Oman, Morocco, Yemen and Libya	Egypt, Syria, Lebanon, Tunisia, Palestine and Sudan

D. Participation of the private/civil sector

The participation of the private/civil sector in the vocational & technical education and training is humble regarding possession and management of vocational & technical education and training institutions in most Arab states.

E. Finance

Official activities of vocational & technical education and training systems are funded by governments in most Arab states, especially basic vocational & technical education and training programs. Some Arab states such as Algeria, Tunisia, Morocco, Jordan, Yemen and Bahrain tend to levy a training tax, as revenues of such tax finance continuous training, especially on-the-job-training programs and training job seekers.

F. Labor Market Information System

Most Arab states suffer from lack of an efficient national system for labor market information that would cover supply and demand of labor force, i.e. education system including vocational & technical education and training system, and unavailability of information systems that would provide updated and precise information to facilitate balancing supply and demand.

ALO seeks to set up an Arab labor market information network that would develop labor market information systems in Arab states. In this context, Arab classification for professions has been updated. ALO seeks also to prepare an Arab standard classification for education and link between the standard Arab classification for professions and the standard Arab classification for education to determine training needs and match between supply and demand.

G. Relevancy to Labor Market

In this context, relevancy to labor market means meeting the qualitative and quantitative requirements of labor market on a timely basis. Efficiency of relevancy of vocational education and training system is influenced by several elements, such as:

- Determining training needs

- Following up graduates
- Training programs and curricula

H. Responsiveness to technical developments and variables

Due to the weak exchange between vocational education and training system and employment sectors, their effect on one another is weak, if available. Labor markets are dynamic and thus vulnerable to technical developments. The vocational education and training system do not cope with technical developments for several reasons such as difficulty of changing curricula on a timely basis, updating training facilities for lack of resources and inability of capacity building for the education/training system. Therefore, programs and curricula do not match labor market needs and are less responsive to changes and developments in labor markets.

I. How society perceives vocational & technical education and training

Education systems in Arab states led to the degraded outlook of most Arab societies to vocational education and training because this sort of education is the last resort for students in the secondary education. Furthermore, the absence of an effective orientation programs in the elementary and secondary education affects students' decisions of their future careers.

I. Training of Trainers (TOT)

One of the most significant problems in implementing training programs in vocational education and training institutions is the poor performance of trainers and professional teachers due to their poor training, deteriorated wages, lack of incentives, and lack of field experience.

J. Research and Development Centers

In most Arab states, there are pedagogical research and development centers. However, one can rarely find a research and development center for vocational & technical education and training, except in Tunisia, Algeria and Morocco. Such centers would study international experiences and adapt them to serve local communities. Absence of these centers represents a gap in the process of developing vocational education and training systems to be more responsive to local needs without ignoring regional and international developments.

2-4 Employment Issues

Endeavors have been exerted in recent years to create new jobs in the Arab region, and thus the region became the first in generating new jobs in the developing world, as more than three million new jobs are created every year. However, the region still retains the highest unemployment levels as the rate is more than 14%, and retains the highest unemployment level among youth in the world with a rate of more than 25%. Strange enough, unemployment levels among illiterates are the lowest in most Arab states and rates rise for graduates. In Egypt, unemployment rates among graduates are 10 times the rates of illiterates, five times in Morocco, and three times in Algeria. The rate is normal in some states like the case of Jordan.

This stresses the mismatch between education outputs and labor market needs on one hand and lack of employment supporting services on the other hand. The report discusses experiences of some Arab states to improve employability of education outputs and vocational education and training system outputs.

3- Globalization and knowledge economy

Globalization is an old dream. Though the term is relatively new, all civilizations, old and new, contributed in the creation of this movement, and the Arab Islamic civilization is one of them. Therefore, we dare to say that globalization, despite its shortcomings, is a natural accumulative fruit of man's experience that has gathered pace since 1970s due to the great advancements of communications and information technologies.

Thus, globalization is a base for new phase in the story of mankind that shall be different from other experiences in terms of complexity, pace and expansion due to accumulated knowledge and technological advancements.

Though globalization expands in all fields, still it goes to the unknown and changes our reading and analysis of the reality. Understanding the present and future of our world is not any more subject to the gradual line thinking or to a determined destination, but our world is governed by abrupt and random developments of sciences, knowledge and technologies.

Observers of the general approach of global economy development in the last two centuries would notice that long development eras, as suggested by Nikolai Kondratieff, were preceded by the existence of renovations and new resources that characterized the different stages of the industrial revolution. Earlier, lifestyles and production systems were stable for long.

However, human history has taken swift steps since the early 1990s, as communication and information technology expands and develops. Such developments changed production systems as well as labor relations and modes. Thanks to globalization, these deep changes cope with human developments, as man moves from hunting to agriculture, then to industry and now to the knowledge and communication society.

Though globalization affects principles of all world societies, and despite all reservations on it, it is believed that the Arab historical and cultural heritage enables the Arab region to be ready to get involved in the track of globalization and turn its challenges into new development opportunities providing we adopt positive approaches. One of the main keys to face these challenges is to develop science and knowledge which represent the engine of economic and social development.

This unprecedented knowledge revolution has been creating structural changes on production and employment systems. Current indicators suggest that the future of economic, social and human development in the context of globalization shall be governed by knowledge. This means that large parts of the material economy shall be subject to the immaterial economy due to the accelerated renovation of all sorts of knowledge and its expansion due to recent communication developments.

Knowledge and its applications shall be, more than ever, a base for production and employment systems, and therefore a basic resource for development as it provides new production means and modes, especially on the level of services, which is the core of the new economy.

These elements shall lead production and services systems to employ electronic and knowledge systems and accredit quality standards to maintain and develop competitiveness. As a result, employment system shall be changes significantly.

Within the context of these developments, human resources represent the main entry point into the knowledge economy so as to raise national and Arab development challenges in the globalized economies that are characterized with renovation, creativity, added value and competitiveness.

Therefore, quality developments in Arab labor markets are a basic element to secure the needs of national economies and support their competitiveness to guarantee:

- Accelerating development through restructuring the economy to improve the contribution of productivity in development.
- Creating new investment opportunities in the available activities and the new value-added sectors to expand and support the economy.
- Supporting the quality and quantity of exports through maintaining and developing market quotas in the traditional markets and opens new markets.
- Providing as much opportunities as possible for high caliber graduates.

Arab states have taken significant steps in the direction of the knowledge economy, regarding expenditure on education which is one of the highest worldwide with a rate of 5% of GDP, whereas it is 5% in the industrial world. These endeavors have improved enrollment rates since 1960s and put the actual period of education (8.8 years) at equal footing with EU states. The gender gap in education shrank to be 1.4 years, making the region better than other regions, such as South East Asia.

Higher education has witnessed fast expansion in recent years as Arab university students in the academic year 2002/2003 were 5 millions. Although some Arab states approach international standards in this context, students of science and engineering are relatively low (less than 28%) compared with many Asian states (around 50%).

Limited research and technological development is a key challenge to develop the knowledge economy in the Arab world. Expenditure on research does not exceed 0.2% of GDN in the Arab world whereas the global rate is 1.7%. A significant observation is that 97% of researchers work in government sectors. The weak link between research and production explains the deteriorated research effect on production, taking the form of patents. This is necessary to improve hi-tech exports which do not exceed

12% of all exports at best cases, while the world average is around 20%. It is also necessary to create new domains to employ university graduates and increase productivity which is less than 0.7% whereas it is 5.3% in East Asia.

In general, the knowledge economy is still in dire need to a scientific and technological institutional structure, legislative framework and human resources to face the challenges of development like employment and unemployment and to improve Arab knowledge economies on the international level.

Because knowledge economy is the main subject of this part, the following points are discussed:

- Background of knowledge economy: systematic approaches
- Strategic dimension of human resources in knowledge economy
- Employment within the framework of knowledge economy
- Global geography of knowledge and place of the Arab region
- Revenue of knowledge economy on economic and social development
- Primary deductions and suggestions

4- Small and medium-sized enterprises and their role in employment

Many societies, including Arab ones, face significant challenges in their development endeavors. One of the main challenges is the ideal investment of human potentials, males and females, especially in light of poor natural resources. Current economic and political changes in Arab states are accompanied by an increase of poverty and unemployment levels. The ideal investment of human potentials decreases poverty and unemployment, which expand if accompanied by slow economic growth and increase in population.

Small and medium sized enterprises, facilities and projects play a significant role in global economies, whether developed or developing. Despite the disparity of the definition, the volume of workers, investments and their contribution in national economies, they absorb more than half the labor, and in rare cases these projects represent less than 95% of institutions in any given country.

Thus, such enterprises represent an incentive to provide the suitable atmosphere to encourage entrepreneurs to erect small and medium-sized enterprises and maintain their competitiveness in national and international labor markets. Subsequently, entrepreneurs must cope with economic dimensions and relevant social and cultural conditions. Availability of services and facilities in training and education, finance, organization and marketing increases chances of success.

4-1 Support Services for small and medium-sized enterprises

Support services for small and medium-sized enterprises can be classified into two main categories:

A. Direct support services

Such services include services of training, education, human development, facilities of finance and loans, marketing services, import and export, technical consultancy, operation services and guidance.

B. Indirect support services

Such services include legislations, policies, data and statistics services, information systems, researches and studies, unions, services supporting creativity and initiation, promotion services, environmental services, standards, agreements and protocols.

4-2 Challenges and how habilitation and guidance can face them

Small and medium-sized enterprises face different challenges because of the nature of such projects and due to availability of support services. One of the most significant challenges is market openness and retreat of local protection procedures which always accompany globalization. Marketing, especially in foreign markets, also poses another challenge. Other challenges include the need for appropriate environmental and health protection, misunderstanding legislations and patent laws, over self-estimation, poor support services and lack of finance. In general, services of habilitation, training, guidance and incentives can be attained by habilitation, training and education in public or private education institutions before or during launching the project.

4-3 Institutions supporting small and medium-sized enterprises

Supporting institutions can be classified as follows:

- Academic institutions, like universities, colleges and institutes that offer consultation, habilitation and training services in their special units.
- Lending and financing institutions, like banks, lending funds and finance funds specialized in loans and loan guarantees. In cases of indirect finance, this includes different institutions of the civil society.
- Government institutions, which includes in addition to academic and financing institutions ministries that work to provide the needed support through special units, like ministries of agriculture, industry and commerce. This also includes specialized government institutions like institutions of boosting investment, exports, agricultural lending, free zones, vocational education and training, etc.
- Local public institutions, like municipalities that provide development and organizational services.
- Charity societies that offer special services like services for women or disabled in fields of habilitation, training, business incubators and sometimes indirect finance.
- Civil society institutions like chambers of commerce and industries, clubs, unions, etc.
- Private sector institutions, such as private companies, consultation offices, training and habilitation centers, etc.
- Regional and international institutions which offer support services for small and medium-sized enterprises.

In general, support services to small and medium-sized enterprises can be classified into the following categories: training and consultations, financing and loans, business incubators, marketing and trade, technical services and media & guidance services.

4-4 Protection

Protection, in general, means protecting projects and enterprises through offering finance, facilities and support services to alleviate difficulties they may face, especially in early stages. Positive protection services include training, habilitation, upgrading skills of entrepreneurs, professional guidance, financial, administration & technical consultations and business

incubation services. Such services also include offering low-interest loans or offering Islamic law in lending, tax and loan-interest exemption for a certain period, setting up financing outlets in different areas, supporting setting up cooperatives and professional groups, supporting professional and production ties with major enterprises, among others. Sometimes, there are negative protection services, or negative on the long run at least, such as sharply reducing loan-interests and giving guarantees for marketing all production in a way that may influence competitiveness.

5- The Irregular sector in Arab states

Though researchers, specialists and decision makers do not agree on a common definition to the “irregular sector”, they all agree that this sector plays a major role in offering employment opportunities and generates income for workers. This sector has a significant role in many Arab economies. This dynamic sector offers around 50% of the non-agricultural positions in many states, according to a 2004 study. The report tackles the situation of the irregular sector in Arab states, the role this sector plays, reasons for its emergence, as well as policies and mechanisms to tackle its problems.

Therefore, the study covers the theoretical and practical framework of the irregular sector regarding the definition of the sector and its workers, economic and social effects of the sector, and its volume in the Arab world, where data is available. The study also tackles reasons and elements of its growth and efforts for its development. The last part of the study covers policies and mechanisms to be adopted to tackle the means needed to improve conditions of workers in this sector.

Most exerted efforts in Arab states to develop the irregular sector are focused on two main directions:

- I. Attempts to offer financing services for workers in this sector.
- II. Attempts to provide social protection for workers in this sector.

One of the main setbacks of this sector is that workers do not have social protection, like insurance for work injuries, sickness, death, disability and senility. The Egyptian experience in covering irregular workers with insurance is a pioneering one, as this law was enforced in 1980. However,

there are several shortcomings of this experience but most of them are focused on the limited privileges offered to this sector.

We may conclude that because the irregular sector absorbs a large volume of Arab workers, and due to the reasons for emergence of this sector, it can be asserted that the irregular sector is not a temporary phenomenon that can be eliminated or that it will disappear under pressures of industrial and technological advancements. Rather, it is a fact that must be dealt with to improve conditions of workers and advance their skills. In other words, policies should be set to transform the irregular sector to a sector whose workers may enjoy privileges and rights of the workers in the regular sector.

Most significant recommendations and policies:

There are several potentials in the irregular sector as many workers may be creative providing appropriate strategies are set (Trebilcock, 2004). Thus, the irregular sector can be tackled through four basic axes:

1. Improving conditions of workers in the irregular sector:

There are several rights that workers in the irregular sector must have, such as the right to work, the right to work in a safe environment, the right of decent work, the right of minimum wage and the right of social insurance. The irregular sector encompasses different categories like employers, workers, and the self-employed. Therefore, policies must put into consideration this heterogeneity so as not to discriminate against any category. Subsequently, the following points should be observed:

- Setting up finance programs for entrepreneurs in the irregular sectors to improve their conditions and enable them to upgrade their capital so as to upgrade their production means and to offer technical assistance and training especially for those working in the services and industry domains.
- Governments should provide a social insurance umbrella for workers in the irregular sector.
- Training and financing programs should concentrate on rural areas where conditions of workers are usually worse than their peers in urban areas regarding poverty, education, training and income levels, and thus encouraging most of them to migrate to urban

areas, and subsequently creating an irregular sector in urban areas and increase unemployment levels.

- Training and financing programs should concentrate on women in the irregular sector.
- Creation of the culture of coordination between small and medium-sized project owners to create specialized networks so as to:
 - Have a common voice to protect their rights.
 - Raise productivity and efficiency levels through cooperation and making available technological information and resources.
 - Create stronger ties with major enterprises in the regular sector to face challenges of globalization.

Authorities should involve workers' and employers' organizations of the irregular sector in the dialogue of public policy to put their interests into consideration and to provide them with services and infrastructure to raise their efficiency and competence.

- Creation of local and international marketing channels for projects in the irregular sector.
- Governments should place better labor inspection systems and create legal assistance channels for workers in this sector. In addition, governments should create a corrupt-free administration system to protect and respect rights of workers and employers.

2. Facilitating transfer of workers from the irregular to the regular sector:

- Paying more attention to education and match market needs and education outputs. According to the database of small and medium-sized enterprises in Egypt (2003-2004), the more education an entrepreneur has, the more he/she is committed to officially register his/her enterprise, and vice versa. This stresses the role of education in creating the conscience of the importance of working under the umbrella of the regular sector. This is even clearer in the case of women, and thus stresses the significance of the education of woman.
- Placing high-level training programs for workers to help them gaining more skills to match market needs and enable them to get appropriate jobs in the regular sector, or erect a production facility in the regular sector.
- Setting up policies that would remove obstacles to join the regular sector.

- Reducing taxes, or at least offer limited-time tax exemption, on enterprises to give them a chance to achieve profits to develop their means of production.
- Amending labor laws and making them more flexible so as to give incentives to employers to employ workers officially. For example, one of the recommendations of the Human Development Report for Egypt 2005 regarding social insurance is that the government, along with employers, shall pay the social insurance shares of workers to encourage employers to sign official contracts with workers. Governments also shall benefit from this system as it shall expand the taxable base.
- Amending laws for equality between man and woman so that employing women would not cost more compared to employment of men. In Egypt for example, by virtue of law, employers who employ more than 100 females must erect a kindergarten. In this case, the law may be amended, for example, to commit the employer who has more than 100 workers, males and females, to erect a kindergarten.
- Placing strict rules against child labor that cope with international standards, while paying more attention to girls, attempting to offer education and health services for working children. The key solutions to curb child labor are offering appropriate job opportunities to adults, reduce poverty levels and provide education services and social protection.

3. Encouraging the irregular sector to be engaged in the regular sector:

Engagement of the irregular sector in the regular one is meant to provide social protection for workers and develop the sector without sacrificing the dynamic, creative and flexible nature of the sector. There are some obstacles for such engagement, but perhaps the most important of which are workers' lack of skills needed in the regular sector, unavailability of capital, difficulty of having finances from modern financing outlets, complexity of official registration procedures, high costs of the many prerequisites for registration, and workers' commitment to laws and regulations which poses new and unaffordable financial burdens.

Therefore, the irregular sector must be studied to determine its problems and stress its advantages that would enable this shadow economy to perform like its ability to grow and develop, penetrate markets and benefit from

competitiveness. Privileges of the irregular sector's engagement in the regular sector are:

- Increasing the individual's share of GDP as distributed to the different categories of society, like real estate owners, entrepreneurs, workers and consumers.
- Assisting small project owners to benefit from government incentives when working in the regular sector, offering low-cost credit and alleviate pressures one may face in the irregular sector.
- Improving work conditions and privileges offered by social security networks for workers and thus their productivity, and duly their wages, shall increase. This shall be followed by expansion of the project and thus generates more employment opportunities.
- Offering better quality products for consumers as companies shall be subject to monitoring and inspection mechanisms in the regular sector.
- Increasing government revenues due to the expansion of the taxable base; therefore, governments shall increase expenditure on health and education services as well as the infrastructure.

4. Increasing competence of workers:

Workers must develop the following skills:

- The ability to attain data and duly transforming it into functional knowledge.
- The ability of quick adaptation and learning.
- Mastering relevant information and computer-based technologies.
- Cooperation, teamwork and mastering oral, written and virtual communication skills.
- Having extra skills that are different from traditional ones.
- Mastering more than a language to work in an international work environment.
- Ability to work under all conditions and in traditional or virtual work environments.
- Ability to spot unique needs of consumers as standard products do not fit all..

6- Analyzing the role of governments and the private sector in employment

Unemployment in Arab states may have a certain meaning, as it is a synonymy of poverty. Unlike the unemployed in industrial states who get welfare pensions, the unemployed in Arab states are deprived from any subsistence, as they do not have economic security, and thus they suffer from poverty, social, health, family and psychic distresses. These take several shapes like marginalization, exclusion, weakness, illness, etc.

Unemployment becomes a major concern for decision makers as it endangers economic and social development and wastes human resources especially youth who represent the major volume of the unemployed. This poses a question about possible solutions for this problem. The answer may be in a national employment policy, which needs a political, economic and social support as well as linking this with policies of education, training, wages, population growth and technology.

Challenges posed by unemployment

As an outcome of globalization, unemployment poses a series of challenges on Arab governments as it becomes a fact that must be dealt with appropriately:

- **The first challenge:** The population challenge as there is a significant increase in population rates.
- **The second challenge:** Unemployment.
- **The third challenge:** Lack of habilitation and the need for a strategic shift for human resources.
- **The fourth challenge:** Retreat of oil revenues in some Arab states.
- **The fifth challenge:** The challenge of sustainable food sufficiency.
- **The sixth challenge:** Economic challenges.
 - Weak exports (except in some oil-exporting states).
 - Deteriorated production sectors and declined economic growth rates in most Arab states.
 - Weak investment and growth and lack of control over economic openness and free trade.
- **The seventh challenge:** Social challenges

- Crisis of social care and retreat on direct social subsidy policy in various states.
- Lack of care of people with disability.
- **The eighth challenge:** The political challenges like the urgency of developing political life, legislative & executive authorities and laws to cope with the new world order that dictates restructuring of the state, economy and society according to the current international conditions.
- **The ninth challenge:** Supporting independence of unions and enacting their role.
- **The tenth challenge:** Reforming and upgrading administration along with curbing red tape.

It is necessary to understand that facing such challenges is the main task for Arab governments, so as to survive in an ever changing environment. Another key problem is unemployment in the Arab World which has the world highest levels, according to a 2004 report of Arab League Council of Arab Economic Unity. The report estimates unemployment rates in the Arab World as falling between 15-20%, whereas a 2003 report of the Arab Labor Organization states that the world rate is 6.2% and 12.2% in the Arab World, as it increases with 3% every year. This makes unemployment the most significant challenge Arab societies face as 60% of the Arab populations are under the age of 25.

In its report, launched March 2005, the Arab Labor Organization described the current condition of unemployment as “the worst” world wide, as it shall bypass all red lines. Therefore, the report recommended that Arab economies should inject around 70 billion US dollars to increase their economic growth.

It is worthy to note that unemployment in the Arab World has peculiar characteristics that must be put into consideration when tailoring solutions, such as:

- Deteriorated education levels among the unemployed.
- Unemployment is a youth phenomenon.
- The unemployed have feeble professional experiences.
- Lack of planning led to lack of vocational training needed in the labor market.

- The big gap between education outputs (if available) and labor market needs.
- The high rate of unemployed females.

Unemployment is thus the main problem that many Arab states face in the current stage, as unemployment is a multi-dimensional social, political and economic phenomenon, which must be the focus of interest for Arab governments in general. Reasons of Unemployment can be resorted to economic, political, social, professional and technical elements, among others. Accordingly, curbing poverty and backwardness can be realized by offering more employment opportunities in communities with high rates of poverty and unemployment and weak social protection networks.

Arab governments exerted efforts, individually, to create more jobs, but they are still short in meeting all demands. These efforts include:

- In Egypt, The Social Development Fund played a central role in employment efforts, as it offers employment opportunities for youth. The Fund has been assigned a large amount of money for developing small and medium-sized projects, in addition to special programs for graduates.
- In Syria, the National Program to Fight Unemployment (unemployment fighting commission) has been established and large amounts of money were assigned to encourage basically small and medium-sized projects, business incubators and some specialized programs that aim at supporting social principles of free market economy and developing young calibers.
- In Jordan, the government, as embodied in Development and Employment Fund, exerted efforts to create more employment opportunities like the fund of alms and national aids fund.
- In Morocco, a fund has been created to train youth to be self-employed with the assistance of non-profit organizations and banks.
- In Tunisia, a program has been launched in 1998 to link between training and employment of graduates of secondary and university education.
- In Arab Gulf states, nationalization programs have been adopted. In addition, there are many activities and programs that support

potentials of youth, spread the culture of self-employment and develop initiatives of youth.

These experiments are successful, yet not sufficient to be the remedy of the problem of unemployment. Thus, Arab states should now enact the economic and administrative approach through improving investment, alleviating legal and administrative restrictions to attract Arab funds, working to create an Arab common market, encouraging small and medium-sized projects as a base to build a strong economy, create more job opportunities and encourage the private sector for more employment within a national comprehensive plan. Finally, components of education and training policies should be reconsidered to meet labor market needs.

7- Issues of Arab migrations

Migration is a demographic, social, economic and dynamic phenomenon. Waves of migration from one area to another are affected by the volume of the economic growth gap in the exporting and receiving regions. Migration is also sensitive to potentials of alternative employment opportunities and changes of economic and social conditions in the exporting states, in addition to demographic, economic and political variables in the receiving states. Migration is also affected by internal pressures and trends of change that sometimes take the shape of laws regulating migration. Due to the lack of basic statistical information needed for a comprehensive evaluation of the inter-Arab migration phenomenon, we opted for a Selected Issues Approach that reflects the major characteristics of Arab migration.

Arab migration has been affected by several developments in 2007 on the regional and international levels, as they have been discussed in the introduction of this document, in addition to older crises and their aftermaths, like 9/11 events. These have negative effect on the long-run flow of Arab migration, especially to Europe and the Americas.

On the regional level, indicators of slow Arab migration continue. Though inter-Arab migration balanced the scale of manpower and employment in the last few decades, the current decade witnessed unconventional developments that posed more pressures for migration, in a way that blocks the natural flow of manpower encouraged by high competition from Asian workers. Migration can not be seen as a solution for unemployment, but it alleviates its severity for a period of time.

On the international level, we still suffer from the aftermath of 9/11 events as EU labor markets are almost closed to Arab migration. Due to mixing between migration and terror issues, security considerations prevail and thus adding further complications to migrant workers in these countries so they are discriminated against and marginalized. As a result, their interaction with their new societies is affected. The change in Western societies' attitude led them to abandon the liberal immigration policies to what is known as selective immigration, with all its discriminatory practices.

Globalization allows more movement of capital and goods across borders, while it restricts movement of labor. Also, globalization changes the structure of professions and labor skills in away that Arab states were not prepared for. In addition, communication and information technology has made categorical changes in the concept of mobility of jobs as jobs are no longer connected to the geographic framework. This development has not been adequately adopted in the Arab region.

As the EU and US applied the new migration policies that focus on selecting migrants, they managed to reduce the volume of migrant workers and increase their efficiency and this attracted Arab brains in certain specialties. Until now, no Arab policies and mechanisms have been set to stop the continuous drainage of Arab potentials.

On the Arab level, these developments occur at a time when the region is subject to excessive pressures due to demographic movements, failure of reaching a settlement to the Arab/Israeli conflict and the incessant pressures against the Palestinian people for forced migration. What adds insult to injury is the deteriorated situation in Iraq, which used to host about four million migrant workers, most of them were Arabs. Now, there are four million Iraqi refugees in Iraq and neighboring states. Also, the Israeli war against Lebanon in July 2006 led to the forced migration of hundreds of thousands of Lebanese, in addition to the situation in Somalia and Darfur. All these conditions are accompanied with an increase in unemployment rates in the Arab region and led to the increase of illegal migration.

Approaches to tackle Arab migration operations in the three Arab sub-regions (East, West and Gulf) shall be discussed. Though there are different common elements among the three sub-regions, each has peculiarities for historical relations with foreign states or for geographic location, etc.

The first part was dedicated to the Eastern sub-region, selecting Egypt, Lebanon and Jordan. They represent different types as Egypt is the biggest Arab state demographically, but the newest as far as migration is concerned. Lebanon has the oldest experience in migration in the region as migrant Lebanese outnumber the Lebanese residing in homeland. Jordan, on the other hand, depicts how Arab migration can be used in national development and supporting Arab integration in labor issues.

The second part was dedicated to the Western sub-region, selecting the three migration exporting states: Algeria, Morocco and Tunisia. Migration began during the colonization era and continued after independence. The three states have more experience than the states of the Eastern sub-region. This is embodied in availability of databases of migrants. There are also official and civil institutions to care for migrants and their families, to strengthen their ties with the homeland and invest their remittances.

The third part was dedicated to the Gulf sub-region, selecting GCC states as a model of migration from the South to the South, analyzing and evaluating inputs and outputs from a future perspective. This model represents the intense migration trends, especially from Asian states, and how GCC states depend significantly on them, the effect of this trend on the state's identity and its social texture. Naturally, incoming migration to GCC states include Arab migrants who are outnumbered by their Asian peers who have higher education and technical levels.

Many specialized international organizations criticize the general framework of Asian migrant workers, as some call for nationalizing them. In practice, it is difficult to abandon Asian migrant workers for different considerations; yet the question might be how to gradually replace them with Arab migrant workers, and how to rehabilitate Arab workers to compete with Asians in this region so as to be a balance of power to maintain the Arab identity.

It is also observed that most Arab states that export labors created ministries for migration and migrants. There is a significant cooperation between different ministries, authorities, and relevant civil societies. There are mechanisms to benefit from highly competent migrant workers in transfer of technology to their homelands. Arab states also seek to better invest remittances from Arab migrants in production sectors. It is observed that most Arab states suffer lack of databases with basic information on migrant

workers which can be used as a base when drawing migration policies. These states also do not have a comprehensive system to protect their migrants and care for them.

Linking migration strategies to development plans is not clear in most Arab states despite current steps, mechanisms and legislations, which represent the general framework of migration policies and attempt to balance interests of these states and their migrant workers. Therefore, exchange of experiences among Arab states in this context is important to maximize benefits and bridge the gap between the reality and aspiration and support Arab integration in labor.

8- Labor force and employment information system

Information is a source of power, if accurate and reliable. Hence, setting up national systems for information on different economic, social, political and cultural sectors is highlighted. Such systems should include information on labor force, employment and labor markets. Labor market can be defined as a medium where job seekers and researchers present their services based on their experience and qualifications. Employers also use these services in return of defined or agreed upon terms. Unlike traditional markets, the labor market does not sell these services but rather present them. The labor market in general is rich with regulations and legislations that regulate employment and its operations. Employment does not reflect the worker's or the employer's need to work, but rather it reflects the need of the society. The labor market could be local, national, regional or international, and it could be regular or irregular. There are several parties concerned with the labor market like workers or employment seekers, employers, unions and workers' organizations, employers' organizations, government authorities as an employer and a controller of supply and demand in the market.

There are two main types of the components of labor force and employment information systems:

- Basic quantitative data that encompasses the total number of population and demographic growth, total volume of work force, migration, education, training and other data like wages and economic activities, among others.
- Non-quantitative data that encompasses employment mechanisms, qualitative labor market issues like women employment, migrant

workers, employment policies, matching supply and demand, labor legislations, etc.

8-1 Objectives:

Objectives of human resources and labor force information systems can be summarized in the following points:

- Setting up an updated database and making it available for relevant supply and demand parties in the labor market.
- Providing indicators and characteristics of human resources in a sustainable and periodic basis.
- Providing data and information to researchers as well as decision and policy makers.
- Making comparisons to international parties that highlight advantages and disadvantages of local characteristics.

In general, we can say that producing the different components of human resources and labor force information systems would be achieved on four integrated levels, namely:

- a. Institutional level which encompasses all institutions and authorities that produce statistics, data and information on the supply part (education, training, statistics authorities, etc) and on the demand part (government and private employment institutions, and public statistics authorities, etc)
- b. National level which coordinates and integrates incoming information from production institutions to build a national information system that copes with regional and international systems.
- c. Regional Arab level which aims at setting up a regional “Arab” information system that copes with international systems to serve Arab labor movement and economic blocs.
- d. International level where there are several international systems like ISCO, ISIC and ISCED.

8-2 Categories using information systems:

There are different categories that benefit from Labor force and employment information system, like:

- Enrolled in education, training and habilitation programs to choose appropriate programs.
- Searchers for employment opportunities.
- Employers who seek to know characteristics and trends of the labor market to develop their work.
- Workers enrolled in the education and professional guidance to support reliability of their services.
- Workers in education planning and human resources development to improve market conditions.
- Policy planners and decision makers to base their decisions based on reliable sources.
- Education, economic and social researchers.

These systems can be used on five levels, namely:

- a. Individual level which encompasses individuals who use data and information.
- b. Institutional level which encompasses all institutions which produce and benefit from data and information.
- c. National level as government and national institutions invest information systems to draw national policies and strategies and take relevant decisions.
- d. Regional level as regional organizations and institutions invest national and regional information systems to spot relevant indicators and information that are of interest to both the institutions and beneficiaries.
- e. International level as international organizations and institutions invest national, regional and international information systems to spot relevant indicators and information that are of interest to both the institutions and beneficiaries.

8-3 Efficiency requirements for information systems:

A successful and efficient labor force and employment information system should be:

- I. Available, which means it permits beneficiaries and users easy access to data and information.
- II. Updated, which means that it reflects current conditions.
- III. Sustainable, which means continuity of available services.

Standards and indicators which guarantee that systems are available, updated and sustainable can be summarized as:

- Commitment and participation of all parties concerned with producing statistics and data.
- Effective efforts that monitor, operate and develop the national information system.
- Availability through electronic and traditional publishing.
- Availability of qualified human resources to operate, update and develop the system.
- Availability of sustainable financial resources to operate the system.
- Guaranteeing effective governance and administration to the system.
- Availability of legislations needed to operate the system.
- Availability of unified classification and description references for all parties that produce data.
- Comprehensiveness of information which are provided by the databases.

8-4 Arab experiences and models:

1. Jordan

To implement the strategy for human resources development, as rarified by the Jordanian cabinet in 1998, the national center for human resources development established a national system for human resources information, to support national potentials in the context of databases and information systems, to be used for planning and policy making. The project was fully established in 2008 with finances from the government of Jordan and the government of Germany. The project offers three main types of services, namely:

- Databases of human resources, including the main structure of demographic data, information on labor force, labor market indicators and education.
- Services of E-employment available for job seekers and employers.

- Professional guidance services to assist individual assess their potentials, requirements for each labor category and relevant labor market characteristics.

The Jordanian human resources information system is available online in Arabic and English. It uses the standard Jordanian classification of professions and the standard Jordanian classification of education, as both cope with international standards.

2. UAE

The UAE national authority for the development and employment of human resources, established 1999, is responsible for tasks related to labor force and employment. This includes drawing general policies, making field surveys, offering consultations for national labor, monitoring & evaluating employment operations, supporting small investment institutions, training job seekers, and coordinate education and training programs to suit market needs. The authority has three main portal sites on the internet that offer services in Arabic and English.

3. Qatar

The general secretariat for development planning in Qatar established the national labor system, which is an electronic system that has updated information on future labor market needs in order to:

- Create a link between different parties in the labor market.
- Develop policies that are based on data and information relevant to the labor market.
- Provide knowledge and experience to parties relevant to labor market.

4. Tunisia

Tunisia has two authorities concerned with organizing labor force and employment information systems, namely:

- a. National Agency for employment and independent work:

The agency is responsible for promoting labor market, implementing employment programs, supporting small enterprises, regulating employment, and assisting reintegration of migrant workers in national economy. The agency targets employment seekers, small entrepreneurs, the unemployed, the disabled and employers.

b. National observatory for employment and skills:

The observatory was established in 2000 to provide statistics and analyses relevant to the labor market, establish employment information system and assist different parties concerned with employment so as to develop their work. Tasks of the observatory are collecting, tackling and processing data of employment, making research and distributing statistics. The observatory issued the national dictionary of professions and crafts.

5. *Oman*

Ministry of Labor provides the services of labor and employment information system through the ministry website as the site offers services of E-employment to employers and employment seekers. The ministry also offers the service of labor market database that aims at:

- Building a unified database of labor force in Oman, providing data and information needed for decision making, unifying terms and concepts of labor and supporting planning mechanisms.
- Providing all systematic data on employment in Oman and facts on labor and employment seekers, demographic variables, etc.
- Assisting in drawing policies relevant to human resources development.
- Assisting in the preparation of employment operations and procedures.
- Guiding policies of education & training and linking them to development requirements.
- Regulating employment operations and procedures.
- Providing data and information needed to publish periodical statistics on labor market indicators.

6. Saudi Arabia

Kingdom of Saudi Arabia has a special fund to employ nationals in the private sector. The human resources development fund shoulders the following tasks:

- Offering assistance to habilitate, train and employ national labor force in the private sector.
- Participating in costs of habilitation and training of national labor force.
- Paying a percentage of the salary of those who are employed in the private sector.
- Financing field programs, projects, plans and studies that seek the employment of Saudis.
- Offering loans to the facilities that habilitate and train national labor force.
- Making researches and studies relevant to the activities of the fund.

7. The Arab Labor Organization

The Arab Labor Organization plays a significant role in the field of labor and employment information systems, especially setting the basics of the professions classification. These are a glimpse of the role of the Organization:

- Arab labor conferences:

The Arab Labor Conference is held annually. The 32nd session of the conference, held in Algeria 2005, tackles the issue of labor force and employment information systems. The conference recommends calling for member states to give the labor authorities the due attention to and put in place national plans to develop labor authorities' structures and positions and equip them with hi-tech, develop work approaches and rehabilitate them to perform the required tasks.

The 35th session of the conference, held in Egypt 2008, tackles the issue of labor force and employment information systems as it approved the project of the Arab Network for Labor Market

Information, the project of setting up an Arab Observatory to monitor the situation of employment and unemployment. Also, the conference ratified the unified Arab classification of professions which has been recently developed by the regional project, implemented by the Jordanian national center for the development of human resources, with the participation of five Arab states. The conference also calls for implementing the standard Arab classification of education and training, developing Arab information networks on labor markets, exerting efforts to complete data of labor market indicators and preparing a comprehensive Arab labor dictionary.

- The experience of the Arab Institution for Employment :

The Arab institution for employment was established in 1980. Morocco hosted the institution that has the task of collecting, regulating and publishing Arab labor market information, monitoring Arab human resources, and unifying terms through a unified Arab classification of professions. The institution stopped to function based on a decision of the 22nd Arab Labor Conference in 1995 despite its success in carrying out its tasks.

- Technical Cooperation:

The Arab Labor Organization, within the framework of its objectives, provides technical assistance relevant to labor issues to the three parties of production in member states, thanks to its vast experience and strong ties with other regional and international organizations. The organization transfers knowledge, including labor and employment information systems to member states.

- Arab strategy for the development of labor force and employment:

In its 30th session held in 2003, the Arab Labor Conference ratified the Arab strategy for the development of labor force and employment. As the strategy encompasses 26 perspectives, the 17th perspective focuses on the need to incessantly know information of labor markets and the relentless coordinated efforts to develop employability by recruitment offices, vocational training and production institutions, stressing the need of information systems and developing labor institutions. The strategy encompasses 18 strategic objectives, as the 15th objective

attempts the issue of developing and regulating labor market information. In this context, the strategy suggests:

- Ratifying and periodically following up basic data on labor force and employment.
- Preparing databases on labor-related supply and demand.
- Publishing labor market databases via local and international information network.
- Ratifying the Arab unified classification and description of professions.

The suggested implementation mechanisms include:

- Setting up advanced national databases on labor markets and exchanging information.
- Ratifying the Arab unified classification and description of professions for planning and statistical purposes.
- Designing and implementing an information network on labor force and employment by the Arab labor Organization.

- Arab labor agreements and recommendations:

The Arab Labor Organization has issued so far 19 Arab labor agreement and 8 recommendations. They tackled different issues relevant to labor like standards of work, professional guidance and training, labor force and employment, and information systems.

- Arab classification of professions:

The Arab Labor Organization issued the first version of the Arab classification of professions in 1989. It includes job description of 1803 professions. Five Arab states, namely Egypt, Jordan, Syria, Lebanon and Palestine, began to update this classification within the framework of a regional project financed by the UNDP, under the auspices of the Arab Labor Organization. The updated classification, which has been completed in 2007, includes about 3000 job descriptions. It covers changes that occur to Arab labor markets since 1989. This classification is seen as a main tool in unifying Arab endeavors in the field of labor information systems.

9- Labor and employment Legislations

The contractual relation of work, in its legal framework, is based on the principle of freedom of contracting, which means from a workers perspective that one has the absolute freedom to work or not, and decides time and type of work, leave work whenever one wants. Meanwhile, it is interpreted by employers that the employer has the right to employ a worker, whenever and wherever needed in a way that serves best the interest of the employer, terminate the worker whenever such termination serves best the employer's interests.

However, this has been completely changed as governments adopt an approach to intervene in regulating work and employment relations as governments gradually intervened using the following approaches:

- The first approach: Employment aggregation/employment
Governments decided to provide employment aggregation services to rid workers from negative effects caused by private recruitment offices which seek profit.
- The second approach: Planning and directing employment
As governments adopt an approach towards having planned economies, they used their authorities to introduce legislations that aim at using labor force on the national level to help implementing development plans.
- The third approach: Limiting the freedom of contracting
National legislations were gradually amended to suit the level of state intervention to limit the worker's freedom of work and employer's freedom of employment, to serve the interest of society.

9-1 Redefining work and its reflections on employment:

The last quarter of the 20th century witnessed a comprehensive restructure of work systems, relations and approaches. This era was characterized with reduction of worker's work circle, emergence of new work modes, increase of unemployment rates among new comers to the labor market especially youth, and limited application of labor codes, including employment regulations. Therefore, laws and regulations of labor and employment had to

respond to the new conditions. Though inevitable, responses differed from one state to another. The most significant responses are:

- Reviewing laws that used to ignore commitment when establishing or terminating a work relation, to meet demands of giving more flexibility to the employer's freedom to use human resources, as an input needed for competition, and get adapted to variables and changes.
- The labor law, in response to high unemployment, changed its traditional path as protecting interests of workers to be a law that is also concerned with "people without jobs".
- To increase employment opportunities, employment laws began to introduce legal frameworks to encourage self-employment in small or micro projects in response to the increasing rates of unemployment and limited chances of employment in the regular economy.
- Due to different changes, the role played by government recruitment authorities became limited especially after the retreat of governments role in offering employment services, and thus private employment agencies are allowed. Therefore, the role of government recruitment authorities became the collection, analysis and dissemination of labor market information in most.

9-2 Response of Arab legislations to changes in employment:

Most Arab states sought to restructure their national laws regulating labor and employment since late 1980s to cope with the new economic atmosphere. However, it is observed that this legal restructure lacks a clear strategic vision as it occurs amid conflicting parties, which has been negatively reflected on contents of the legislations.

This restructure process took the following approaches:

- Within the framework of traditional tasks of recruitment offices, results of the restructure process are embodied in:
 - Abandonment of most Arab legislation on the state monopoly over employment services, allowing private agencies to perform this task.

- Abandonment of, or rather relaxing, some restrictions that commit workers and employers to sign work contracts via government recruitment offices.
 - Commit employers to present data for the government for statistical purposes only.
 - New tasks adopted by employment legislations.
- Employment legislations paid due attention to new tasks relevant to employment. The most significant tasks are:
 - Laws of Arab Gulf states have certain regulations regarding nationalization of labor in order to reduce numbers of migrant workers and curb the ever increasing problem of unemployment among nationals.
 - Laws adopted in Gulf States dictate a percentage of foreign and national labor the employer recruits. Other regulations encourage employers to recruit nationals.
 - In the framework of “Labor Market Regulation Authority”, Bahrain adopts an integrated approach to reduce the percentage of migrant workers and recruit the unemployed nationals. This approach draws national policies and executive programs to recognize this objective.
 - Employment of the unemployed

Some Arab states used national legislations to employ the unemployed citizens through different means:

 - Some national legislations offer incentives and support independent work through offering financial and technical assistance for citizens to erect small or micro projects to curb unemployment, as long as the national economy can not absorb them in the regular economy.
 - Other Arab states introduce legislations that offer incentives for employers who employed unemployed workers for certain periods and under certain conditions. These incentives include exemptions of financial obligations.

9-3 The role of Arab Labor Organization in Employment:

The Arab Labor Organization was established after Arab labor ministers held their first conference in Baghdad in 1965, with a predominant concept of free Arab labor movement in a common Arab labor market.

In accordance with this concept, article six of the Arab Labor Charter states that Arab states agree to give priority of employment to Arab workers, as appropriate to their needs.

To make this article executable, conference of Arab labor ministers (1967) ratified the Arab agreement on “movement of hand labor” which has later become agreement number 2 of Arab labor agreements. The agreement was later revised by the Arab Labor Conference in its 4th session in 1975, as the conference ratified the Arab labor agreement number 4 on movement of hand labor (as amended).

Efforts of the organization continued in this context and culminated with the Arab Labor Conference ratification of the 14th agreement in 1981, as the agreement states the Arab worker’s right of social insurance when moving to work in another Arab state.

The main points and standards of the three agreements include:

- Stressing the principle of giving the Arab worker the priority over other foreign workers, as stated in the Arab labor charter.
- Commitment of Arab states, which ratified the agreements, to facilitate movement of workers and relax official procedures.
- Stressing the principle of equality in rights and privileges of Arab and citizen workers, including social insurance rights, while gathering pace to integrate these rights among Arab states.
- Prompting Arab states to sign bilateral agreements with one another to facilitate implementation of commitments as stated by agreements.

However, agreement 2 was ratified by only seven states, and the same number ratified agreement 7, including four states which had earlier ratified agreement 2. Therefore, the number of States that are committed to at least one of the two agreements is 10 states. They are labor exporting states, which benefit from signing the agreements. Gulf States, which receive a big volume of migrant workers, have not ratified any of the agreements. Furthermore, agreement 14 was ratified by only 4 states.

Thus, if we took ratification as an indicator of the effects of Arab standards on employment of Arab workers, we would get a negative feedback which stresses that these standards are not accepted by most Arab states.

Taking reality as an indicator, we would observe that giving the priority to Arab workers is not present in practice; besides, some Arab states whose national laws ratified this principle tend to abolish it or already did. Therefore, Arab standards need a careful and comprehensive review as recommended by the Arab Labor conference held in year 2000.

10- Arab cooperation and employment support

The Arab World has elements of unity and integration, like language and religion, similarity of lifestyle, cultural background, similarity of environment and objectives, among others. Yet, strengthening this integration and enacting Arab common cooperation remains too modest.

The Arab World can be a major economic and influential bloc, similar to the EU, if it overcomes many obstacles in the path of Arab cooperation. This can be achieved for different reasons such as its strategic location, to give an example. For Arab states to be like other key economic blocs in the world, Arabs should cooperate, integrate and abandon national tendencies which have postponed economic unity and integration for long years. Economic unity and integration are a must more than ever to face changes and challenges of the world today that are too hard for a state to face alone.

Expansion of markets and trade development make trade the engine of development and investment. This helps to increase productivity and growth rates to make the Arab region an investment attraction point, which supports competitiveness, offers more employment opportunities, upgrade workers' skills, and absorbs increases in hand labor. This is the base of liberation of trade.

Integration in exchanging hand labor is also significant, though it witnessed some setbacks on bilateral level, as politics decided for workers to be recruited or expelled. Migrant Arab workers in other Arab states are at least 10 millions, transferring to their homelands around 20 billion US dollars, used mostly in investment and as subsistence for families. Also, to serve migrant workers in the Gulf, the door was opened for investment in education, health and hospitality.

Arab cooperation in supporting employment is a basic objective of Arab integration as it strengthens ties. In this context, Arab cooperation shall be

tackled through discussing advantages and disadvantages of inter-Arab trade, Arab investment, joint Arab projects, and how all this can support employment in the Arab World.

10-1 Inter-Arab Trade:

The Arab World has significant human and natural wealth that form the base of integration needed for economic development. As Arab integration is the first logical step in the path of development, Arab states should give more support to inter-Arab trade in a way that achieves suitable economic benefit to all concerned parties. In this context, history tells us that great civilizations were built on maximizing benefits from resources, through integrating different elements to achieve economic development objectives.

10-2 Arab Common Market:

The objective of erecting an Arab Common Market is a highly prestigious one as it serves Arab economic integration. However, looking objectively at the current situation, one would realize that achieving this objective is hard for many reasons,, but what comes at the forefront is that Arab states do not need one another in their global trade. The geographic expansion of the Arab World is also another obstacle to realize this ambition objective. The Arab Common Market needs to allow free movement of production elements in Arab states, which is a major challenge. Also, entry visas are another obstacle, as some Arab states are not flexible at this matter. Arab economies, individually, do not have competitive elements, unlike the case of the EU. Germany, to give an example, is excelled in equipment and automotive industry, while Spain is distinguished in agricultural production, paving the way to trade exchange between the two states. This can be rarely found among Arab states, except in GCC states.

10-3 Arab labor market:

There is an error in Arab labor market, between supply and demand. Supply indicates job seekers whether fresh graduates from education and training institutions, those who seek better jobs, the surplus workers due to privatization programs, or those who seek work after termination of their temporary contracts at home or abroad. Demand indicates employment opportunities in different sectors and specialties.

On the Arab level, the supply and demand formula is imbalanced in the following sense:

- Disparity of geographic distribution of work force, on the national and Arab levels
- Unbalanced distribution of the work force on different activities, as most of the labor force work in agriculture, transformational industries, and wholesale & retail trade.
- Mismatch between education & training outputs on one hand and labor market needs on the other hand.
- Incapacity of Arab economies to offer enough job opportunities that led to high unemployment rates in many Arab states.

10-4 Arab investments:

- Significance of Arab investments:
The Arab economy needs Arab capitals abroad, or at least some of them, as Arab states are among the least investment-attractive states in the world.
- Investment types:
Most Arab investments abroad are individual investments, with some Arab, especially Gulf, government investments. Such governments attempt to invest the huge oil revenues in foreign capital markets. These funds are either direct investments in real estate, land, companies or tourism projects, or indirect investments in shares and bonds.
- Geography of investments
Most Arab investments are in Europe and the US. In Europe, the most attractive countries are Switzerland, Britain and France, then the US. There are small Arab investments in Asia, especially Malaysia and Singapore. These countries are attracting Arab investments for several reasons, like political and economic stability and the banking system, especially in Switzerland, which keeps identities of clients undisclosed.
- Reality of Arab-Arab investments
While Arab capital flows for investment abroad (800-2400 billion US dollars), joint Arab investments are scarce due to several reasons like lack of legislative stability. The Arab world lives generally in a state of legislative chaos especially in laws

regulating investments, and in consequence capitals go to safer places.

10-5 Arab joint projects:

Arab joint companies seek new types of joint projects between Arab states. They also attempt to generate needed funds for these projects, and thus putting together and utilize production elements. These companies promote national and Arab potentials and increase inter-Arab trade.

Arab Joint companies are a main element of Arab economic endeavors, as they started in 1970s after oil prices increase, when oil-producing Arab states had surplus revenues. Though such companies began within a strategic and security framework in 1950s, most Arab states were reluctant to participate then, and therefore the Arab League did not practice pressures on this direction until oil Arab states had huge surplus revenues. Then, four Arab joint projects have been established, with total capitals of 1500 million dollars:

- Arab Mining Co. (Amman)
- Arab Holding Company for Animal Wealth Development (Damascus)
- Arab Holding Company for Industrial Investments (Baghdad)
- Arab Company for Pharmaceutical Industries (Amman)

10-6 Investment policies and employment in Arab states:

Demographic upsurge, dominantly youth population, poor investments, stagnation, and low employability aggravated the phenomenon of unemployment. To create sufficient jobs that would suit the ever-increasing labor force, the following shall be done:

- Encouraging investments that would generate more jobs, while incessantly review laws and procedures which offer incentives to investments in domains that recruit high density of workers like agriculture, animal wealth, fish breeding, construction, tourism, and hand crafts.
- Erecting more recruitment offices and stressing its role of disseminating information on labor markets both nationally and

regionally to balance supply and demand of labor force, at present and future.

- Supporting cooperation and integration between Arab states and investigating possibility of cooperation in new domains based on the improvement on Arab workers habilitation, in addition to encouraging investments to create more jobs.

10-7 Arab economic performance:

Arab economic performance is closely related to different indicators including:

- Decrease of the general Arab economic growth in most Arab states and decrease of GDPs and consumption per capita, along with increasing populations in some Arab states.
- Decrease of investment levels and thus affecting the availability of jobs for graduates.
- Increase of unemployment and masked unemployment especially among graduates.
- Increase in most Arab states of imports of food and industrial & technological goods.
- Decrease of inter-Arab trade.
- Increase of foreign debts in most Arab states, and thus adding obstacles to development and economic stability.
- Decrease of the individual's share in GDP, especially in shade of increasing populations.

10-8 Suggestions of Arab Economic Council regarding the common market, liberation services and implementing programs of free trade:

Suggestions call for acceleration of setting up the Arab common market, making it a focal point for a joint Arab economic integration, liberating services and diversification of production base, Curbing poverty, supporting the role of the council to improve investment environment and implement a joint development program in the Arab region to achieve a growth rate of 7% instead of the current 3%.

Suggestions call for acceleration of implementing an integrated Arab common market, especially in light of the current events and developments

the world has witnessed since the last decade of the 20th century, emergence of major economic blocs that dominate 90% of global trade, emergence of WTO that has 146 member states, including 11 Arab states. This dictates enacting the Arab common market to maximize benefits of the WTO and minimize negative consequences of liberating world trade.

Suggestions also stress that there is a dire need for Arab cooperation and integration to enact positive cooperation with economic blocs, In addition to establishing close cooperation ties with regional and international institutions, organizations and authorities. This requires an Arab economic bloc, taking the form of an Arab common market as a main tool to achieve this objective.

Also, suggestions stress that member states of the Arab common market are a production, exchanging and population economic base that can be focal point for Arab economic integration and an attraction area for other Arab states.

Meanwhile, suggestions stress the necessity of establishing the common market without hesitation to play this role so as to present a model for the Arab economic project that can be expand and develop in the future, especially after completion of the Arab major free trade zone system, and the subsequent projected development of inter-Arab trade.

Suggestions also clarify that supporting the common Arab market shall not only support direct Arab economic interests but it shall also provide a base for an Arab economic bloc as an appropriate and strong formula that would enable Arab states to face economic challenges and variables on the regional and international levels.

Suggestions add that the success of Arab states in dealing with these challenges and the new world trade order depends on Arab ability to create an Arab economic project to build an Arab economic bloc that would shoulder responsibilities of defending Arab interests, in addition to responsibilities of keeping away current or anticipated dangers, dealing with major economic blocs and curbing attempts to lose the Arab identity.

Also, suggestions stress the need to expand inter-Arab investments, conclude the free services agreement, remove all inter-Arab trade obstacles, support

the trade infrastructure, and move to the formula of Arab common market in order to reach the Arab major free trade zone.

Suggestions indicate that more investments in the Arab region is an important approach for Arab integration to produce goods and services needed by Arab states or to achieve development goals and face current challenges to the Arab economy, such as high unemployment rates that reach 15-20%, which is a waste of valuable human resources. This also has negative social and political consequences as 60% of the unemployed are educated youth.

Other challenges, as indicated in the suggestions, include the food gap in the Arab World, as this gap is as high as 15 billion US dollars, annually. Arab states import almost all types of food, in addition to the incessant decrease of the individual's share in GDP. Meanwhile, 70% of Arab exports are oil and oil products, and therefore diversity of production and services is needed to raise living standards and fight poverty.

The Arab region depends on imported science and technology, and thus we need to support this sector on the national and Arab levels. This requires more investments in the region within a framework of a program that puts into consideration the needs adopted by the Organization in cooperation with Arab Fund for Economic and Social Development in order to improve the investment environment in the region. This includes 4000 investment opportunity classified per sectors, including 15 Arab states and 20 Arab institutions, in addition to an Arab investment mechanism, and formed basically of the special sector.

Suggestions indicate that this mechanism has a task of proposing policies that curb obstacles to investments in Arab states, promote investments and coordinate development projects to guarantee its integrity.

11- Employment and Unemployment in the Arab World

Population of the Arab world lingered around 319 millions in 2006, or 4.9% of the world population. The Arab World has an area of 14.187.355 square kilometer, with a population density of 22 persons per square kilometers. However, this percentage varies sharply from a state to another, as it ranges from 2.7 in Mauritania to 644 in Palestine. Egypt has the densest population of 70 millions, while Djibouti has only 617 thousands. Egyptian population

represent more than one fifth of the total Arab population (21.1%), whereas Sudan, Algeria and Morocco represent 11.1%, 10.4% and 9.9%, successively. Meanwhile, Bahrain, Oman, Qatar and Kuwait represent only 2.1% of Arab population. The majority of Arab population lives in Africa, as African Arab States represented 62.7% of the total Arab population in 2005.

Population growth rate in the Arab world is still high, as the rate was 3.2% in the period 2000-2006, while the world rate was 1.2% in the same period. If the population growth rate remains unchanged, the Arab population shall be doubled in 30 years.

It is observed that there is a critical disparity in the population growth rates in Arab countries, as the rate was significantly high in Qatar (6%), which refers to high levels of migration due to receiving Asian migrants to participate in the huge economic projects of Qatar. Meanwhile, Somalia has the lowest population growth rate (0.8%), which refers to a high immigration rate due to the civil war and high mortality rates.

Economically active Arab citizens represent less than one third of the population (30.7%) as their number was 96 millions in 2005. Yet, Egyptians alone represent more than one fifth of the economically active Arab citizens (22.4%), whereas economically active citizens in Sudan, Morocco and Algeria represent 11.4%, 10% and 9.8%, successively. Meanwhile, economically active citizens in Bahrain, Djibouti, Oman, Palestine and Qatar represent only 2.9%. This led to a retreat of labor markets' ability to absorb the large volume of new comers to the labor markets, and thus the problem of unemployment is aggravated, as it strikes all Arab states. Economically active Asian Arab citizens represent more than one third (35.6%) of the total number of economically active citizens.

The percentage of economically active citizens to the total population varies significantly in Arab states. The highest percentage is recorded in UAE (80.8%), then Qatar (70.4%), and the lowest is recorded in Palestine and Jordan (20% and 23.4% successively). High percentages recorded in UAE and Qatar can be resorted to the big volume of migrant workers in the two states, whereas low percentages can be resorted to burdens economically active citizens shoulder due to the high rates of economic dependency in the Arab World. The total percentage varies between Asian and African Arab states as the percentage in Asian Arab states was 28.6% whereas it was 31.1% in African Arab states. Economic dependency also varies

significantly as it is too low in oil-producing Gulf States (0.24 person in UAE, 0.38 in Bahrain, 0.42 in Qatar, and 0.54 in Kuwait), while it is higher in other states, such as 1.09 in Djibouti and 4 in Palestine.

There is also a low rate of the refined economic activities in Arab states, as the rate is only 53.3%, which indicates that around half the population older than 15 years of age is economically active. This rate also varies from a country to another. It ranges from 37.8% in Jordan to 80.8% in UAE. In general, it is observed that the refined economic activities are higher in Gulf countries. The rate of the refined economic activities also varies sharply between males and females, as the percentage of males are three times higher (72.6%/males and 24.2%/females). This indicates the poor participation of women in economic activities in the Arab World. Such disparity appears also in the same gender, as the rate for men is significantly high in Qatar (92.4%), UAE (92.1%) and Kuwait (88.1%), while it is low in other states, especially Palestine and Oman (40.4% and 57.3% successively).

This rate also varies among women, as it recorded the highest value in Somalia (64.5%), Kuwait (54%) and Qatar (48.1%) whereas the lowest values are recorded in UAE (12.2%), Algeria (12.4%), Jordan (12.6%) and Palestine (12.8%). However, these rates may be misleading, due to difficulties in obtaining data relevant to women economic participation.

In general, the percentage of women in the labor force has increases modestly in the last two decades. Yet, woman participation in the labor market is doubled two times in Bahrain, Kuwait, Qatar, and Kingdom of Saudi Arabia, while it is doubled three times in Oman and UAE. Despite the increase of the number of women in Arab labor markets, their economic participation is still humble, compared to men. Paid workers represent the main labor trend in the Arab World, except in Yemen. Men are more inclined to be self-employed, which indicates that men have the opportunity to get resources to have their own businesses, unlike women.

An individual's education affects chances to get work and payment as well. Thus, the higher education one has, the better chance to work and get well payment one gets. However, unemployment rates among educated females are higher than the rate among educated males. Despite recent achievements in education, literacy levels remain high among Arab women, as the rate of literacy among women in Yemen was 75% in 2000, and 13.7% in Jordan in 2006.

Researchers face difficulties in measuring woman's participation in Arab national economies because the majority of them work in the irregular sector or at family businesses. Women tend to work at family properties, especially agriculture properties, mostly for free, and thus the financial value of women's work can not be calculated or registered in national statistics. This is due to two reasons: 1) absence of a definition of the irregular economy, and 2) inability of the traditional indicators to tackle untraditional activities.

Data indicate that the total number of Arab workers was around 88 millions in 2005, distributed into all economic activities. With 25 million workers, i.e. 28.5% of the total number of workers, agriculture and fishery sectors have the biggest percentage of workers. These two sectors were followed by social and personal services sector with 24.9 million workers, i.e. 28.3% of the total number of workers. Wholesale and retail, hotels and restaurants came next with 11.8 millions workers, i.e. 13.3% of the total number of workers. The sector of transformational industries absorbs about one tenth of Arab workers, while 8.5% work in the construction sector. Meanwhile, the rest are distributed on other economic sectors, like transportation, communications, finance, insurance, real estate, etc. This information indicates that the agricultural and social services sectors, together, are the main employment sectors in the Arab world.

The agricultural sector absorbs more than half the number of workers in three Arab states, namely Somalia, Sudan and Mauritania. Information indicate that 70% of workers in Somalia, 60.7% of workers in Sudan and 50.3% of workers in Mauritania work in the agricultural sector, hunting, forestry and fishery. Meanwhile about 45% of workers in Morocco work in agriculture and fishery, one of the main sources of the Moroccan national income. In Egypt, 31.8% of workers work in the agricultural sector.

In Bahrain, Djibouti, Iraq and Kuwait, workers in the agricultural sector are few, representing less than 2%, perhaps due to scarcity of cultivable land, with the exception of Iraq, where there is plenty of cultivable land, but they are not cultivated due to political conditions and instability.

Transformational industries attract more than 20% of workers in Tunisia, indicating that industry is seen as a main arm of the national economy, in addition to agriculture. In Bahrain, transformational industries attract about

17% of workers. In Morocco, the percentage is 14.6% and in Syria and Lebanon, the percentage is 13.6%.

The construction sector is a main employment sector in some Arab states. This sector attracts around 27% of workers in Qatar, 17% in Tunisia, 14.5% in UAE, and 14% in Syria. Wholesale and retail sector is the third biggest employment sector in the Arab world. It attracts around 25% of workers in Djibouti, 24.4% in Lebanon, 20.5% in Yemen, and 20.3% in Jordan. The percentage of workers varies sharply in different states, as it is 4.1% in Iraq and 18.5% in Palestine.

Social service sector is the second biggest employment sector, after agriculture. This indicates that the government sector is still a major employment party. The volume of workers in this sector varies sharply in different Arab states. While workers in this sector in Iraq represent 68.4%, they represent 64.9% in Oman, 60.3% in Libya, and 53.2% in Kuwait. This also indicates that governments dominate elements of the economy and stresses the marginal role the private sector plays in employment. Though other Arab states have lower percentages due to privatization programs, economic restructuring programs, and private investments, this sector remains a main employment sector. It absorbs 45% of workers in UAE, 42% in Bahrain and 34.5% in Jordan and Qatar.

Distribution of workers based on economic sectors varies significantly between Asian and African Arab states, indicating the difference between economic structures of the two groups. For example, the agricultural sector absorbs 10.5% of workers in Asian Arab states whereas it absorbs 39% of their African counterparts. This also indicates that agriculture is the dominant economic activity in African Arab states whereas the government sector is the dominant employment sector in Asian Arab states.

More than 22 million workers, i.e. 23.7% of all Arab workers, work in agriculture, fishery and cattle breeding. Around 22 million workers, i.e. 23% of all Arab workers, work in production professions and relevant work like transportation and maintenance. Specialists and technicians represent 14.3% of the total work force, i.e. 14.3 millions. Workers in trade and retail are in the fourth level with 11 million workers, i.e. 11.8% of the total work force.

Distribution of workers based on professions in Arab states shows significant disparity. Workers in agriculture, fishery and cattle breeding represent a majority in Arab states that depend on these economic activities. This sector absorbs 53% of workers in Sudan, 45% in Morocco, 41% in Somalia, 39.5% in Mauritania and 31% in Egypt. This reflects how professions reflect the nature of economic activities in each state.

More than half the workers in most Arab states, except Algeria, Sudan, Palestine and Morocco, are paid workers. This indicates that workers in the four countries do not tend to work for others, either in the private or public sectors, and that the irregular economy in these countries is large due to lack of job opportunities in the private or public sectors, and thus driving workers to be business owners or self-employed. The percentage of paid workers in Arab states differs significantly; while it is high in Gulf States and Jordan (82.9% in Jordan and 97.4% in Qatar) it is lower in other Arab states (35.6% in Sudan and 68.7% in Libya). Meanwhile, the percentage of workers without pay within family business varies as it is high in Algeria, Sudan and Egypt (18.1%, 16.7% and 12.3% successively). This percentage is lower in other states. Data stresses that unemployment is high in all Arab states, as the total number of the unemployed was as high as 15 millions, representing 14.6% of the total work force, in 2006.

Unemployment rate varies between Asian and African Arab states: 16.1% in African Arab states and 13.8% in Asian Arab states. There is also a huge disparity between individual Arab states, as unemployment rate is 1.7% in Kuwait, while it is 50% in Djibouti. However, unemployment is generally low in Arab Gulf States, as it ranges from 1.7% in Kuwait to 7.5% in Oman.

Unemployment rate is low in some African Arab states such as Libya (10%) and Egypt (10.7%), while it is 14.2% in Tunisia and 25% in Somalia. The highest unemployment rate in Asian Arab states was recorded in Iraq (29.5%).

There are three main reasons that led to the aggravation of unemployment in the Arab World. The first reason is due to inability of the public sector to employ all Arab labor force, while there is an incessant increase of new comers to the labor market. Currently, the public sector employs one third of all workers in the region. This sector suffers from low productivity and high density of workers. The sector's ability for employment is expected to decline in the future in light of privatization programs. The second reason,

however, is the limited volume of the private sector and its inability to generate enough job opportunities for job seekers in the region. Direct and indirect restrictions on investment, absence of appropriate economic and political atmosphere and governments' domination over the economy represent major problems for the private sector to expand and generate more job opportunities. The third reason is relevant to quality of education as most student in Arab states tend to enroll in academic courses to work in the public sector which offers incentives like job security, medical insurance, pensions, etc. Education systems in many Arab states do not focus on technical and vocational aspects needed in labor markets, and therefore education outputs do not match market needs. In addition, many students face difficulties pursuing their studies, especially at university levels, due to limited financial resources and high education fees.

The problem of unemployment is further complicated with lack of policies and institutions that properly regulate labor markets, in addition to lack of social security networks. Though migration to Gulf States solve partially the problem of unemployment in some Arab states like Jordan, Palestine, Egypt, Syria, Lebanon and Morocco, movement of labor in these states began to decline due to nationalization programs in Gulf States and the fierce competition with foreign workers. It is worth noting that migration is mostly restricted to university graduates and skilled workers, while there is a limited opportunity for workers with low skills that seek working in certain economic sectors like construction because of the fierce competition with Asian workers who accept lower wages.

Arab Labor Organization report (2006) states that the Arab region suffers high unemployment rate of more than 14%, which is the highest among world regions. The highest percentage of unemployment was among youth, with a percentage of more than 25%. The report indicates the unemployment rates among females are higher than males, as in 2006 unemployment rates among women were four times higher than males in Egypt, three times in Syria and two times in Jordan. However, the rates are almost similar in Bahrain, Algeria, Tunisia and Morocco. Unemployment among graduates is high in all Arab states, but it is higher for females, with a percentage of more than 23% in most Arab states, especially among university female graduates in Gulf States.

High unemployment rates among the educated stress the blatant mismatch between education outputs and labor market needs, as well as the persistent

restrictions on the work of woman. Data indicates that unemployment rates among the uneducated are the lowest in most Arab states, while unemployment rates among graduates of secondary and university education are ten times higher in Egypt, three times in Algeria, and five times in Morocco.

12- Services and Mechanisms Supporting Employment in Arab states

Many developments and initiatives have been made in 1990s to reform public recruitment institutions so as to improve their efficiency and quality of services offered. Such institutions face big challenges like structural unemployment, social exclusion and fragility of workers' conditions due to lack of decent work, instability of work, and increasing demand on continuous training.

Attention to employment issues has begun in the old days, as employment is the basic income of most people in the society. One of the most important issues of employment is the issue of services and mechanisms supporting employment. Some of these services are active employment services and the others are passive employment services.

Employment and training policies in all states follow the approach that focuses on active employment services as this approach tackles habilitation and training aspects of workers and adopts positive labor policies that focus on competence and efficiency; such policies are capable of correcting failures and shortcomings in the labor market. Training and habilitation programs tend to reduce structural imbalances through matching between the worker and the position. Also, positive policies increase the levels of skills and productivity, which include positive policies relevant to professional guidance programs and programs of supporting small projects & self-employment, among others. There are some negative employment policies that are adopted by some states like early retirement programs and unemployment aids.

This report discusses services and mechanisms that support employment in the Arab World, regarding naming available employment services, and analyzing efficiency of employment services. His report shall discuss means of developing the services that support employment for a better labor market performance.

12-1 Employment services:

This section shall discuss types of employment services that shall be divided into two sections: 1) active employment services and 2) passive employment services. Employment services can be described as some services that require a group of measure to be adopted by decision makers to influence the performance of the labor market. These services include:

I- Active Employment Services:

These are employment measures that aim at quick redeployment of workers, develop new potentials, improve workers' chances for work opportunities, and they include: professional guidance services, labor market information, E-employment services, finance services, training services, support services for small projects, and support services for temporal work. They encompass policies that aim at improving potentials and skills of job seekers like training to match market needs, self employment, employment aids. The study presents these policies in details.

1- Professional Guidance Services:

Professional guidance is a planned and continuous process that aim at assisting and encouraging an individual for self assessment and study his/her personality and physical & mental traits, understand problems and needs, appreciate available opportunities, and develop abilities & attributes to the maximum possible level so as to reach a level that would qualify him/her for a suitable job. In its 47th recommendation (1994), the Arab Labor Organization defines professional guidance as the assistance delivered to an individual relevant to his/her professional options to achieve progress, while giving due care to the individual's traits, relations, and specifications of available jobs. Thus, guidance is a dual process between the professional guide and job seeker that assists the latter to select a career pat, whether as a paid worker or a self-employed. The individual is the core of this process as the individual has the orientation to select the appropriate option.

➤ Difficulties professional guidance faces in Arab states:

Professional guidance faces many difficulties in Arab and third world states, such as the big volume of youth and the young in the age of education and

vocational preparation. Demographic studies state that more than 35% of the populations in Arab and third world states are in the age of education and training, so they need education, training and specialization before they seek employment and income. In practice, labor market and economic development in the developing world do not allow employment for all job seekers, and therefore professional guidance faces a real problem because there are not many available options to direct job seekers to. Thus, guidance policy has no alternative but encouraging economic policies to put the economy on motion to develop and thus generate work opportunities that need more skills and efficiencies. Then, professional guidance can direct and guide youth to new careers and job opportunities.

➤ The role of professional guidance services in recruitment offices:

Professional guidance departments are important arms of recruitment offices that play a basic role in balancing supply and demand on employment. However, most of the time, appropriate jobs are not immediately available for job seekers. This may require directing and assisting the job seeker to select an appropriate job that would suit one's skills and qualifications and boost one's potentials for creativity, or to train the individual to be qualified for the labor market. This requires giving more attention to recruitment offices to be able to perform the required tasks.

Guidance programs are an excellent means to assist individuals to win appropriate jobs or to enroll them in appropriate training centers. Intervention of these institutions is more effective for youth in the age bracket of 15 to 24 years, when they move from the school domain to the business domain. This stage is always characterized with instability and ambiguity regarding future options. There is a necessity for making all guidance information available on the nature and requirements of each job, whether paid job or self-employment. This requires upgrading and updating guidance services to cope with scientific and technical developments in the labor market and putting in place an appropriate guidance policy. Development of performance of guidance officials shall be effective in discovering creativity of youth and assist them to shoulder risks of work in a self-employment environment.

2- Labor market information:

The significance of setting up labor market information system is embodied in making available detailed information and data on labor markets for its role in guiding policies and employment programs to maximize benefits from human resources. The information system assists in drawing policies and strategies appropriate to employment, as well as guiding job seekers and workers who desire to change their careers.

3- E-employment systems:

E-employment means a group of electronic means that work confidentially with a computer program that match supply and demand parties in the labor market, using job description lists.

E-employment service is pivotal to the labor market system. It aims at bridging the gap between employers and job seekers through using the internet. This service reduces frictional unemployment which is a sort of unemployment caused by lack of information to both sides of supply and demand in the labor market. E-employment issues attracted more attention recently due to the extensive use of the internet. This service is significant because it offers transparency and equality in employment. The service uses comparative lists, each covers a group of relevant professions in the labor market, so that the job seeker and employer would use the same lists, and thus the program may match between them.

4- Supporting small projects:

Small projects are important as they employ qualified and unemployed youth, in addition to their role in boosting the role of the private sector in economy, gathering pace to expand the culture of independent work, supporting individual initiatives and supporting efforts of self-dependence as a prerequisite for a better labor market performance. Small and medium-sized projects in the Arab world represent 90% of the market, employ 60% of the labor force, and participate in 50% of the GDP. These projects are a strong engine of economy and employment.

5- Supporting temporal jobs

The concept of temporal jobs supports both supply and demand parties in the labor market. For demand, temporal jobs are an appropriate solution to fill in

temporal positions, which are relatively cheap. For supply, temporal jobs represent an appropriate opportunity for the unemployed or current workers.

Temporal jobs model take different forms like part time jobs, especially in the private sector, working for definite period of time, like one year or more, working for the achievement of a certain task, or seasonal work, like harvesting.

6- Finance and training:

Finance and training are significant supporting mechanisms for employment. They take care of financial and human elements in the process of employment. Training is one of the hardest tasks that hamper employment in Arab states, as training depends on different mechanisms and it bears some development elements of banks and financing institutions. The report analyzes the situation of financing and training that support employment in the Arab world, and means to develop financing and training policies to be positively reflected on the labor market and curb unemployment.

II. Passive Employment Services:

These services are the passive measures and procedures that would reduce expenses of economic adaptation policies for individuals and communities, on the short-range, through financial support programs and keeping the current situation without further deterioration. Such programs include early retirement programs and unemployment aids. The study reviews details of each program.

a. Early retirement programs:

These programs focus on supporting the unemployed who had previously worked for a relatively long period that qualifies them for a regular retirement pension. The report analyzes the situation of early retirement programs and means of their development.

B. Unemployment aids:

These aids are temporary support income that takes the form of monthly aids given to registered unemployed individuals. Qualification to the aid depends on whether the job seeker had previously worked or not, had completed

studies, had been sick or giving care to a child or family. Though such programs are not widely known in Arab states, few states began to apply them. The report analyzes the situation of unemployment aids in Arab states and means of their development.

12-2 Employment services in Arab states:

Some Arab states adopt an approach of stimulating the labor market and putting in place several mechanisms and programs to get the youth involved, develop their skills, encourage the spirit of initiation and creativity, and boost the role of media and guidance in light of the emergence of new needs that require containment of job seekers to curb negative effects of unemployment on personal behavior. This can be achieved through the application of scientific and objective systems which have been approved and used in several states.

Database systems in the Arab World suffer plenty of problems, as quality of database systems used throughout the Arab world differ; yet some states have relatively good systems like Jordan. Regarding e-employment, most Arab states have advanced systems that meet demands of both employers and job seekers.

➤ Means of developing employment support services in Arab states

Developing employment support services requires upgrading and developing labor market information databases through using international standards to collect and categorize data, especially profession classification guides, education classification and economic activity classification. This also requires training and habilitating cadres to be able to analyze labor market data and transform them into useful information for guidance. Development of employment support services must start with development of government recruitment offices, which are the main gate to offer employment opportunities and meet the demands of institutions to recruit skilled workers. Such development can be realized by the appropriate selection of the office location, its technical and administration installations that would enable the office to perform the required tasks and create a dynamic and decentralized information system between the central recruitment administration and local recruitment offices.
