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**Social Dialogue:
Embodiment of Solidarity for Development
and Employment**

**Report of the Director General
of the Arab Labor Organization**

Item One – Section One

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Foreword

Unemployment has been the most painful phenomenon to the Arab communities for long years. Despite the decrease of unemployment rates on the country level in several Arab countries, the Arab Labor Organization sees that the general Arab unemployment rate, which is already high, has aggravated more recently due to emerging objective reasons, including the slowdown growth of national and foreign investments, and the retreat of economic growth as a result of situational difficulties in several Arab countries. These factors led to the increase of unemployment rates in 2014 to range from 16 to 17%.

This comes along with other structural determinants of unemployment, including demographic reasons, despite the beginning of a decline in its rates in several Arab countries, economic reasons such as lack of investments, growth, and adequacy of operational contents, educational and training reasons, and the limited response for the needs of economic demand. This comes in spite of efforts of reform, reasons relevant to the low rates of social and economic entrepreneurship, and weak programs and mechanisms intended to improve youth entrepreneurship skills.

In addition to all this, there are the reasons relevant to managing and stimulating the labor market, especially the lack of adequacy of the

information system as well as the lack of partnership with production partners in managing and stimulating the labor market.

In an effort to be aware, as much as possible, of the different dimensions of unemployment and anything relevant to it, the Arab Labor Organization has released, since 2008, a series of periodic reports each other year on employment and unemployment in the Arab countries. The following is a list of such reports:

- 2008: The First Arab Report on Employment and Unemployment: Towards Effective Policies and Mechanisms,
- 2010: The Second Arab Report on Employment and Unemployment: Pressing Issues,
- 2012: The Third Arab Report on Employment and Unemployment: Reflections of Arab Popular Protests on Employment and Unemployment: Present and Future,
- 2014: The Fourth Arab Report on Employment and Unemployment: New Employment Horizons

These reports, presented to the tripartite dialogue, aims at making available to production parties data collected on employment and unemployment, analyzing the data, and highlighting the different dimensions in order to discuss it and therefore suggest what would be appropriate in this connection.

This also aims at smoothing the process of bipartite and tripartite dialogues on the national levels.

This quick, though brief, diagnosis sheds enough light to alarm on the dangers of the phenomenon of unemployment. From this standpoint, no one denies, especially in light of the recent developments, that employment and unemployment issues, as well as relevant factors, are one of the most complicated problems facing the Arab countries on the quantitative and qualitative levels, especially when compared to unemployment levels in the economic regions and the world as a whole.

Against this background, I tackled in all ALO Director General's reports, since I have had the honor to take office in ALO in 2008, horizontal topics I believe they are fundamental determinants in their details to the issues of employment and unemployment in the Arab world, and I have dubbed them with titles that would instigate collective intelligence as well as Arab economic and social integration to cope with such issues.

In presenting these issues and messages to the distinguished Arab Labor Conference in its previous sessions, I have adopted a gradual and scalable methodology, based on a precise diagnosis of the reality of the Arab labor market, from its different perspectives, during my first term of office, and then reaching for implications and reflections of the

political, social and economic events on development and employment in my second term of office.

Basic concerns of these reports are as follows:

- 2008: Employment and Unemployment in the Arab Countries: Challenge and Confrontation,
- 2009: Labor Mobility: Opportunities and Prospects,
- 2010: The Arab Employment Decade (2010-2020): Towards an Arab Employment Decade,
- 2011: MSMEs: Employment Boosting Development Engine,
- 2012: Social Protection as a Means for Social Justice and a Guarantee for Future Generation,
- 2013: Balanced Development and Youth Aspirations to Secure Decent Work Opportunities,
- 2014: Arab Cooperation and Prospects to Boost Employment, and
- 2015: Within this scalable context, and in the last Arab Labor Conference under my supervision before leaving office, I am looking for ending this series of reports with the title: Social Dialogue: Embodiment of Solidarity for Development and Employment.

I am fully aware how sensitive and critical this issue is. It is no secret that I hesitated a lot to tackle this issue, as it appeared to be a risk. However, it ended up that I put the issue for public discussion based on the following factors:

- I. The good faith and personal conviction of the utmost significance of social dialogue, which became a measure for good economic and social governance,
- II. The Arab Labor Organization does not have any prohibitions in tackling problems relevant to development, employment and unemployment, while presenting them carefully and neutrally in a balanced and soothe way. Why not? The Arab Labor Organization is known to be the house of tripartite social dialogue, according to its constitution.
- III. My full conviction and confidence of the significance of the tripartite social dialogue, which is of a paramount importance, by the three production parties, despite the conflict of their interests, which is natural, and duly their high sense of responsibility and commitment to the need to compromise to agree upon the common interests for the good of their relevant parties on the one hand, and for the public interest on the other.

My experience with the three Arab production parties over the last 8 years in the board of the Arab Labor Organization and in all conferences, forums and seminars, stressed the production parties know, more than any other party, that the constructive and responsible social dialogue, though difficult, has become a must, and has taken a strategic dimension more than any previous time.

The new conditions in Arab world, especially in some Arab countries, dictate that tackling all manifestations and dimensions of development, employment and unemployment issues should be made within the framework of a serious social dialogue, in which roles and responsibilities are shared by the three production parties, and the same applies to the vast social dialogue, especially at times of crises we live by now.

This deep meaning has been manifested in Riyadh Declaration, issued from the Second Arab Forum for Development and Employment (Riyadh, 24-26 February 2014), which was adopted by the three production parties and ministries concerned with planning, finance, higher education, technical education, social insurance institutions, and Arab social and economic councils, with a high-level Arab and international participation.

This deep and vast dialogue aims at finding compatibility between different social and economic key players in issues of development and employment. This is also stressed by the concept of solidarity in Riyadh Declaration, which is a progressive concept that is presented for the first time.

Based on this strong reference, which all production parties and partners have agreed upon, I hope this report would enrich the issue and assist the Arab labor Organization in developing the way it tackles the issues of labor in relation to economic and social development within the framework of social dialogue, which is the best way to reach national and Arab solidarity for development and employment.

This, therefore, is the subject of the report of the Director General of the Arab labor Conference in its 42nd session in 2015.

Thank you,

Ahmed M. Luqman

Director General

The Arab labor Organization

Cairo – January 2015

Introduction:

A Reminder of the General Context

The Arab world has witnessed recently major developments in more than an Arab country. These developments are embodied in interactive revolutions as well as continuous popular protests. These events highlighted how magnitude the several social and economic challenges are.

As these various challenges have been fundamental and urgent, the most significant issues that have emitted from this Arab social dynamism are issues of employment, unemployment, poverty and local development, in all Arab countries in general, and in the countries that have witnessed political changes in particular.

Tackling these accumulative problems needs a serious and innovative approach within a framework an effective partnership between the public and private sector, social partners and civil society organizations in order to promote job creation processes to meet head on the increasing demand and duly to gradually absorb accumulated unemployment. This requires promoting investments, stimulating growth rates and quality, developing information systems on labor markets while guaranteeing its

transparency, increasing understanding of all sorts of new entrants to the labor market, as well as activating institutions of vocational training, technical education and school and university to guarantee employability of graduates on one hand, and relevance of skills and competencies with needs of the economy on the other.

The unemployed excess of labor on the country and Arab levels, aspirations of the youth on the other, and the accelerating variables of the labor market need, for certain, a developmental thinking supplemented with restructured values.

This approach requires setting new foundations based on a structural economic approach, which represents a fundamental action for issues of employment and unemployment in the coming years, and an approach that undertakes human resources in regard of preparation, rehabilitation and employment so that this would guarantee a positive interactive between school, training and university outputs on one hand, and needs of the economy on the other. This would also guarantee job integration with development needs on the country and Arab levels, and duly creates more job opportunities to curb unemployment based on a future strategy.

Requirements of this approach include developing and updating mechanisms and contents of social dialogue between production parties, promoting its performance in accordance with an innovative vision that

supersedes traditional approaches, and responds to social challenges in order to improve the living standards of labor force, work environment, social justice, social progress, and equity between regions, on one hand. On the other hand, there are the social challenges that the economic enterprises face in a very competitive globalized economy, so that military terminology is used to describe economic activities, such as mobilization of resources and competencies, invasion of markets, raiding the markets, among others.

According to this vision, the report undertakes the following themes:

- 1- Discussing the Arab labor market problem
- 2- General Approaches of the New Intellectual Environment of Social Dialogue between the Three Production Parties
- 3- Human resources: The third strategic resource in the globalized economy
- 4- Effect of Labor New Patterns on Employment and the Need to Compromise Production Parties
- 5- Social Dialogue: The frameworks and parties of dialogue
- 6- Social Dialogue: Towards a New Social and Economic Contract to Embody a National Alliance for Development and Employment Issues
- 7- Draft recommendations and suggestions

Chapter 1

Discussing the problem of the Arab Labor Market

Unemployment is one of the most critical challenges in the Arab countries, for it provides, as we have seen recently, reasons for political, economic and social instability.

The recent social shakes are social revolts, if not anything else, that reminds everyone that work is a natural right of the basic human rights.

Though all Arab countries, with no exception, gathered pace to promote employment, this was not enough to reduce the severity of unemployment.

I. Social description of unemployment:

1. High and aggravating unemployment rates:

The limited effects of both the policies adopted to promote employment and the mechanisms and programs embraced for socio-economic integration, plus the pressing demographic factors, as well as the gap between education outputs and labor market needs led to aggravate unemployment rates in the Arab world. , According to the Arab Labor

Organization, unemployment rates are estimated at 14.5%, based on the most recent available data in the era before the eruption of the popular protests and uprisings. These rates are among the highest worldwide, disregarding incomplete employment and seasonal labor. This unemployment includes 17 millions.

Perhaps what increases the danger of unemployment is its qualitative dimension, especially during this time, when unemployment of youth in the age bracket of 15-24 years reaches 27.25%, according to the Arab Labor Organization estimates based on the most recent available data.

The already high unemployment rates on the country and Arab levels **have significantly increased in recent years** under the impact of political, economic and social variables in several Arab countries, where the numbers of the unemployed have increased, according to the latest ALO estimates, from 17 to 18 million before 2011 to around 20 million in 2014. This makes the average unemployment rate reaches 16 to 17%, disregarding structural unemployment, which makes three times the average global unemployment rate. The current social situation is the fruit of the difficulties of the transitional phases that some Arab countries go through. The current situation dictates creating 5 million job opportunities annually for ten years to absorb new entrants to the labor

market, which needs to invest about 70 billion US dollars and to increase growth rates to at least 6-7% annually.

It is apparent that the cumulative structural nature of unemployment is the most serious problem. Social dynamism in recent years highlights that unemployment is a complicated phenomenon, which incorporates not only economic and social dimensions that formulate it, but also they overlap with the political dimensions; this means that the adopted options in the previous years have not been able to find effective solutions to this chronic unemployment problem, which affected all segments of job seekers, both on the country and Arab levels.

2. Unemployment of first-job seekers:

The average youth unemployment rate is estimated at more than 27%, according to the Arab Labor Organization data. This general rate blocks out a huge gap between different Arab countries, as the unemployment rate ranges from 9.3 to 43% in Maghreb countries, from 22 to 39% in Arab East countries, and from 12 to 29.5% in the Arab Gulf countries.

On the other hand, in the general structure of unemployment on the Arab level, youth unemployment represents 54.2%. Yet, the highest percentage is in Maghreb countries, ranging from 43 to 75.6%, then from

41 to 73% in Arab East countries, and then from 35.3 to 50.9% in the Arab Gulf countries¹.

The most important element in the structure of those desperate unemployed people is the people who lost hope to find employment, and duly lost their sense of citizenship and belonging, which led to their frustration and seeking professional and life projects beyond one's country borders. Perhaps the strongest evidence for that is the excessive desire of youth to migrate, not only the 'organized' immigration, but also the waves of illegal immigration to the West, in spite of all its risks.

3. Widening unemployment gap on the gender level:

In addition to the increase of youth unemployment rates, this type of unemployment is also characterized with the wide gap on the level of social gender. According to the International Labor Office, in 2011, unemployment of males was estimated at 23% whereas unemployment of females was estimated at 41%. As the gap is around 18%, it declined significantly in recent years in all world regions, so that it was less than 12% in Latin America and the Caribbean, 2% in South Asia and 3% in South East Asia.

¹ Circular of labor statistics in the Arab countries – Issue No. 9 2013.

II. Economic description of unemployment:

In addition to the previous definition that focuses on the social-dimension approach, unemployment can be defined, from an economic perspective as:

- a. Situational unemployment as it is relevant to the economic situation, i.e., inadequacy of growth and retreat of economic activity,
- b. Structural unemployment, which results from the mismatch between skills and economic needs,
- c. Frictional unemployment, which is usually measured by the period of waiting in unemployment of fresh outputs of the education system. This is due to labor market distortions, including lack of transparency, and miscommunication between demanders and suppliers.
- d. Disguised unemployment, which is represented in all sorts of precarious work in terms of the informal sector, temporary work, and seasonal work, which are not accounted for in unemployment data.

III. Main causes of unemployment:

It is true that the political, economic, and social situations, as generated by the recent popular dynamism, aggravate the phenomenon of unemployment. However, it is also true that unemployment in the Arab world has its structural causes:

1. Demographic Dimensions:

Demographic dimensions represent a pressing factor over the labor market. Though these factors tend to shrink and then stabilize, the demographic factor shall remain effective for years to come, especially in some Arab countries. In addition, another demographic element is the expected increase of women activities, which is now estimated at 24.2% of the labor market.

World Bank projections indicate that women economic activities in the Arab region shall increase to 43% by 2020. Furthermore, the rate of woman participation in the labor market, which was estimated at 27% in 2007, shall jump to 35% by 2020.

Assumptions of high women participation in the economic activities are an objective development that has emerged from several factors that push women to contribute in the economic activities:

- Social and cultural factors associated with late marriage age and celibacy,
- Economic factors that drive women, due to the development of needs, to seek securing additional income to the family, especially in the communities of low-income.
- Educational factors, which are deemed of the most important reasons for women to embark the labor market due to the expansion of women's education, as the percentage of women higher education bypasses that of men in several Arab countries, as showcased in all country and international reports.
- Legislative factors that guarantee, even in varying degrees, equality between the two genders in political, economic, and social rights.

2. Qualitative Dimensions:

In addition to what is already said, pressing demographic factors on the labor market include the continuous development of education and training, as well as the increase of the number of new entrants to the labor market on all levels, especially university graduates. Though this represents a chance to accelerate growth rates and qualitatively promote all aspects of development, it also represents a new qualitative pressure on the labor markets, which is added to quantitative pressures.

This emerging qualitative pressure comes in the light of the decline of employment in the public sector, which is the traditional employer of cadres. In contrast to this decline, the private sector could not create enough job opportunities due to lack of private investments.

This participation of the private sector does not cope with the accelerating pace of economic reforms, and the paradigm shift from the public sector-led growth model to a model that is more dependent on the private sector.

3. Education Dimensions:

It becomes clear that employment system is the fruit of education system and production system.

Lack of communication and liaison between the three systems is due to several reasons that include:

Cultural reasons, reasons associated with the education system on the level of organization, management, and pedagogical approaches, as well as **reasons associated with lack of information** on the labor market and the ways leading to it.

4. Economic Dimensions:

4.1 Insufficiency of economic growth and its operational implications:

Economic activity is one of the most significant operational determinants. What is generally observed in this context is that the volume of investments remained limited, as they do not exceed an average of 25% of the GDP. It is also observed that the share of the private sector in it does not exceed 14%. Consequently, average rates of economic growth throughout the past years remained limited and even declining most of the time.

**Rates and Projections of Growth in the Arab Region 2006-2016
(Compared to Selected Regions)**

	2006	2007	2008	2009	2010	2011	2012	*2013	*2014	*2015	*2016
ME Countries	6.0	7.1	4.4	2.2	4.4	4.9	4.0	4.4	4.7	4.7	4.8
N. African Countries	5.9	5.8	5.0	3.5	4.4	1.9	2.5	4.0	5.0	5.5	5.8
East Asia	10.9	12.1	7.8	7.1	9.8	8.5	8.2	8.6	8.6	8.6	8.6
South Asia	8.9	9.4	5.9	6.2	9.2	7.2	7.1	7.6	7.8	7.8	7.8

*: Projections

Source: ILO – Global Employment Trends 2012.

In this context, it is worth noting that:

- These rates are not able to alleviate the challenge of unemployment, as the significant reduction of unemployment levels requires annual growth rates of around 8%.
- Reduction of unemployment levels requires a more integration of employment in growth; while the annual growth rate of employment in recent years could hardly cover the excess demand, employment was not able to absorb the already existed stock of unemployment.

Annual Employment Growth Rate 2001-2011

	2001-2006	2007	2008	2009	2010	2011
ME Countries	4.6	3.9	1.7	4.0	3.9	2.3
N. African Countries	3.4	3.7	2.9	2.2	2.2	0.0

Source: ILO – Global Employment Trends 2012.

IV. Labor Market: Two Opposing Dynamics:

For a better understanding of the problem of employment, without resorting to known details and figures, I would like to highlight the description of the labor market from another perspective, as the Arab labor market is characterized with two opposing dynamics:

- 1- The dynamic of demand of labor (associated with the economy)

2- The dynamic of offer of labor (associated with job seekers)

I. Significant characteristics of demand of labor

- **Limited job creation** under the effect of capitalized investments, so that the annual development of job creation does not exceed 2%, and this can barely cover the annual growth of active population. This approach adopted by investors can be explained by:
 - Avoiding rigidity of labor legislations and inflexibility of labor markets,
 - Limited quality of employment services provided by labor market management structures.
- Lack of the required specifications according to enterprise needs, as the available job opportunities require:
 - Higher and more competitive skills that cope with the more flexible production systems,
 - Skills capable of dealing with information variables,
 - Skills that cope with exiting from Taylorism production system², which is based on breaking actions into small and simple segments, and

² The first official system to manage labor in a scientific way, which includes payment of wages based on the work made.

breaking into the concept of multiple integrated skills.

- The ability to combine both technical and scientific skills on one hand, and soft skills, in terms of entrepreneurship and communication skills on the other.

II. Significant characteristics of supply of labor

- **Increasing supply of labor** due to the demographic factors and effects of new employment programs and incentives, which lead to stimulate the structural unemployment (especially in some countries nowadays).
- **Supply of labor characterized with a new structure**, which is overwhelmed by applications of university graduates, who represent three quarters of job seekers.
- **Supply of labor that does not respond to labor market needs**, as characteristics of university graduates cope with the needs of the public sector, not the private sector.

The final result, at the end of the day, is that the Arab labor market develops **at two speeds**:

- Limited dynamism of supply of labor, though despite all the financial and economic incentives provided to enterprises,

- Continuous increase of supply of labor and its mismatch to labor market needs despite all the efforts, and therefore accumulation of unemployment.

The problem of unemployment, therefore, lies in labor market distortions and imbalance of supply and demand.

While recognizing the need to address problems of the labor markets in terms of traditional supply and demand, tackling the problem of unemployment needs also new approaches, the most significant of which, as the case in developed countries, is the approach to the development of entrepreneurship in regard of concept, behavior, and support.

After this brief introduction to the most important indicators and features of unemployment, and its economic, social, and education requirements, this report shall be limited to tackling social dialogue: embodiment of solidarity for development and employment.

Objectively speaking, the volume of development challenges has reached a level that governments alone cannot face. This necessitates the integration of the efforts exerted by production partners in the framework of the tripartite dialogue, and the expanded tripartite dialogue to address these issues.

One of the most important points to refer to in this context is what has been stated in Riyadh Declaration, issued by the 2nd Arab Forum for Development and Employment (Riyadh 24-26 February 2014), and that has founded for the first time a new concept: "Arab alliance and solidarity for employment and reduction of unemployment in the Arab countries, individually and collectively." In my belief, this is a strong call that pushes forward the tripartite social dialogue so that it would reach a social and economic contract on the country and Arab levels to face development challenges for the benefit of the supreme national and Arab interests, as well as the interest of all parties to the dialogue.

Chapter Two

General Approaches of the New Intellectual Environment of Social Dialogue between the Three Production Parties

I. General presentation of social dialogue necessities:

Looking at the reality of the recent political, social and economic novelties in a number of Arab countries, one would clearly notice that - in spite of its relative success in some cases, failure in others and taking the exact opposite direction in yet a number of other cases - the political and public dynamism, in spite of the difficulties, has altered many visions, concepts and values that were mostly considered recognized and elementary in behavior and official political, economic and social handling of public issues. Those looking closely at this new reality will also notice that deep changes do not include only countries that lately witnessed a social move, but also other Arab countries in general.

Early signs of change in those cases were apparent in multiple peaceful and calm forms, either in the form of securing fair elections, approving

daring social measures or making political reforms to expand economic and social participation, according to the exclusivity of each state.

In the dimension of interests to us here, ways of handling development and employment strategies and their active parties will vary in approach, formulation and implementation within the framework of a social dialogue between the parties of production: governments, employers, and workers.

An objective examiner of this changing mutation in the Arab World must also notice that these changes were not the result of a social dimension only. They were also connected to a wave coming from afar, related to overwhelming globalization and its various economic, social and political consequences.

These local and international factors collectively created a new intellectual paradigm that is being shaped. In our area of interest, there is a new intellectual environment for social dialogue and a business relationship between the parties of production, which intersect with the classical ideological references.

It is worth confirming from the outset here that we clearly realize that talking about ideologies in the current reality will initially be considered

a provocation, for the prevailing discourse refuses to consider the mention of ideologies, except to declare its demise.

The goal of this report then - after this necessary clarification - is not to raise controversies regarding ideological references, except to the extent that allows us to shed light on the culture of the new social dialogue, its base and innovative tools.

In this context, it has become clear that the geopolitical developments that the world witnessed since the end of the 1980s have undermined the credibility of the great philosophical, political, social and economic narratives that prevailed on the intellectual level for contracts. In addition to the failure of practical experiments that were based on them.

Simultaneously with the new intellectual formations in order to approach the economic and social issues, the foundations of production and labor in economic institutions changed. For new technological and structural developments of the elements of production have, to a large extent, undermined and reformed the old concept of "the working class". This development led to a clear shift, the essence of which was passing from the concept of "the work-hand", to the concept of "the work-mind", with vocabulary such as scientific efficiency, professional skills, the ability to accommodate, knowledge acquisition and new skills.

These fundamental changes that took place in the surroundings of production and labor were accompanied by strong trends towards giving up "labor density" at production sites and restructuring big companies into scattered, small-sized units, as a result of the network organization created between the corporation and its branches, and also due to the new forms of cooperation, e.g., partnership, handling and others.

One of the most prominent results of that process, that clearly affects the intellectual baseline for social dialogue – particularly between labor and employers' organizations - is the fuzziness of "class identity", contrary to how things were before within the framework of the Taylor production system.

There are many objective reasons for this: variable work conditions, different labor classes differently defining international and national professional classifications, different foci of interest due to different employee types, different knowledge load needed to accomplish work, the rapid development of the service sector at the expense of the industrial sector which represented the unity and strength of "the working class", in the known sense, in the industrial economy, expansion of the social monitoring of the economy, and last, the deterioration of classical ideological references.

This new economic, social and technological environment changes the weight and symbolism of the "exploited laborer" and the "exploiting employer" who formed two main poles of society till the 1980s. It also changes the classical picture of the struggle between the proletariat and the bourgeoisie.

Those conceptions participated in bringing on a new social scene dominated by the "middle classes", "small bourgeois" and other types of laborers with special factional interests: manual laborers, moderate-skilled laborers, skilled laborers, technicians, engineers... and the consequently resulting variation in work conditions, wage-levels and different engagements.

Building on these objective developments of the work environment and those directly involved in it, employers and employees, intellectual schools and movements became active under the leadership of some economics and sociology scientists to theorize in favor of a reconciling the corporation's economic and social approaches. Given that the corporation has been embroiled for a long time in mostly ideological disputes and struggles between production parties.

Traditionally, the corporate only meant a group of accounting statements, physical production flow and profit margins. The laborer's position in his micro-social relation inside the corporation did not go beyond his

capability to produce. The laborer - in what looks like a reaction - sees the corporation from an exploitation angle only.

On the backdrop of these contradictions present in the corporation - and simultaneously harm the employer and the employee - appeared those intellectual movements to reconcile the productive model led by economics scientists, and the distributive model, led by sociology scientists.

Economists leading those new movements, e.g., G. Becker³, considered one of the pioneers of theorizing the concept of human capital in the 1960s. Meanwhile, A. Mingat⁴, A. Levy-Garboua⁵ and A. Riboud⁶, proposed a picture of the corporation from outside its boundaries (its walls). They considered the family to be an extension of the corporation. A worker is not viewed as a mere production-power in the corporation, but as the head of family. Through his care for his children and investment in their education, he participates in rehabilitating the human resources that the corporation needs later on.

In this sense, the family - through its educational function - has an economic function that serves the economic corporation at a later

³ G.Becker :Human Capital, A theoretical and Empirical Analysis, 1964.

⁴ A.Mingat : "théorie du capital humain et analyse des scolarisations», revue d'economie politique, n° 89, 1995.

⁵ A.Levy-Garboua : "Les taux de rendement de l'éducation", in Economica, 1979.

⁶ A.Riboud : "Accumulation du capital humain", in Economica, 1989.

date. Hence, improving work conditions, protecting workers, continuously training them and improving their purchase power are, in the end, an investment in the family that will later provide the corporation with human skills.

In parallel with this new **economic approach** to the corporation, a **sociological approach** appeared, with some sociology scientists leading the way, e.g., R. Sainsaulieu⁷, M. Crosier⁸ and C. Darand⁹.

These social movements promote partnership dynamics between production parties = the worker and the employee.

One of the most important new concepts of this train of thought is the "social group of production"¹⁰. It means that the productivity and quality improvement paradigm is met by a stimulatory paradigm that includes improving wages and work conditions, social coverage, actual participation in determining corporate strategy, creativity rounds and suggestion boxes... so that the worker would feel they are part of the corporation, and that the corporation is part of them. In general, this comparison is based on the necessity of mutual recognition of interests, based on new work relations.

⁷ R.Sainsaulieu : Sociologie de l'organisation et de l'entreprise, Ed NSP, 1987.

⁸ M.Crosier : l'acteur et le système, Ed. du seuil, 1990.

⁹ C.Durand : le travail et la sociologie, Ed L 'Harmattan 1998.

¹⁰ (Communauté sociale de travail)

These new economics and sociological schools and research look to converging interests between production parties, from a national and a sector aspect on the one hand, and from the actual reality of the corporation and its economic and social existence and development, on the other. From a third aspect, they look at the pressures falling on the economic corporation and its workers, locally and internationally, as a result of the great wave of economic liberation and the fierce competition within the framework of intertwined economies and the disappearance of economic boundaries, with all the evolving negative effects on employment systems, social security, production conditions, work environment, increased bankruptcy and the risk of foreclosure, contingent work, and falling into unemployment.

Current risks that threaten the corporation and the labor are liable to increase by virtue of globalization, which - in spite of what we know - is still pushing towards the unknown.

These are objective developments that, **in a primary reading**, lead to the breaking of the predicament of "zero sum"¹¹ in the "game

¹¹ The "zero sum" predicament of the "game theory" states that what one party gains, the other party loses.

theory¹²". Hence, to a new view of the social dialogue according to the "mutual gain" (win - win) concept ¹³.

However, this **first reading**, in spite of its importance, objective presentation and response to the functional sociological analysis, remains equally deficient in understanding the nature of the social dialogue and the cultural and ideological background that governs the positions of both production parties. From this prospect, it remains an ideal reading of the social dialogue, which urges a **second reading**. The tripartite dialogue - one of present and strategic interests between production parties, in which foci of interest converge and diverge - is more complicated than to be easily decided. Something that increases the complexity of the dialogue and the heaviness of the responsibility laid on every party.

This second reading essentially refers us, in spite of everything, to the ideological background of both production parties. It necessities the realization of this hidden dimension ¹⁴ in clear awareness, and the

¹² Of the pioneers of the game theory: Emile Borel, Jhon Nash, and Oscar Morgensetem

¹³ The first to coin the term "mutual gain") (gagnant/ gagnant) (was Edmond maire), the secretary general of the Democratic French Confederation for Work (CFDT) in the mid 1970s.

¹⁴ Pierre Ansart says that ideology - contrary to sciences that progress by converting doubts to certainties - does not develop or affirm itself as a "reality" except by denying its being an ideology: Les idéologies politiques, puf 1974 Voir Pierre Ansart

possibility of incorporating it in the social dialogue. Calling attention to the presence of this ideological background (by definition, ideology is not declared¹⁵) for both production parties is not meant to initiate a fruitless ideological battle, but to recognize difference in interest and strive to compromise between themselves. This harmonious vision requires rising above self-centered thinking paradigms such as considering capitalism a complete experience and a reality that cannot be bypassed.

This entails a prohibition of group intelligence and an end to the human adventure. In parallel, the necessity to realize that socialism, along with its resulting concepts and intentions, is also not easy to reach, as was shown by modern experiences¹⁶.

Based on the above, it can be said that both types of thinking reflect only half the complex social reality on the general economic and social levels, and on the level of the organization.

Truth then is not on that side or the other. It is "somewhere in between". For reality knows no end. It is continuously

¹⁵Ali HAMDI « l'idéologie est morte, vive l'idéologie ! » l'économiste Maghrebin, N°166 et N°167, September 1996.

Ali HAMDI : « Mondialisation et rapports sociaux :essai pour un nouveau jeu social »,

¹⁶Revue des Etudes Internationales, N°72/1999 , Tunis

changing. Accordingly, searching for the truth is a continuous intellectual effort, like existentialists say.

The conclusion of all this is that representatives of production parties, in spite of their sometimes different and contradictory intellectual baselines, are invited, in light of changes and overlapping interests, to a practical and harmonious dialogue in order to reach compromises that are agreeable to everybody, which, for practical interests, though parallel, are not necessary contradictory.

II. Essence of Social Dialogue

1. International Definition:

Social dialogue is a widespread concept in development literature. However, its meanings differ from one experience to the other. In an attempt to bring all experiences together, the ILO adopted the following definition: **"Social dialogue is defined by the International Labor Office to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. Social dialogue takes many different forms. It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of**

bipartite relations only between labor and management or trade unions and employers' organizations.

The government may, when necessary, indirectly intervene in social dialogue. Social dialogue may also take a formal or an informal form, or include both forms. The latter is the usually adopted form. The social dialogue may also take place on the national, regional or institutional level. It may also take place between sectors, professions or a mix of both. The main objective of social dialogue is achieving harmony between the main partners in the labor world when it comes to common economic and social issues, developing intelligent governance, maintaining proper social climate and activating the economy¹⁷."

III. Social dialogue: Arab Perspective:

I. Introduction:

Social dialogue is not a stranger to Arab countries. The presence of syndicates and employers' organizations in some Arab countries dates back to the days of colonialism. They played an active role in national liberation movements, particularly in the Maghreb countries. It is a

¹⁷ What is the meaning of social dialogue? ILO 2011.

widespread concept going back to the first years of occupation in those countries.

It is also a widespread concept on the level of relevant joint Arab labor institutions, in spite of its shortcomings and obstacles.

1.1. Arab Labor Charter:

At a relatively early period on the Arab level, an "Arab Labor Charter" was created. It was approved by the 1st Conference for Arab Labor Ministers, held on 12/01/1965, in Baghdad. The Charter was approved after being ratified by the necessary number of members at the 5th Conference for Arab Labor Ministers held in Cairo, on 08/01/1970 (see the provisions of the Charter in the frame below).

What really catches the eye in that Charter is how labor ministries - recently formed at the time - realized labor and employment issues. The Charter came in harmony with the interest of the ILO in modern principles and values in the social aspects, particularly: Arab cooperation and integration in the fields of employment, giving Arab labor priority when it comes to employment, the exchange of expertise and experience between Arab countries in that field, developing labor markets in keeping with economic and social development, developing legislations and social security, adopting strategies to plan and employ human resources, planning vocational training according to labor market needs,

striving for a sound social climate that ensures minimum wage, social justice, decent work conditions and stable professional relations, creating workers education institutes to actively participate in economic and social development, and adopting tripartite representation in ALO activities and in Arab Labor conferences.

Frame 1

The provisions of the Arab Labor Charter

1st Arab Labor Ministers Conference - Baghdad, 12/01/1965

**(Ratified during the 5th Arab Labor Ministers Conference - Cairo,
8/1/1970)**

Preamble:

1. Arab countries agree that their aim is to realize social justice and raise the level of their workforce.
2. Arab countries agree to cooperate fully in labor affairs, strive to lay their foundations based on integration, and particularly work on coordinating between governmental agencies concerted with labor affairs.
3. Arab countries agree to develop labor affairs governmental agencies in a way commensurate with the social and economic development of Arab countries.
4. Arab countries agree to strive to achieve similar levels concerning labor and social security legislations.
5. Arab countries agree to conduct joint studies in the field of workforce planning and employment.
6. Arab countries agree to give priority in employment to workers from Arab countries, other than their own citizens, in accordance with their needs.

7. Arab countries agree to set a plan for vocational training that agrees with their needs and their economic and social development.
8. Arab countries agree to conduct joint studies to set a minimum amount for wage levels and to narrow the gaps between those levels as much as possible.
9. Arab countries agree to conduct joint studies in the field of business relations and management with the aim of establishing these relations on stable and just bases.
10. Arab countries agree to standardize terms and conditions for all their workers, whenever possible.
11. Arab countries agree to encourage the creation of worker education institutes, and expand them, with the aim of creating an educated generation of laborers who believe in their Arab origin and actively participate in implementing economic and social development programs in the Arab World. Arab countries also see the necessity of interest in preparing an educated Arab laborer and providing them with the true Arab principles, values and culture that qualify them to raise a generation of Arab laborers who believe in their Arab Nationalism.
12. Arab countries agree to exchange experts, specialists and technical aid in the different fields of work.
13. Arab countries agree to labor ministers meeting once a year to exchange view points in Arab labor affairs and coordinate Arab

countries policy for international labor conferences.

14. Arab countries see that Social Affairs and Labor Secretariat of the League of Arab Nations shall undertake the activities of the temporary secretariat of the Arab labor ministers conference, until the ALO provided for in Article 15 of the Charter is created.
15. Arab countries agree to **create an Arab organization for labor**, which adopts a tripartite representation system based on the participation of employers and employees with governments in all activities of the organization, in accordance with the constitutions attached to this Charter.
16. Arab countries shall ratify this Charter in accordance with their constitutional systems. The ratified document shall be deposited with the Arab League of Nations that shall prepare document deposition minutes for each country and report it to the other Arab countries.

Source: The Arab Labor Organization:

Articles of approval of the "Arab Charter for Labor", in 1965, particularly Article 15, included the creation of the Arab Labor Organization, in a tripartite form. The Organization's Charter was approved when the necessary ratifications were obtained in 1970.

1.2. The Constitution of the Arab Labor Organization

Since the approval of the Arab Charter for Labor, the ALO adopted a tripartite representation¹⁸ at Arab labor conferences and in relevant Arab forums and seminars. Over the past years, the Organization was keen on expanding the circle of the dialogue in conferences and forums to include - in addition to classical production partners - the highest leadership in ministries concerned with developmental activities, economic and social councils, material institutions and some civil society foundations. This experience has lately enriched the wealth of Arab experience, as the "classical" tripartite dialogue transpired to an extended tripartite dialogue.

1.3. Arab labor agreements and recommendations

The Organization was quick since its formation in conducting Arab labor agreements. By 2010, there were 19 agreements, nine Arab labor recommendations in the field of labor (Arab Labor Agreement No. 1, of

¹⁸ See Frame 2

the year 1966), labor levels (No. 7/199), union liberties and rights (No. 8/1979), occupations health and safety (No. 13/1981), etc. (See Frame 2 and Frame 3).

Frame 2

The Constitution of the Arab Labor Organization¹⁹

Out of belief that the unity of the workforce in the Arab World represents the main pillar of Arab unity, and since work is not a commodity and it is the right of the workforce in the Arab World to work under suitable terms and conditions that are commensurate with the dignity of the Arab individual...

as all humans have the right to seek their material and spiritual wellbeing, freely and under equal opportunity and social fairness conditions...

and in implementation of Article 15 of the Arab Labor Constitution, the Arab countries approve the Arab Labor Constitution whose text is as follows:

Article 2:

Chapter Two

Goals of the Organization

Article 3:

¹⁹The Constitution of the Arab Labor Organization includes six chapters, 20 provisions and 40 paragraphs. I will refer here to the chapters, provisions and paras related to the subject of the report.

The ALO aims at the following:

1. Coordinating Arab efforts in the field of labor,
2. Developing and maintain union rights and liberties
3. Unifying labor legislations and terms and conditions of work in Arab countries, whenever possible.
4. Studying and researching various labor issues, particularly:
 - a. Workforce planning
 - b. Terms and conditions of women and minors labor
 - c. Problems associated with working in industry, commerce and services
 - d. Agriculture workers problems
 - e. Industrial safety and occupational health
 - f. Small and rural industries
 - g. Labor education
 - h. Occupational classification
 - i. Cooperatives
 - j. Production sufficiency and its relation to employment and production
5. Providing technical help in the field of labor to Arab countries that request it
6. Devising a social security plan to protect workers and their families
7. Setting a plan for vocational training and organizing training sessions for workers

8. Preparing the Arab dictionary for labor

Chapter Three

Bodies of the Organization

Article 5:

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3. Each country's delegation to the conference shall be made of four delegates: two from the government, one for employers, and one for employees. A suitable number of consultants may accompany the delegates.

4. The selection of employers and employees representatives and their consultants shall be with agreement with the organizations most represented.

5. The conference shall issue the rules of procedure which include how it will function.

<p style="text-align: center;">Frame 3 Arab Labor Agreement The ALO realized the following Arab Labor Agreement (19):</p>			
Agreement No.	Year	Subject of Agreement:	No. of ratifications
No. 1	1966	Labor Standards	9
No. 2	1967	Workforce movement	7
No. 3	1971	Minimum Standards of social insurance	6
No. 4	1975	Workforce movement (Amended)	8
No. 5	1976	Working women	5
No. 6	1976	Labor Standards (Amended)	3
No. 7	1977	Occupational safety and health	9
No. 8	1977	Union liberties and rights	3
No. 9	1977	Vocational guidance and training	8
No. 10	1979	Paid study leave	2
No. 11	1979	Collective negotiation	6
No. 12	1980	Agricultural workers	3
No. 13	1981	Work environment	9
No. 14	1981	The right of the Arab labor in social insurance when moving to work in one of the Arab countries	5
No. 15	1983	Wage determination and	5

		protection	
No. 16	1983	Labor social services	3
No. 17	1993	Rehabilitating and employing the physically impaired	11
No. 18	1996	The working of minors	8
No. 19	1998	Work inspection	11
Total	19		122

Source: ALO publications

Frame 4
Arab Labor recommendations

Recommendation No.	Year	Subject of recommendation
No. 1	1977	Occupational safety and health
No. 2	1977	Vocational guidance and training
No. 3	1979	Paid study leave
No. 4	1980	Developing and protecting the agricultural sector workforce
No. 5	1981	Work environment
No. 6	1983	Labor social services
No. 7	1993	Rehabilitating and employing the physically impaired
No. 8	1998	Work inspection
No. 9	2014	Social protection for those working in the informal sector

Source: ALO publications

This comes in addition to the recent tendency of the Organization to extend dialogue in two directions: First, regarding subjects of dialogues. Second, regarding participants in the dialogue.

According to this tendency, the Organization launched several strategies and technical subjects of common interest, and they were presented to discussion in Arab conferences and forums between the three parties of production. They included, as an example:

- Doha Declaration issued by the 1st Arab Forum for Development and Employment, (Doha, November 2008),
- The Standard Arab Classification of Professions, issued in 2008. It represents a true tool for social dialogue between the two parties of production,
- The Arab Decade for Employment (2010 - 2020), approved by the 1st Economic Summit (Kuwait, January 2009),
- Algeria Statement on employing youth (November 2009),
- Arab Conference for Social Insurance: Towards an active social Insurance policy in the Arab World (December 2009),
- The Arab strategy for technical and vocational training and education approved by the Arab Forum for Technical and Vocational Training and the needs of the labor market (Riyadh,

January 2010), and ratified by the Arab Labor Conference (Manama, April 2010),

- Riyadh Declaration issued by the 2nd Arab Forum for Development and Employment (Riyadh, February 2014)

In addition to this cumulative dimension that lays the foundation for the social dialogue in the Arab World, the concept of this dialogue has become more widespread and more demanding over the past years. It has even become a primary element in Arab political theorization and in the words of production parties. The sociological concept has gradually transformed into a political, economic and social value to rebuild relations between "the economy" and society.

1.4. Tools of developing the social dialogue:

In support of and to establish social dialogue, the ALO, lately, and in coordination and consultation with production parties, presented technical references for the social dialogue and the related issues, particularly

- The Declaration of Principles Concerning the Arab Social Dialogue. It sets general principles and a modern definition of social dialogue through the meeting of experts that included the production partners (Beirut, 17-29/9/2011). The

document particularly stressed the institutionalization of the social dialogue, expanding its range, adopting an active method to solve the issues and enhancing bipartite dialogue on the level of the institution.

- Beirut Declaration Concerning Union Rights and Liberties. It sets relevant rights and liberties.

Both documents were ratified during the 2nd Arab Conference for Union Rights and Liberties (Beirut, 16 - 17 February 2012) .

1.5. Arab Labor Conference (39th Session)

In its 39th Session held in Cairo 1-8 April 2012, ALC tripartite form approved:

- The Principles of Social Dialogue Document. The document, in its general bases, particularly emphasized on:
 - The necessity and importance of tripartite consultation between production parties and interoperation to provide a proper working climate, conducive to investment;
 - Developing social dialogue with the aim of integrating the two elements of work and capital, on the one hand, and economic and social development on the other.

- Approving Beirut Declaration Concerning Union Rights and Liberties, which particularly emphasized: the enhancement of the role of labor unions, particularly in the field of the liberty and independence of the union organization, respecting basic rights to work, combating all forms of economic exploitation and discrimination, sufficient mechanisms to politically, economically, and socially empower workers, social protection, the foundations for achieving social justice, improving the terms and conditions of work, and developing social negotiations.

1.6. Defining social dialogue:

The Arab Labor Organization, in the Declaration of Principles Concerning Social Dialogue in Arab Countries, adopted a modern definition, in agreement with production parties. It was stated in the general principles of the Declaration: "Adopting social dialogue as a means and an active instrument to solve all issues and enhance social cohesion. Social dialogue shall include all types of consultations, negotiations and agreements, and the exchange of in formations regarding issues of joint political, economic and social interest.

Chapter Three

Human resources: The third strategic resource in the globalized economy

Human resources is one of the most important common point between the three parties of predication, perhaps the strongest meeting point for partners of the social dialogue. Man, regardless of being inside or outside the production paradigm, in the final outcome, remains the strongest tool for development, its highest goal and ultimate end. Wise governing is a government that puts man at the heart of its choices. The successful institution is that which also values its human and knowledge assets. A labor organization - an active partner in development - is that organization that, on one hand, defends the material and spiritual rights of workers, while containing them and stimulating the cultures of labor, production and the institution, on the other.

Human resources are the origin of social dialogue, being a condition for economic advancement and a goal for social development.

I. Historical background of the importance of human resources:

Strategists consider human resources the third strategic resource after food and energy. This belief has been confirmed, since the early 1990s, by the overwhelming facts of the age of globalization. It may be beneficial to point out to the fact that globalization is the outcome of a historical movement and a phasic formation in which all civilizations participated over time, each in its own way, the Arab-Islamic civilization included, through its scientific and cultural glow, during its golden ages.

Springing from hits historic example, we would not be way off in saying that the phenomenon of globalization - in spite of all objections - is the natural cumulative outcome of the human experience, whose circles expanded gradually since times afar, and picked up speed in the early 1970s, the early 90s in particular, due to the huge explosion of information and communication technology.

Globalization as such - with the examined components - establishes, without doubt, a new historical phase in the human adventure: a phase whose foundations, degree of complexity and speed differ from what previous phases of development witnessed, an account of the cumulative knowledge which propels it, the frequent technological developments driving it and the control of media and communication systems sharpening it.

These deep transformations prompt us to say that globalization will take us from the "writing phase" to the "interactive phase". Just as humanity moved from the "oral phase" to the "writing phase" since the invention of the print machine in the 15th century, and its wide use to spread and exchange information and bring humans closer together.

In spite of the spectacular expansion in the circle of globalization in all fields, it is still pushing toward the unknown. Constantly altering our analysis networks and reading of reality. Understanding the world - present and past - is no longer subject to linear gradual thinking in the Khaldonean sense. Nor is it subject to a definite preset direction, as generally seen by proponents of the historical inevitability theory, which says that the world is to a certain end. World understanding today is, to a large extent, is governed by sudden, sometimes random, developments, under the tune of rapid innovations of science, knowledge and technologies.

Those transformations inspire all societies - without exception - with fear and doubt of the threat which globalization carries to the political system and its principal authority built on the concept of the "central national state". They inspire confusion to the economic system and its structure,

the cultural system and its forms and to social composition and its equations.

Pace of human history accelerated since the industrial revolution, after long centuries of semi stable patterns of life and production systems. The industrial revolution itself saw rapid waves of development under the influence of waves of scientific thinking and technical innovations. In effect, the industrial revolution is three revolutions: **The first industrial revolution** which started in the early 19th century and came to an end in its late years (1880). **The second industrial revolution** started in the early 20th century and came to an end by the end of the prosperous years at the late 60s. **The thirds industrial revolution** has started in the 1970s and accelerated, particularly in the early 90s is the information and communication revolution which brought what was coined the new economy.

Researcher of the general trend of the development of the international economy in the last two centuries would note that long growth periods lasted between about 50 and 60 years. Those periods were historically driven by innovative breakthroughs and new resources that characterized the different periods of the industrial revolution:

- The **first** period began in about 1800 with the discovery of charcoal as a source energy, and the its heavy industrial use, particularly in the field of steam engines,
- The **second** period began in 1850 with the production of steel and its various uses. Laying railroads and producing locomotives began,
- The **third** period began in 1896 with the invention of electric generators and broadening their applications in the field of industry and transportation, e.g., cars and planes.

In continuity with the theory of long growth periods, we can add:

- The **fourth** period which started in 1945 with the widespread use of petrol and petrochemicals and quantitative production,
- The **fifth** period which the world entered at the beginning of the 1990s with the expansion and widespread of information and communication technologies.

With this new period, production systems, organization methods and work forms changed. We moved from the big, labor-dense, centralized, stratified and hierarchical institution, to the small-sized, networked, decentralized, flexible and communicable institution.

This means that the added value chain was no longer limited to one certain, geographically designated institution. It was divided on a number

of interveners within the framework of handling, partnership between the mother institution and a number of small and medium institutions, and independents within the context of a local and international network organization.

Those deep shifts brought about by globalization are in full harmony with the historical perspective of the stages of human progress that are summed up as follows by Bruno Jarroson:

The nature of economy (Nature de l'économie)	The designation factor (Invariant)	Value production element (Facteur de la valeur)	The strategic actor (Acteur stratégique)	The strategy (stratégie)
Hunting and reaping	Life insurance (survie)	The corps (corps)	The tribe	The struggle with nature
Farming	Reproduction (reproduction)	The land	States or Feudal groups	Military struggle
The industry	Work	Capital	The institution	Production technologies
The communication society (knowledge)	Choice (choix)	Competence (compétence)	Network organization	Proper behavior with information and means of communication

*Source : B. Jarroson : De la défaite du travail à la conquête du choix, Dunod, 1997
Bruno Jarroson: a French sociologist.*

Though it is not easy in the general presentation to determine what is right and what is wrong in the globalization phenomenon, it is not also easy in the Arabic presentation in particular to positively speak of this

phenomenon. This comes in view of what is taking place in the region, and it can be said that in spite of **all reservations**, ignoring to deal with globalization is much more dangerous than dealing with it, particularly on the economic level and the associated economic, social and human development, which is the issue that concerns us in this report.

From this prospect, the following elements can be asserted:

First: Considering the thinking of globalization - in the vision in which we are presenting it in - leads us to saying that it is not a flash of lightening in a clear sky that will disappear. It is a phenomenon of historical extent, which will persist and expand by virtue of the accumulation and continuity of material (the economy) and symbolic (science, knowledge, information and communication technology) factors that drive it.

Second: Objectively, there is no other way to positively deal with globalization and exploit the sources of real new development it provides, along with adopting the necessary modernizing reforms and taking accompanying social measures within the framework of social harmony, to limit its negative consequences. In case there was a choice, it is nothing other than:

- Voluntary integration, i.e., the voluntary integration of the state in globalization, seeking to utilize available capabilities and neutralize its negative effects as much as possible.
- Isolation and seclusion (also voluntarily), i.e., countries that refuse globalization and its mechanisms and requirements.
- Exclusion (this time at the will of globalization), i.e., countries that do not provide what the new economy require, hence, remaining outside the circle of foreign investments.

It is firmly assured that the best choice is to join globalization with studied decisions and an awareness that world facts and conditions for action have changed and that the danger of seclusion and exclusion, is being left behind in time.

Third: Globalization, from that prospect, is the age of endings and beginnings: the ending of one age, with its ideological references, intellectual examples and organizational frames, and the beginning of a new age, loud with new values, contexts, terms, tools of understating and analysis, social harmony between political, economic and social actors.

With all these meanings, globalization has become the overwhelming concept on international thinking. Over 1500 conference and seminar were held on globalization and on what it has up its sleeves.

Though globalization shocked usual norms in all societies, it can be said that historical, cultural and civilization stock qualifies the Arab region²⁰ more than many other regions in the world to make an educated integration into globalization, change its challenges to new development opportunities, particularly on the level of developing sciences and knowledge, and localize and employ them in means of production that came to represent economic development, social advancement and human promotion.

II. Human resources strategic dimension in light of knowledge economy:

Based on the above, it is clear that the knowledge economy is based on producing knowledge, and valuating it in economy and society, on local and international levels. These developments come in light of the growing expansion of the globalization phenomenon under the influence

20 Ali Hamdi: "Challenges and gambles of development in Arab countries in light of a globalized economy: Attempt at a positive example", (in French), International Studies Magazine, 90/2004 edition, Tunisia.

of the accelerated renovation of knowledge²¹ of all kind, and its flow in view of the huge development of information and communication technologies.

Building on this, it is logical that human resources would represent the main entrance to active dissolution in the knowledge economy in a way that would enable raising the challenges of national development in a globalized economy that is subject to the new economic values based on knowledge, creativity, innovation, high added values and high competitive capabilities of institutions and economies. All these factors determine the degree of excellence between peoples and nations.

Current indicators, especially awaited ones, affirm that the future of economic, social and human development, within the framework of the path of globalizations, will be governed by knowledge in different scientific and technological fields. This means submitting a large part of monetary economic activities to abstraction by virtue of developed production techniques, media techniques and new communication.

This new scene has pushed in two new paths:

- The abstract path (immaterial) in many production processes and services,

²¹ Some orientalist think that the rate knowledge innovation is three times that of producing new generations.

- The mental path in realizing a wide range of functions in the labor market, which essentially necessitates broad mental labor.

Things are not limited here to the vocational and economic fields only. Information and communication technology and its different outcomes have influenced social and private lives of individuals and families. Thus emerges the concept of the " **knowledge society**". Not only in the sense of skills and acquired competencies, but also in the sense of comprehensive capabilities to acquire renewable knowledge at a quick rate, applying it in the most appropriate way in productive paths and continuously accommodating labor values and conditions and invented forms of activities. In addition to accommodating a society that is coded more than any time before.

Knowledge - important as it is now - has become a main source of development in every sense, due to the new methods of production, productive and organizational techniques and patterns of life.

Springing from these indicators, it can be said that ongoing developments have created a strong influence and an influencing relation between "growth economy" and "knowledge society", considering the connection between four primary determinants:

- controlling circulating knowledge and the production of new knowledge of all kind, e.g., scientific, technological, statistical, economic and social,
- providing it to individuals through the education paradigm according to modern pedagogic programs and curricula that believe in the requirements of modernization, in all dimensions, and ensuring employment opportunities for employment seekers and their continuous accommodation of new work requirements and conditions,
- pumping it into society through modern communication and information methods to ensure access to it, hence spread knowledge on the widest range among social and economic fabrics,
- valuating it in production paths in different sectors to ensure innovation, creativity and added value in a way that would enhance competition between institutions and in the economy in general.

All this has influenced the productive paradigm and what is connected to it, i.e., the concentrated employment of electronic and informational system on one hand, the network organization of institution on another, the growth of the competitive capabilities of economic institutions on the

local level and in the international market, on a yet third aspect, leading to a deep transformation of employment and production paradigms and of the foundations of development in general.

One of the most important of these transformations is the strong inclination towards a new pattern of production that is based on a total quality system, the merger of visualization and execution, decentralization of decisions related to the production process, increased participation of workers and employees, equally, in handling all phases of the production process, i.e., visualization and execution. Thus, there is complete support of dividing roles in institutions into two groups: "thinkers", i.e., higher employees, such as planners and engineers, and "executors", i.e., foremen and workers.

In the face of this new production paradigm and its requirements, the employment paradigm is witnessing deep transformations in the form of continuous growth of the amount of knowledge on accomplishing the work. This requires that workers, of all grades, acquire main competencies, wide qualifications and high technical experiences and effectively and wisely implement them in the field of visualization, creation and production to secure the needs of the economy, support its competitiveness and consolidate its knowledge ground.

In the face of such new phenomena and patterns, the need of countries - regardless of their growth and advancement levels - for rehabilitating their educational and training systems and their continuous commitment to ensuring response to the requirements of time, has been confirmed.

Also in the face of those developments, the World Bank has lately given up its classical economic school, and included in the methodology of its functioning, the human dimension of the development process. After sensing the failure of structural amendment policies, their negative effect on the social level in a number of experiences and the widening gap and inequality on the international level, it became convinced of the necessity of finding new tools to measure economic growth. It delegated all this to the United Nations Development Program since 1996.

According to this new trend, growth is no longer measured by monetary and natural capital only, but also by social capital. UNDP studies and reports estimated the rate of participation of each in growth:

- Monetary capital: 16%
- Natural capital: 20%
- Social capital: 64%.

The start of the new economic thinking based on the importance of human resources actually goes back to the year 1973, in Japan, where approaches appeared stating that the percent of economic growth is

measured by the percent of welfare, or "human happiness". It is calculated after subtracting expenditure to correct what growth "destroyed" on the level of employment and the environment.

Knowledge has become one of the most important sources of wealth and economic growth. It has also become one of the most important determinants of competitive capabilities of countries, institutions and individuals all the same. Building on this, the task of producing knowledge, its proper implementation, caring for it and spreading it to different production sectors and services, has become a strategic task that brings together all actors from management, educational, economic and financial institutions and support and attribution structures. In this sense, knowledge economy is a chemistry reaction involving all roles.

Winning the gamble of development and employment under the new conditions requires a renewable approach to support the open horizons in the field of economic and social development. Although it is the responsibility of the whole society, the main actors are: the state, production partners and individuals. Each of them has a role and a job within the framework of social dialogue as a tool for integration and harmony.

Chapter Four

Effect of LaborNew Patterns on Employment and the Need to Compromise Production Parties

Based on what has been said before in chapter two about the importance of human resources and preparing for labor market developments, and based on the forms of activities and the new patterns of work that surprised even the Western countries, social dialogue became a more pressing necessity to bring closer the views of production parties regarding innovations that also occurs in the Arab labor market and the agreement on them in favor of joint interests.

I. The general presentation:

Production and work paradigms have been semi-stable since the industrial revolution. Since 1970s, particularly with the rise of economic globalization in the early 70s and its expansion thereafter due to the information and communication revolution, deep changes took place in economic and production systems. These changes became extremely intertwined and complex in their connections with labor markets.

Most prominent developments in production systems include:

- The shift from the industrial society to the post-industrial society
- The accelerated development of the service sector in general, and industrial production related services, or what can be called "tripling" the bipartite (industrial) sector, to raise the added value to production.
- The strong competition between institutions and economies, which require lowering production and labor costs, in addition to adopting total quality principles.
- Shifting from sequential and vertical production and labor systems to flat, horizontal, flexible and interactive systems within the framework of a networked system.
- The increasing need to operation flexibility to face the volatility of the economic conditions which institutions face.
- Dense use of information and communication technology which completely altered production and employment plans.

In parallel and as a result of the development of the production paradigm, **labor market developments accelerated. The most prominent of those variables include:**

1. Legal forms of new labor patterns:

Newly emerged professions and activities require new labor patterns in all Arab and foreign labor markets. Advocates of those tendencies see that new patterns will support efforts that will create work opportunities and integration, in line with the activation of initiatives aiming for self-employment, which in turn helps to create earnings. Within this frame, the importance of new patterns of work for driving employment appears. The turn to new patterns or forms of work, in a time of deep and varied transformations witnessed by the economies of different advanced and developing countries alike, has been confirmed.

There is no doubt that the transformations which the world is witnessing in the economic and social fields have led to changes in the characteristics of the vocational relation, and in the principle constituents of the labor market, which are based on the industrial revolution and the foundations of labor scientific organization . The characteristics of this old organization include:

- "Undetermined work contract";
- Permanent work at the same institution, all the time;
- Group constantwork hours;
- "Job plan";
- "Job specialization";

- "Separation between visualization and execution tasks";
- "Vertical organized production", etc.

These organizational principles fell into confusion in the face of economic and technological innovations.

The globalization of the economy and the rapid development of technology had direct and indirect effects on work relations through compatibility with a new reality that is governed, on the one hand, by balancing the supply and demand of employment, and on the other, by keeping abreast of the requirements of economic proficiency to increase the competitive capability of the institution and guarantee its presence in the challenge arena, as required by investment.

2. Concepts of new labor patterns;

New labor patterns form a wide scope for the tripartite social dialogue. Regardless of agreeing on them or not, employers see that new labor patterns need the revision of labor legislations. There is a need for incorporating employment legislations that move beyond the roads taken in labor laws, in line with the development of the production paradigm.

We review here some of the these patterns adopted by many Arab and international experiences:

2.1 Limited work contract:

Labor legislations that go back to the 60s in some Arab countries provide that labor contracts may be time-limited or unlimited.

The time-limited contract has been defined in some of the legislations as that being drawn for a set period or to execute a set assignment. It is worth mentioning that the time-limited contract does not entirely represent a new pattern or form, since it was included in many labor legislations since their creation. However, resorting to it has become widespread for a number of reasons that include matching the number of workers to the activity of the institution.

Labor laws (in some experiences) state the conditions in which a time-limited contract can be resorted to:

- Replacement of a worker (on account of being on holiday or absent...);
- An extra activity by the institution, which requires extra labor hands;
- Seasonal work in some sectors, e.g., agriculture, tourism, etc.
- The nature of some activities, e.g., some commercial, hotel, restaurant activities, cleaning services, direct individual services, etc.

The duration of such contracts is determined. Some Arab legislations have set this duration at one year, subject to three renewals, upon which the contract becomes a permanent job.

In the French legislation, this period is not less than 18 months, and not more than 36 months.

In both events, a time-limited contract guarantees all the social rights of the worker.

To mention, there was 2,150,000 working under such contracts in France, in 2009. In 2014, 85% of all work contracts in France were time-limited contracts. In the US, there are seven million workers working in accordance with new labor patterns.

It is also worth pointing out that the time-limited contract facilitates entry into the labor market. Some studies estimate that 40% of those benefiting from indefinite contracts in France had gone through a time-limited contract, particularly the youth and the women. Those studies also point to that fact that in the case of women, resorting to that arrangement may be compulsory or willingly.

2.2 Temporary work:

Temporary labor pattern differs from time-limited labor pattern, in spite of the duration of work being limited in both cases.

Aspects of difference include:

- Time-limited labor could be arranged directly between the worker and the institution concerned, in the form of a contract, i.e., its a bipartite work relationship
- Temporary work is based on the principle of a tripartite relation between the worker on one side, the temporary work agency, on another, and the institution on the third side.

Legal forms differ too, as they include:the following

- An "assignment contract" drawn by the temporary work agency with the worker,
- A "supply contract" between the interim labor agency and the benefiting institute, by which the former puts workers under the disposal of the latter.

This tripartite employed relation leads to the legal obligations towards the worker falling on the interim agency, regarding secondment, pay, social protection, etc.

It is worth pointing out that this type of employment pattern forms 9% of the total employed in the EU. Contrary to other patterns of employment, temporary employment involves men in 70% of the cases.

2.3 Part-time work:

The 1994 International Labor Agreement No. 175 concerning part-time defines it as being every worker whose normal duration of work is less than that of the fulltime worker employed in a similar position.

Some of the legislations have regulated this pattern of work emerging due the institution's need for certain services to be performed during a fraction of the normal work period. In some cases, the personal or familial needs of the worker to work under such a system.

In this context, some Arab legislations came to contain provisions that regulate this pattern of work. They are devised, in essence, from the International Labor Agreement No. 175 concerning part-time work.

The implementation of the part-time work contract has spread in a number of Western experiences. It has come to account for 16% of the

totally employed in the OECD countries²². It is worth pointing out that out of those opting for this legal form of work, women account for 71%. What must be affirmed is that this pattern of labor is a personal choice for 80% of women. This indicates that resorting to part-time work contracts is not compulsory in most cases, rather a personal wish to compensate between occupational activities and the personal need for free time .

2.4 Handling:

This pattern of work involves assigning production units outside the institution to execute part of a production process. An institution in the textile and clothes sector may contract another institution to manufacture the buttons, under the brand name of the original institution, i.e., the textile and clothes institution. Another form of handling emerged and predominated, where part of the activity of the original institution is conducted on its premises.

In that case, the work contract is drawn between the worker and the handling institution. Even if the work is done at the original

22 The percentage of part time work rises in countries iwth strong economies and low unemployment such as Britain (23.9%), Germany (%21.9), Canada (19.1%) and Austria % 18.5), relative to France (13.3%), Spain (11%) and Italy (% 15).

institution. handling can also be seen in assigning part of the original institution's activity to another similarly institution, in order fulfill orders within the agreed upon time for such orders."

The concept of handling has also came to include, in some cases, the assigning, by some institutions, of some workers for the benefit of other institutions, for a return. Institutions involved in this kind of work are called "casual work institutions".

The scope of outsourcing has expanded with independent workers due to information and communication technologies that provided flexible forms of work based on letting out some activities (outsourcing).

It is worth pointing out here to the importance of handling the economic activities of big institutions and independent workers, considering that this trend opens new fields for independent businesses.

2.5 Telecommuting:

Telecommuting is when an independent worker undertakes a certain assignment for the benefit of another institution. This occurs by accomplishing part or all of the normal production process, or providing some services.

This type of work is gradually spreading in many countries where some economic institutions like to contract individuals who undertake to accomplish some activities or manufacture some things off the premises of the institution. It is hence related to production or providing a service remotely, or away from the institutions production units.

In view of the expansion of this activity, the EU, in 2002, drew a framework agreement between production parties in order to define a legal frame for such activity.

3. New labor patterns: New form of occupational time

Since the industrial revolution, the philosophy of social order, in all its forms, has been built on the concept of work as a higher value that structures and determines all aspects of social life. This system has been built on the following principles: five work days a week, eight work hours a day, in one institution, till retirement.

Like all new or restructured concepts and values produced by modern society, the concept of work in its typical characteristics became subject to a new formation under the influence of new social needs resulting from the development of societies and the need for more free time to meet those needs.

These innovative needs led to revising work time, in order to conform with other times.

- Personal time to secure new individual needs, including cultural, sport and entertainment needs, and the need for continuous education:
- Family time to care for familial capital,
- Social time to develop social networks, which came to be called symbolic capital,

Considering these innovative needs, occupational time, on the level of most Western experiences, was revised on an annual basis (floating work hours). In Germany, for example, 90% of annual work hours are subject to labor law. The remaining 10% are managed flexibly according to the need of the institution and the worker.

In Italy, extra hours can be increased or decreased in coordination between employer and employee.

In France, working hours have been reduced to 35 hours per week. However, the annual number of work hours can be adjusted according to the economic activity of the institution and workers needs.

In general, the reduction in work hours is a general phenomenon in various Western societies in order to meet the development of societies,

production tools, and the necessity to allow more free time to fulfill the new cultural, sportive and self-education needs of individuals.

4. New labor patterns: New flexibility forms:

New labor patterns (time determined labor, part-time, telecommuting...) allow several flexible social and economic fields for the worker and the employer.

- **For the worker:** special flexibility appears in:
 - Flexible hours of working and leaving work, on a harmonious basis
 - Working during school times (taking school holidays into consideration)
 - Work when willing to (for students)
 - Dividing work, i.e., two persons for a one permanent job
 - Compressed working week, i.e., reducing the number of workdays per week.
- **For the employer:** new patterns of work allow the institution more flexibility in managing human resources according to the conditions of its economic activities, through:

- External flexibility (numerical or quantitative), i.e., flexible management of the number of workers coming into and going out of the institution, according to need
- Internal (or functional) flexibility, i.e., amending work hours according to the variation in institution's activities

Presenting these new patterns of work is not an invitation to adopt them. It is an invitation to negotiate them before expanding within the framework of the tripartite dialogue, in a way that serves the interests of all parties. It is worth pointing out here that the new forms of work have surprised unions in Europe in the early 80s, and lost important locations for in the labor market on the level of union dealing with such categories of work. As a result, a long time was required to start the organization of these working categories.

II. The Arab presentation

Arab labor markets are subject to double pressures, quantitatively and qualitatively as well as double pressures both internally and externally.

First, the internal pressures imposed by the local quantitative and qualitative realities in its interaction with the institutional reforms and the economic and educational transformations,

Second, pressures, particularly qualitative ones, related to changes in light of the growing expansion of the globalization phenomenon, under the influence of the scientific and technological progress, and the required accelerated innovation of knowledge of all types and its flow as a result of the huge development of information and communication technologies.

This new economic trend, based mainly on knowledge production and its valuation in the economy and society, created a deep change in the production paradigm, behavior methods, patterns of work and activities, and the fundamentals of development in general.

This production paradigm, with its new characteristics, has profoundly affected the employment paradigm, which came to require growing knowledge contents in the paths of work. Keeping abreast of these shifts require that all workers, of all grades and in all positions, acquire basic competencies, broad qualifications and high technical experiences and

employ them or reproduce them in the fields of visualization, creativity and production.

In the face of these developments, it is logical that the quality of human resources becomes the main entrance to an active integration in the new production paradigm. This should be in a way that would enable an increase in the challenges of national and Arab development in a globalized economy subject to many new or restructured values, including productivity, innovating, creativity, high added value and huge competitive capability.

Equally, the quality of human resources forms the main entrance to the labor market and to interacting with it, with behaviors and technical and social skills, according to what production systems require. Realizing those transformations, Arab countries were quick to move towards the development of the human resources paradigm with the aim of submitting it to international specifications, and enhancing the competitiveness of the economy and its knowledge ground.

Though this is the responsibility of the society as a whole, i.e., families, societies, organizations and parties, **the important tasks befall the state when it comes to providing competencies to diagnose economic needs, befalls private sector institutions when it comes to employing**

competencies, and befalls workers and individuals in general, when it comes to staying abreast of new knowledge.

Economic and social dimensions and the governance of development direct us to the importance of planning human resources and adapting them to the requirements of the labor market and the needs of institutions, by developing the concept and mechanisms of the social dialogue and distributing the roles and responsibilities on the three parties of production. Social dialogue gains more importance with the expansion of the private sector on the national level, which accounts for 80% of the economic activity.

1. The function of the state: Strategic preparation of human resources and production of competencies

1.1 The concept of State in economic theories:

Relations between the state and the economy has formed a primary focus of concern in economic thinking since the mercantile theory (16th century), the classical theory (18th century), the social theories (1917-1989), the Keynesian theory (1930s), the new liberal theory (early 1970s) and up to the economic globalization theory (early 1990s).

This theoretical struggle can be divided into two broad currents:

- The "**less state intervention**" current, which means state withdrawal from the economic field and freeing the economy, leaving it to the mechanisms of the market, that "hidden hand", and hence limiting the role of the state to peripherals, such as defense, security, coining money, justice and the infrastructure. In this context, the concept of "the modern state is a modest state" became widespread. In other words, this means that the state that does not control anything.
- The "**more state intervention**" current, which means state interference in the economy and its control of economic activities by expanding the public sector, which is the concept of the "caring state".

Those who study the development of the concept of the State and its role during those historical periods would notice the flowing and ebbing relation between the state and the market, considering the characteristics and developments in the economic and political reality in each stage. In order not to wonder away, we point to the developments over the late years and their effect on the concept of the state:

- Regional economic crises in South East Asia counters in 1997, and their spread into rising countries, such as Russia, Argentina and Brazil,

- The financial crisis in the US, starting the late 2007, which quickly turned into an economic, social and humanitarian crisis, with negative consequences touching most of the world
- Acute economic crises in some European countries, e.g., Greece, Spain and Portugal since 2001,
- Our Arab development experiences and the dominant role played by the State in them.

Based on these facts, it can be concluded in combination that the role of the state must not be presented with terms like "**more**" or "**less**" of the state, as much as being presented with terms like "**improvement**" of the role of the state within a human dynamism that surpasses ideological boundaries by extending bridges between economic and social dimensions, being the true safety net for economic freedom and social justice. The role of the modern State is to bring harmony between "**economic**" and "**social**" factors. That it is to say, it should supplement the mechanisms of the market economy with a sharing political will, the ultimate goal of which is the human being, within the framework of wise economic and social governance, whose most important form of manifestation is a social dialogue between development partners.

Thus, the new roles of the modern state fall within three basic functions:

- The strategic function preempting possible developments - springing from accurate diagnosis - adjusting great goals and priorities, within a future vision,
- The pedagogic function defining challenges and gambles and making them sensitized in a way that guarantees finding means suitable for facing them within the framework of national harmony,
- The function of stimulating and activating the social dialogue and organizing it between all political, economic and social actors, in relation to the different development issues, discovering points of strength and faults in them, and determining the possible future and collectively adopting it.

1.2The state and its role in the labor market:

In relation to human resources and their direct relation to work, workers and the economic institutions, the state plays a primary role in properly preparing human resources, educationally and training and qualification wise in order to guarantee the presence of the maximum requirements for fulfilling the needs of the economy and the employment requirements for employing work seekers.

The human resources preparation paradigm is in line with **the scientific research and technological innovation paradigm**, which calls for technological alertness, now one of the most important factors to

guarantee the vitality of the production system and the expansion of the economic base by creating institutions, particularly innovative ones, springing from the valuation of scientific and technological research. This comes in addition to new opportunities for employing college graduates, a matter that the research sector itself makes available.

The previously stated elements of human resource planning complement **the employment, qualification, complementary training and re-assimilation paradigm** to guarantee the most possible chances of assimilation and conditions for being employable to work seekers by refining technical skills in a way that responds to changes in the labor market and the needs of economic institutions.

2. The function of economic institutions: Strategic employment of competencies

Planning of human resources requires the best preparation of competencies. This is one of the functions of the state. However, this effort may not have sufficient economic and social consequences unless accompanied by the optimal implementation of skills on the level of economic institutions. Wise governance of an institution is, before all, the proper management and exploitation of human resources, and the guarantee of continuous training along the professional career.

This trend requires the institution to increase its attraction of skills and investment in its human wealth, in view of the shift in the production system and the rapid transformation from an industrial economy to an economic pattern that is based on knowledge and information. Value, in most part, is no longer in capital, but in competence. The strategic actor is not any longer the institute, but the network organization of institutes, which is based on competition and partnership. The modern institution has become in need of constantly developing its production according to changes in demand, international specifications and innovations made by competitors. This cannot be possible except with a modern employment strategy.

Thus, the economic institution involved in the economy of knowledge has to actively react with five major transformations:

- The globalization of the economy and exchanges, given that it allows new development possibilities,
- Communication and informant technologies to eliminate distance and save time,
- Innovation and initiatives to guarantee added value,
- Environmental criteria to guarantee sustained development,

- Employment and maintaining human resources according to international criteria.

The new conditions of production call for a revision of some concepts that are relevant to institutions employment strategies.

The competitive ability of the institution, for an example, is no longer largely governed by workforce cost. In modern economy, it is discussed in terms like competence, initiative, innovation, productivity and information sharing. This means that competition beyond the classically determined elements.

As a result of these new growth sources, it is necessary to develop the differential advantages of the institution on the soil level in relation to handling competencies when it comes to employment, care and stimulation.

The production of skills and competencies in educational and training institutions, no matter how efficient it is, remains incomplete unless complemented by the role of the institution by valuating human resources in production pathways and developing the social return of education and basic training.

This trend has become one of the most important role and responsibilities of employers' organization in order to convey to their members the importance of this strategic dimension.

3. The task of the worker (the individual in general): Self-development of competencies according to labor market requirements

Competing in the economy of knowledge is not limited to institutions. It also includes individuals in their interaction with the labor market. This new aspect demands behaviors, values and new positions from individual. They can be grouped into the strategic handling of their portfolio of credentials and capabilities through continuous shaping in order to ensure its added value and competitive ability. Hence secure a stable position, inside or outside the institution, and to advance to what is better. Sustained employment has become associated with sustained qualifications in view of a rapid pattern of evolving knowledge.

Contrary to the conditions for economic, social and human development which are part of the state's duties, self-development in the knowledge society has become the responsibility of individuals themselves. This new value requires psychological preparation and social capabilities from the individual to enable them to act in the best way at the time, according to their professional, personal, familial and social needs.

This trend has become one of the most prominent roles and responsibilities of labor unions in making their members wary of this

strategic dimension in order to guarantee a job and maintain it, in parallel with the role and responsibilities of government and employers.

4. The function of the Arab Labor Organization:

Based on its Charter and its tripartite structure, and out of feel for its national responsibilities in the field of labor and laborers, the ALO developed several technical references and was extremely keen on tripartite representation in all its activities and releases. It strived hard to develop tripartite dialogue. Over the past years, it adopted an **extended dialogue** to include - in addition to the three parties of production - the ministries of planning, economy, finance, education, technical education and training and youth. Also social security institutions, economic and social councils, financial institutions and some civil society foundations, e.g., cooperatives, nongovernmental organizations and societies.

These conferences and specialized forums include:

- **The 1st Arab Forum for Development and Employment** (Doha, 15-16/11/2008),
- The 1st Arab Forum for Youth Employment (Algiers, 15-17/11/2009),
- The Arab Conference for Social Security - Toward an active social security policy in the Arab World (December 2009),
- **The Arab Forum on Technical and Vocational Training and Labor Market Needs** (Riyadh, 16-18/1/2010),

- **The 2nd Arab Forum for Development and Employment** (Riyadh, 24-26/2/2014).

These conferences and forums stirred a huge reaction from employers' organizations and relevant ministries and parties. They were also of great interest to the media.

These new trends and the various specialized activities, with the huge and honest response to them, represent a natural bed and a principle lift to the social dialogue between the partners in production.

Chapter Five

Social Dialogue :The Cadres and parties of dialogue

According to international definition, the social dialogue between production parties includes several contexts. It includes the different subjects of collective bargaining, the different forms of consultation and the exchange of data on different labor issues and matters related to economic and social policies. Any party may also include any subject they see fit for dialogue. In as much as the contexts of dialogue differ, so do its forms. The dialogue may be tri- or bipartite, on level of an institution, a branch of the economic sector, a sector, a region or the national level ²³. As many as the contexts and forms of the dialogue may be, so may its cadres and forms of participation on the level of unions.

²³ The level of dialogue and those participating in it may vary from one experience to the other. In

France, for example, in accordance with a 2007 law, a tripartite dialogue is only concerned with issues related to economic and social policies on the national level. Other than that, a dialogue is bipartite when it comes to workers and employers.

I. Cadres of social dialogue:

Workers and Employers' organizations

These are the organizations that form a collective structure on the national level to protect the economic and social interests of their members before the government and other production parties.

2- Chambers of Commerce and Industry ²⁴

Some Arab and foreign countries adopt the following nomenclature: "The chamber of commerce, industry, farming and services." These chambers include employers in economic sectors. It is a place of dialogue between these chambers and governments. The most important of its functions are:

- Protecting the interest of employers
- Accompanying their member-institutions and providing them with technical guidance and aid
- Providing heads and cadres of institutions with continuous training
- Training and assisting young entrepreneurs to establish their projects

²⁴ The first chamber of commerce and industry was formed in Marseille, France, in 1599.

In international experiences, these chambers may have two legal forms:

- An institution **of a public form** funded by a special tax imposed on institutions, as is the case in Germany, Austria, Spain, France, Italy, the Netherlands, etc,
- An institution **in a form (of a society)** where membership is voluntary. It is funded by contributions from its member institutions, as is the case in Belgium, Switzerland, Britain, Canada, the US, etc.

3- Economic and social councils

These tripartite councils represent the oldest place for tripartite social dialogue in almost all countries. They are usually among the consulting constitutional institutions, and provided for in the constitutions. Of the most important authorities of these councils is reviewing files presented by the government for consultation. They include law drafts, economic and social reforms, state budget, etc. Members of these councils are appointed by the three parties of production.

On the Arab level, these councils are present in a number of Arab countries.

4- The national committees for social dialogue

These tripartite representation committees are present in some Arab experiences. Their most important involvements include giving an opinion in labor issues and labor legislations, Arab and international labor criteria, wages and occupational categorization, social climate and social negotiations. They are headed by the minister of labor (or the equivalent, according to adopted nomenclature).

5- Joint labor agreements mechanism

Joint agreements are the result of collective bargaining and negotiations that are periodically and regularly held between representatives of the three parties of production, under the chairmanship of the minister of labor (or social affairs, according to the adopted nomenclature). Those agreements are usually drawn on the sectoral/national level between the government and the best represented labor and employers' organizations. These agreements may be applied for limited or unlimited periods, not to exceed five years in some experiences.

These joint agreements set what production partners deem suitable, e.g., work and employment conditions, the conditions for discharging workers, settling labor relations, the freedom of association, wages, placement measures, professional promotion, etc.

The reference of joint agreements is usually a joint tripartite agreement

6-Institutions' committees and those representing labor in the institution

The social dialogue, the core of the institution, is developed in a number of forms that include:

- **The institution committee (the institution consulting committee):**

This committee is shared by representatives of the institution's management and elected labor representatives. It is chaired by the president of the institution.

This committee is present in industrial and commercial private sector institutions employing more than 50 (40 in some experiences) permanent workers, and also in public institutions in some experiences.

This committee involves: reviewing the progress of the institutions as indicated by the data present to it by the president of the institution, reviewing issues related to work and employment conditions and forms of employment (permanent and impermanent), social programs, etc.

- **Occupational health and safety committee:**

This tripartite committee is present in institutions having more than 50 permanent workers. It is involved in improving work conditions

and health protection. Experts can be used to implement some activities of scientific or technical nature.

- **The managerial half-and-half committee (the counseling half-and-half committee):**

The role of these committees is limited. It includes following the occupational paths only of workers in the institution.

- **The institution union (union cell):**

This union cell is elected by institution workers. It has a wide authority enabling it to review all that is related to workers, work and the institution.

- **Labor representatives:**

A labor representative is elected in institutes that contain 20 to 39 (or 49) permanence workers, whereas they are in other experiences between 11 and 20 workers. The labor representative undertakes the same tasks assigned to labor representatives in the institution committee.

7- Work inspection institutions (operation inspection)

These agencies can be considered a place for social dialogue. They are government structures allowed to freely visit institutions, without prior warning, after identifying themselves. They are involved in:

- Enforcing legal provisions and arrangements and contractual provisions and arrangements between parties of production in the various fields of work,
- Providing guidance and technical advice to parties of production regarding the most efficient methods in fulfilling obligations,
- Looking over labor discharge, attempt reconciliation and alternative means to discharge, whenever possible, within the framework of a dialogue with both parties of production.

8-Occupational courts (customary courts)

They are judicial agencies formed of a specialized judge (the president), a representative of laborers and a representative of the employee to settle individual disputes that may arise in the institution

9- Social funds

In some Western experiences, social funds play an important role in the tripartite and bipartite social dialogues. In Scandinavian countries, tripartite dialogue forms the base for managing issues of insurance against sickness and family and old age benefits. In France, bipartite dialogue is adopted between labor unions and employers' organizations to manage unemployment insurance and cashing benefits through what is

called "societies for employment in industry and commerce" (ASSEDIC).

The "national union for employment in the industry and industry and commerce", UNEDIC, coordinates between societies on the national level. These societies and national union are respectively chaired by: labor unions and employers organizations, alternately. There is also the (national) society for vocational training, (AFPA, managed by a tripartite board of directors.

II- Social dialogue participants

It must be stressed here that the success and efficiency of the tripartite dialogue relies, to a great extent, on a number of factors that include:

- First:** The political will of governments
- Second:** The power of labor unions and employers organizations
- Third:** The independence of these unions and organizations
- Fourth:** The absence of preconditions from any party, which may hinder any bi- or tripartite dialogue or dialogue within the one team.
- Fifth:** The presence of mechanisms to activate the social dialogue paradigm

This raises the subject of unilateralism or multilateralism of unions and their effect on the success of social dialogue. It is true that union rights and liberty are granted by Arab and international criteria, but the International Labor Agreement No. 87 did not explicitly address the issue of multiple unions. However, the liberties committee's directions and decisions adopted multiplicity, and the ILO approved it, based on Article 2 of the Agreement, which provides the right to form the unions they choose or willfully join.

The same applies in relation to the Arab Agreement No. 8, as it did not address multilateralism, though it pointed out to the formation of a single general union on the country level, being non-contradictory to union democracy, on account of it being practiced within the union.

However, the reality of the matter indicate that there is a multilateralism of unions in a number of Arab countries, as seen by the multiple unions on the Arab level since October 2014.

In as much as unilateralism or multilateralism of unions a union affair, determined by unions, the issue forces on the questions of which of them being better for the social dialogue and how can we achieve the interests of parties of production, including the interests of workers themselves.

As there are different visions between workers - for and against - we pose the question from the viewpoint of both parties: which is more useful and more beneficial to success on all levels:

First: Support for unilateral union:

1. To what extent is a union cell a more credible structure and more beneficial in the social dialogue?
2. To what extent is the united position of a union, regarding the issues proposed for dialogue, a safety valve against extortion, overvaluation and playing on contradictions by any party to the dialogue?
3. Is not a single union a way of dealing with parties to the dialogue, i.e., same goals, same language, same voice, one of the strongest conditions to defend labor interests?
4. Did the application of union multiplicity lead to proper democratic practices within labor unions? To what extent can multilateralism lead to overvaluations that may harm the production process in general?
5. Did not union unity lead to the unification of union and organization representation in international arenas?

Second: Support for multilateral unions:

1. Is not the pluralism of unions the core and heart of union liberties and the safety valve for establishing them on sound bases? Could it not participate in expanding the circle of social democracy?
2. Did it not allow a competitive climate, beneficial to interests of labor?
3. Did it not participate in a better understanding of labor issues, and was an enriching factor in dealing with proposed issues?
4. Did it not lead to the increase in the number of workers under the umbrella of unions?
5. Did it not participate in ending the monopolization of unions and the capture of leading union posts?

It is worth affirming again that union uni- or multilateralism is in the first and last instance, a union affair. We also stress the importance of labor organizations and their role in enhancing social dialogue, and in the process of economic and social advancement that society seeks.

III- Selected international experiences:

Based on international experiences, we notice two paths:

First path: The adoption of union multilateralism and representation in all the frameworks of the social dialogue (in France, for example: 5 unions).

Second path: Heading towards union unilateralism, especially in Africa. The ILO supports this trend²⁵. In this direction too, the International Confederation of Free Trade Unions restructured itself in 2,006 to merge with the Christian unions, becoming the International Trade Union Confederation.

Within the context of **union pluralism**, a directly related issue is presented. It is **union representation** in the different dialogue agencies. This is an extremely complex issue, to which international experience varied.

.1The Scandinavian experience

The Scandinavian countries function under the principle of union and representation pluralism on the level of the national social dialogue, and on the level of the boards of directors of national companies and private companies listed on the exchange. This adoption has enabled the

25 Eddy Laurissen, 2009, Pluralisme syndical et représentativité OIT

northern countries to succeed where several international experiences failed. Compromising between flexibility for the benefit of the institution and the sustainability of work for workers. This compromise is built on a general primary principle that goes back to the 19th century, which is the **Mutual trust** between the government and the parties of production, the government and the workers, and the workers and employers.

2. The French experience:

In France, union pluralism goes hand in hand with union representation in the social dialogue. Participating in the dialogue, there are: the General Confederation for Labors (CGT), the labor force (OF), the French Democratic Confederation for Work (CFDT), the French Confederation for Christian Workers (CFTC), the General Confederation for Cadres (CGE), and the General Confederation for Managers (CGC).

In parallel, employers' unions and their representation become multiple, with those participating in the dialogue being: the French Institutions Movement (MEDEF), the General Confederation for Small and Medium Enterprises (CGPME), and the Trade Union for Artisanal Industries (UPA).

3. The UK experience:

Contrary to the tripartite French experience, the UK stopped using the tripartite rule between governments/employers/worker, but limiting it since the 1980s and 90s to the bipartite dialogue between employers'

organization (Confederation Of British Industries-CBI) and the (Trades Union Congress-TUC) the only confederation that includes 54 unions, within the framework of a social partnership between the two parties of production.

4. The Irish experience:

Ireland adopt the principle of **extended tripartite dialogue**, which includes in addition to the parties of production, civil society agencies such as agricultural organizations, cooperatives and nongovernmental organizations. This extended dialogue enables the consideration of the suggestions and hopes of a number of fragile social classes, e.g., the unemployed, women, the poor, the physically impaired, rural workers.

5. The German experience:

The German experience brings forward bipartite social dialogue in counties (länders) between employers and labor organizations. The German Confederation of Unions (DGB), the Federation of German Employees (DGB) and the Christian Confederation (CGB). This dialogue includes: wages, work conditions, occupational time and training. The government does not interfere except when approach for arbitration, when dialogue between partners of production come to a standstill.

6. The experience of South East Asia countries:

Tripartite dialogue takes place in most of these countries within the framework of national production councils that encompass the economic and the social dimensions in the various issue put to dialogue.

IV. Arab experiences:

Arab experiences differ among themselves. In some Arab countries, there is union pluralism recognized by law. However, they do not have representation pluralism. Representation has become a dire request in some cases more recently. However, this request, in spite of its legitimacy, must not obscure the fact that the special composition of the Arab economic fabric, as seen in small sized economic institutions and the modest size of labor, which increases the complexity of the matter.

Once more, we affirm that the report does not take this or that direction, and considers the matter to be a strictly internal union affair. The ultimate end of the ALO does not go beyond what it sees as conditions for ensuring the efficiency of the social dialogue through the literature on pluralism, representation and modern experiences similar in conditions to our Arab situation.

In Africa, for example, with technical support from the ILO, the general trend is towards uni-representation on the basis that the representation principle is better in order to avoid any hyping up used by government or

employers' organizations to weaken the union movement and the credibility of the union stance. It may also be a scope for political pull and push between parties that sometimes adopt unions.

Contrary to union pluralism that the can be controlled by state laws, representation cannot be state controlled. it is a internal union affair. The role of the state here does not go beyond helping the relevant union parties to set a sensible rule for union representation. In African countries for example, **the experts committee prepared a guiding framework for the implantation of ILO agreements and recommendations, in order to determine national unions with the largest representation of workers**, which can benefit of financial funding from the state and by wage deductions under the title of union subscriptions in an institution, with those unions becoming the only authority to address the government and the institution.

Under the union representation criteria within this guiding framework, and seeking to measure the majority that every party of the union has a right to claim, the following general objective rules can be suggested:

1. Building on the results of union elections in every labor organization and abiding by them to determine the matter of majority representation,

2. Setting agreed common rules for union representation and participation at the different levels of dialogue, and this comes as a suggestion:
 - Obtaining 15% at least of union representation in election on the level of institutions workers in order for the union to be a partner in the bipartite dialogue at the level of the institution,
 - Obtaining 20% of the union representation in order for the union to be a partner in collective negotiations at the level of the sector,
 - Obtaining 40% of the union representation at the national level in order for the union to be a partner in the tripartite social dialogue²⁶.
3. It is logical for this guide framework or this document to require a unified methodology and the best behavior agreed upon in order to achieve these elections by unions in complete transparency, so they would gain credibility.
4. Preserving the independence of union decisions of every labor organization from other production parties,
5. Preserving the independence of union activities of every labor organization, of party political agendas.

²⁶ Eddy Laurissen, 2009, Pluralisme syndical et représentativité OIT

This reading of the union scene is a representation of the prevailing conditions in this new phase. Its aim is to mobilize efforts according to what the labor organizations themselves see, in an effort to bring different parties together in a way that serves labor and laborers issues.

Chapter Six

**Social Dialogue: Towards a New Social and
Economic Contract to Embody a National Alliance
for Development and Employment Issues**

1. The concept of social contract: Conditions of creation and historical significance in the European political philosophy

The social contract is an old idea that was widespread between philosophers over time, even if it was not in the currently known form. Without going back to ancient history, suffice it to point out that the roots of this idea go back to 16th, 17th and 18th century political thinking literature, at the hand of those who called themselves the philosophers of the social contract theory, the most prominent of whom was John Locke (16th century), Thomas Habbes (19th century), and Jean-Jacques Rousseau (18th century). Though significances differed according to the conditions of creation of this idea, those pioneers agree on the necessity of establishing a covenant for the creation of the political society.

This covenant aims to resist tyrannical authorities by setting a group of conditions and specifications that govern the relationship between the ruler and the subjects, and a relation between large holders who fear for their holdings from those who do not own anything, i.e., workers and popular classes, and between those workers who fear the power of large holders.

Thus came the idea of the contract based on the necessity of providing protection and guaranteeing freedom for all.

Perhaps what led to the maturation of the idea of social contract was Jean-Jack Rousseau, who published a book in 1762 under a title carrying the same name of the idea itself, "**In the Social Contract**", (Du contrat social) stressing the idea of "the society of free citizens, willingly choosing the form and conciliations of the rule under which they live".

This idea also paved the way for the term "civil society" in European political philosophy literature, particularly at the hand of Montesquieu and Hegel. The latter defined civil society as: the total institutions that respond to the economic and social needs of life and play the role of judge referee between personal interests."

In all events, to those philosophers, the idea of the social contract did not mean a legal contract in the presently known sense.

Those ideas - which came on the background of finding a balance between the political and economic power and society - represented the first seeds later on and at different stages of the creation of the modern national state, the constitutions and laws regulating political, economic and social life, and thus the modern social contract in Western countries.

II. The Arab perception: From the social dialogue to the new social contract

Like we said earlier, the social dialogue is a widespread concept in individual Arab countries and on the level of relevant joint Arab labor institutions since the 1960s and 70s. In spite of dealing with it very early, social dialogue remained limited in its goals, content, analyses and results.

This is not due only to a weak political will, considering that the state, with its higher authority over society and the economy, gives itself the position of "the caring state", hence protects the social contract in its spiritual context under the conditions of this phase. The limitlessness of the social dialogue goes back to other objective factors which include:

- The structure of Arab economies dominated by the public sector,

- The limited scope of the private sector as a consequence, and its decreased participation in the GDP, and the general volume of employment,
- The limits role of labor and employers' organizations as a direct result of its light social and economic weight, by virtue of public sector dominance over the economy, in addition to its siding in most cases with governments.

Since 1990s, economic and social conditions changed completely. This was accompanied by an objective change in the look to the social dialogue and the social contract with its old concepts

The most important changes are:

- The gradual withdrawal of the state from the classical function of the caring state within the centralized and directed economic framework,
- The gradual giving up of the state of economic and service sectors, of competitive nature, to the private sector, under the pressure of international financial institutions and the "Washington Accords" in the year 1989,
- The structural amendment (adaptation) and economic rehabilitation program, the acceleration and effect of privatization and liberating the economy under the influence of globalization

and the conditions of international funding, bi- and multilateral, and the effect of all this on the workforce,

- The sovereign role of the state, particularly the economic role, abated, as the state itself has become an active player in the path of globalization, sharing its sovereignty sometimes with international monetary institutions, even if behind the screen,
- The entanglement of development challenges on the local and international dimensions and their effect on the nature of the typical role of the state, especially in the age of globalization, governments have become smaller than to face outside challenges alone, and bigger than dealing with internal problems, due to the connection of those problems to external determinants,
- The extension of the private sector, which has come to account for 80% of Arab economies.

All these new factors affirm the importance of the social dialogue which has become a vital necessity in a society where economic and social dangers increase.

The social dialogue – as a very significant factor - is no longer an occasional and circumstantial dialogue of set content. It has acquired a multipurpose and multidimensional strategic perspective leading in the

end to the new social contract springing from new ideas, with determined strategic and phasic goals and with positive behavior by different parties.

The Arab labor conference, in its 37th session in Manama, 6-13/3/2010, went to ensure "enhancing the social dialogue and union rights and liberties, stressing them as part of the mechanisms of the Arab Decade for Employment".

In 2011, when it was not possible to convene the ALO conference in its due time pertaining to the prevailing conditions in the Arab region, the Director General of the Organization was quick to invite the board of the Organization to an emergency session (Cairo 17/3/2011). The Director General submitted a report on the inclinations of the Organization **in light of the new Arab developments**. It stressed the extreme importance of the Arab social dialogue and social contract to embody the goals of the Arab Decade for Employment .

Against this background, the board of the General Union of Arab Chambers (Amman, 28/2/2011) stressed the cooperation of the board with the Organization in preparing for the Arab meeting.

In this sense, the tripartite social dialogue, and up to a modern social contract, plays a big part in embodying the national and nationalistic block regarding developmental and social issues as stated in **economic summits decisions**, 2009, 2011 and 2013, and in accordance with what

the participants in the 2nd Arab Forum for Development and Employment reached and its declaration, which confirmed in its first principle that: **The concept of Arab alliance and solidarity for employment and controlling unemployment in light of the current reality of Arab countries, individually and collectively, is a principle and a base for a preemptive defense, with its economic, social and security dimensions in order to establish civil peace and social stability".**

The participants in the forum agreed that of the mechanisms embodying the concept of alliance: **"concentrating social dialogue on the national and Arab levels as a tool for wise governance of the labor market and labor relations, seeking adjustments with economic and social variables and proper management of the crises arising thereof, in a way that guarantees the interests of production parties".**

III. Towards a modern social contract:

The agreement on a new social contract, within the framework of an equal tripartite social dialogue, has become necessary, more than in any other time, for several considerations.

1- The most important reasons for a new social contract include:

- The economic and social role of the state regressed to the extent that the state no longer is the one in control or the caring state in the traditional sense. It has become one of the economic and social actors and one of the partners in development.
- The rise of intellectual trends leaning - within the framework of globalization and national economies - towards a world and societies without a social contract, under the influence of an attack on social laws that regulate labor markets.
- Directing the path of development, sometimes in a way that serves the interest of globalization economy, disregarding the priorities of local development and without considering the necessities of social development.
- The appearance of strong labor unions and the expansion of their network, on national and nationalistic levels, in order to defend the interests of workers, keeping in mind higher national interests.

2- The most important strategic lines of the new social contract on the Arab level:

Springing from points of interest to us in this report, i.e., the points related to the interests of labor, workers and the institution, we can point

out to some strategic lines that can be common denominators for the Arab social contract of the social contract.

2.1 Improving the investment in human capital:

Old and modern history proves that the origin of development in all its meanings and dimensions lies in the knowledge origins of societies, economies and institutions.

In spite of the expansion in education, the rise in school attendance in all stages, and the large monetary investments in education and the training in Arab countries through recent decades, this paradigm remained of limited economic return, with the items such as labor productivity, competitiveness of the economy and economic institutions; and the limitedness of the social return on the level of the labor market, with items such as providing productive, lucrative and decent work opportunities. It requires, as an absolute priority, raising the quality of the performance of the education paradigm in order to raise the efficiency of the workforce and human resources in general by improving and rationalizing spending on this paradigm and connecting its outcome to the economic demand in order to maximize its return on the pathways of production and work, through paid and independent work and economic and social leadership. Also, the paradigm should undertake to refine skills within the framework of learning and creation,

for life, because the continuity of work lies in the continuity of skills in order to control unemployment and poverty.

It may be beneficial to remind you here that the goals of the development millennium, internationally approved in the year 2000, especially its revision in 2005, included employment as one of the conditions for controlling poverty. The first goal of the millennium agenda.

2.2 Working to remove the economic dualism appearing in the form of a regulated and a deregulated sector (official and unofficial sectors):

The informal sector is the result of inadequate investment and limited work opportunities in the regulated sector. This sector has become an extremely dangerous phenomenon for a number of reasons:

- The harm it causes to the regulated sector, in a way that negatively affects the determination of the general level of productivity and unlawful competition.
- The harm it causes to the calculation of real GDP, being a sector out of official statistical circles. Some evaluations estimate it to account for 37.7% of the GDP (2007/2008, OECD).

- The harm it causes to state revenue in the form of tax and fees losses. Hence, deprive national economy from some self-funding abilities.
- Concentrating contingent work, low wages, indecent working conditions and absence of social coverage, and so, concentrate poverty, poor workers and the marginalization of wide social classes taking into consideration that it accounts for 40 and 50% of the general employment volume in the Arab region (the World Bank, 2008).
- Perhaps, the more dangerous than all is that this informal sector has started to encroach on a number of economic and service activities in the regulated sector, particularly on the level of informal or irregular work (not registering workers, unlawful employment, absence of social coverage, etc.).

All these factors firmly call for the adoption of flexible and phasic organization strategies for this sector, in harmony between governments, employers and labor organizations.

2.3 Abating geographical dualism between the center and the periphery:

What is required in the new social contract is to address the primary phenomena:

- **The strive to achieve balanced development:**

For many years, development was concentrated in Arab countries in general in areas close to political capitals (in some cases, areas close to the coast), and areas of Bedouins and desert nature. This distinction goes back, in some cases, to periods of colonization, and it continued after that, though. This has created a rift between areas of economic prosperity where most economic activities, national wealth, high income, infrastructure and public utilities concentrated, and the deprived areas. The first sparks that led to public objections in some of the late experiences. This developmental pattern has led to an unfair economic scene between modern economic areas that attract labor and national and foreign investment, opened on the economic globalization and benefiting from it, and marginalized areas that expel labor and investments, and bear the negative consequences of globalization.

- **The strive to realize sustained development:**

Sustained development is one of the necessities of a balanced and quality development. This concept appeared in the early 1980s in the literature

of the International Union for the Preservation of Environment. It spread wide after the Brundtland report²⁷ in 1988, entitled "The future is for all of us". This report was adopted as a reference document in the "Earth Summit", in Rio de Janeiro, in 1992. The concept of sustained development comprises the rationalization of natural resources, in a way that would not harm the rights and needs of future generations. This simple definition comprises three main principles:

- Solidarity between present generations,
- Guaranteeing the right of coming generations in the present resources,
- Preserving the environment.

Springing from a diagnosis of reality, and based on these principles, the new social contract must strive to achieve:

- The main conditions to achieve sustained development:
 - Enable the delivery of riches and services to everybody
 - Enhance individuals capabilities,
 - Fairness between generations.
- The main conditions to achieve sustained development:

²⁷ A Canadian thinker

- The principle mechanisms: The environmental dimension, the preservation of natural capital and bringing in local societies on these directions
- The economic dimension: Sustained growth from inside, properly distributing investments on sectors and regions, special mechanisms for economic integration, clean productive technology and controlling the debt shouldered by future generations
- The Social Dimension Enhance individual capabilities (education, educating adults), combating unemployment, poverty and marginalization, solidarity funding, local development and dialogue dynamics,
- The geographical dimension: Setting mechanisms for geographical integration between urban and Bedouin or rural regions, even on the level of the same region, through programs to improve the standards of living, suitable housing, roads and paths.

2.1 Knowledge economy and establishing knowledge and culture:

There is no doubt that science and knowledge are the basis of development in different human experiences since early time. However, the start of scientific theorization of the importance of knowledge and its

different scientific and technological applications in modern economics did not materialize except in the early 1980s. Pioneers in theorizing include Henri Simon, 1982, Fritz Machlup, 1984, F. Hayek, 1986 and J.L Maunoury, 1987.

In spite of the different hypotheses, these theoretical outcomes meet at three principle dimensions for knowledge:

- The cognitive dimension of knowledge, i.e., the ability to give theoretical examples, determine the scientific forms and stimulate sources of intelligence for achievement,
- The dynamic dimension of knowledge, i.e., the ability to communicate and interact with others in a way that enables the generation of knowledge,
- The accompaniment dimension of knowledge and the information variable, where knowledge - within the framework of the information and communication revolution - increases in value by providing the right information at the right time. Thus, knowledge and information are two inseparable Arab elements in the knowledge economy.

Many facts pertaining to the knowledge economy thus become evident, and they include:

- Accelerated growth, the guarantee of its continuity and sustainability, improving total productivity of production elements and finding new opportunities for investment in ongoing activities and in new economic sectors and providing wide areas for the employment of university graduates. This direction acquires special importance in relation to employment and controlling unemployment, particularly in light of the regress in the performance of classical dense labor sectors,
- The deep shift of production and employment paradigms making knowledge the main source of institution growth and prosperity and one of the conditions for employment ability and maintaining the work opportunity,
- The importance of human resources a from the education, qualification and employment perspectives to maximize the social and economic benefits provided by the knowledge economy, which has come to require more and more, intellectual labor.

Those following the indicators of the knowledge economy in the Arab World would note:

- The severe weakness of the Arab World position in the knowledge global geography in all international classifications, including the

Shanghai University classification, and the classification of the International Observatory on Academic Ranking (Webometrics),

- The modest ranking of the Arab region on the level international indicators in scientific research and technological development,
- The low return of the knowledge economy on social and economic development in the Arab World in relation to labor productivity (a principal condition for improving wages, raising the standard of living and reducing the phenomenon of poor labor) and institutions, economies and societies competition.

Still we have to point out in this context that springing from the experiences of previous development paradigms to the necessity of building a new social contract that gives up the false belief that integration into the knowledge economy can be accomplished by copying the technological applications of knowledge or buying them. In spite of the importance of those means, their effectiveness is limited in time, considering that imported knowledge vanishes quickly as it ages. Add to this the fact that the outcome of knowledge is no longer a general commodity, in the economic sense, that can be sold and bought. It has become a highly specializes strategic commodity.

No more proof of this other than the strengthening of intellectual property laws in Western countries. What is required, then, from the new

development paradigm is not the cloning technological experiments, rather, the adoption of an empowerment policy that guarantees the development of the abilities of the national scientific and cultural cadres and their development to produce knowledge, which has become, in itself, a productive pattern. This requires - in addition to acquiring knowledge - owning **a culture of knowledge**, i.e., maintaining it and constantly acquiring more of it. This in itself is a challenge.

In our view, these are some of the principle axes **of the modern social contract** which can be grouped under the title: **a new economic and social pattern** which enhances the positive gains from previous patterns and builds on them and avoids their negative points by providing new alternatives.

The basics of this pattern are:

1. Bases:

- Driving general investments in infrastructure, human resources and public utilities,
- Improving business environment and releasing inactivated forces for more expansion in private investment,

- Integrated economic growth by increasing the ability to accommodate those looking for work in a way that supports social cohesion,
- Balanced and sustained development, social justice and fairness between regions and generations.

2. Lifters:

- Economic freedom, individual leadership, effectiveness and efficiency, labor productivity, soundness of production surrounding and work relations... within the framework of a solidarity economy, agreed upon and connects the economic and social dimensions within the context of what has become to be known as "**liberal social economy**".

3. Tools:

Institutionalization of the free, effective, equal and harmonious social dialogue between the three parties of production in order to build an agreed upon developmental pattern and adopted by all, where roles are distributed and responsibilities and risks are shared.

These are the most important elements of the wise political, economic and social governance to lead the new pattern of development.

IV- The Arab Decade of Employment (2010 - 2020):

In the context of the new approaches, the ALO, within the framework of the tripartite dialogue, presented the Arab Decade of Employment (2010 - 2020), which is considered a social contract. It was approved by the Economic and Social Developmental Summit (Kuwait, 2009). The most important inclusions of this agreement:

- Reducing unemployment rate by half
- Reducing poverty rate by half
- Raising labor productivity by 80% annually
- Increasing the rate of technical education and vocational training subscribers,
- Facilitating the mobility of Arab labor between Arab countries.

V- Country examples of social contract in recent times

Some of the countries of the Maghreb were quick to establish modern social contracts within the framework of the social dialogue, and abreast of economic and social developments. In spite of some distinction, those contracts share the issues of economic development, social advancement, fair and sustained development, social protection and work conditions. These contracts concentrate on the fact that resolutions for these issues

cannot take place except within a framework of equal and responsible social dialogue.

1- Tunisia: The social contract (January 2013):

The social contract was signed in Tunisia on 14 January 2013, between the government and Tunisian Union for Industry and Commerce and the Tunisian General Union for Employment. The contract included four principle axes:

- Economic growth and development: The most important foundations of this axis is comprehensive, sustained, balanced and just development of regions. It is especially based on a more efficient and a more competitive economy that enjoys higher employment abilities.
- Employment and vocational formation policies: Conduct a comprehensive reform of all stages of the education paradigm, establishing a joint national paradigm for supervision, attention and commitment to the principle of actual partnership between the social parties.
- Professional relations and decent work: Approving a new form for work relations, based on equality between parties, particularly on the level of work legislations, continuous formation, improvement of productivity and raising the competitive ability of the institute.

- Social protection: Comprehensive review of the social security systems, qualifying the health sector, maintaining monetary balances of social funds and managing them alternatively with social parties.

2. Morocco: The social charter for a sustained competitiveness and decent work (January 2013):

This was signed on 15 January 2013 between the General Confederation of the Institutes of Morocco on the one hand, and the National Union for employment and the Moroccan Union for Employment and the General Union of Employees on the other.

The main principles of this agreement include:

- Prevention of disputes and settling them by negotiation,
- Developing the social dialogue to enhance confidence between parties of production in a way that would help diagnose economic and social challenges and treat them,
- Develop the contractual legislation by social harmonization of relations and work conditions,
- Develop employment and competitiveness through real partnership between parties of production.

The main principles of the agreement include:

- Economic and social progress,
- Ensuring the competitive ability of institutions and advancing employment,
- Improving work conditions and respecting the principles of decent work.

3. Algeria: The National Economic and Social Contract for Growth (March 2014):

This contract has been signed in Algeria on 9 March, 2014, between the government and the Algerian General Union of Labor, and nine employers' organizations. It is valid for five years, and renewable. It is open for all other economic and social partners to join it.

The most important principles of this contract include:

- Considering the national economic and social contract for growth an expression of the voluntary wish of the signatories,
- Considering the contract a strategic partnership between the parties of production in order to enhance the national strategy of development and mobilize productive national powers and raise social wellbeing,

- Signed partners abiding to mobilizing national abilities and the civil society for the service of the development and social justice in enhancement of political, economic and social gains,
- Considering the joining of the efforts of all parties to the contract a necessity to build a competitive and prosperous economy based on the foundations of a social market economy,
- Members of the contract abiding by the establishment of a quiet and stable social climate by setting a harmonious framework based on mutual obligations.

The contract included seven principal goals:

- Accelerating the pace of economic reforms,
- Recovery of industrial development,
- Establishing a suitable climate for business,
- Enhancing governance and establishing national abilities to ensure sustained development,
- Develop the health system and social security,
- Develop work opportunities and enhance labor purchase power,
- Establishing a national system conforming to the needs of companies and national economy.

Chapter Seven

Draft Recommendations and Suggestions

1- On the level of the principles of the tripartite social dialogue:

1. Inviting the three parties of production to adopt the principle of tripartite social dialogue, develop its mechanisms, expand its scope and practically devote it as a tool for wise economic and social governance. Also work on devising legislations, regulating arrangements and mechanisms sufficient enough to make this dialogue continuous and inclusive to all issues of development, production, employment, social protection and control of poverty.
2. Inviting governments to institutionalize or activate (according to the situation) the social dialogue and provide its requirements on all levels, in a way that guarantees economic stability, sound business climate, social cohesion within the framework of an active solidarity for developed and employment.
3. Directing the attention of labor and employees organizations to the fact the establishing a real fruitful social dialogue, tri- or bipartite, requires the presence of strong and independent organizations that

have the power to negotiate and draft suggestions and alternatives. A successful and active dialogue also requires excluding preconditions by this or that party, or within the same team.

4. Calling for converting the tripartite dialogue to an expanded social dialogue as much as possible to include the ministries of economy, human resources, social affairs, concerned associations and some civil society institutions or complete the circle of dialogue enhancement.
5. Calling on production parties to adopt a program to promote social dialogue and establish the culture of dialogue and harmony in their structure and on the national level.
6. Enhancing reconciliation and mutual credibility between production parties on the one hand, and society, private sector, on the other, and between the worker and the institution on a third aspect. Thus eliminating doubt, mistrust, and install mutual confidence between all parties.
7. The importance of creating an Arab association for economic and social councils on the national level to support the social dialogue between production partners.

II. On the level of the roles and responsibilities of production partners:

8. Inviting governments to support and enhance the social dialogue abilities, structures and institutions to ensure their active participation in all forms of consultations and negotiations, starting with the making available of data, studies and evaluation reports, to enabling them of participating in approving economic and social strategies, policies and programs.
9. Inviting labor ministries to list social dialogue and extended social dialogue as much as possible, in their official nomenclature, in accordance with national laws.
10. Stimulating employers' organizations to raise the interest of institutions under them in the necessity of employment according to Arab and international standards, and consider qualified human resources an investment and not a burden on the institution. Hence, disregarding the principle of competing on workforces and adopting completion on the basis of quality and the efficiency of human resources, in a way that ensures the competitiveness of the institution and workers social rights. This fulfills the criteria of the "citizenship institution".
11. Stimulating the labor organization to spread and establish the culture of work, of the institute and the culture of production and

productivity in a way that guarantees sound work relations that would participate in the prosperity of the institution and preserve subjects of labor and social advancement for workers. The reasons for discharging workers and unemployment are not economic only, but go back cultural reasons in many cases.

12. Inviting the three production parties to adopt Arab technical references set by the ALO and using them in exchanging information and in the social dialogue. They include:

- The Arab Standard Classification of Professions (2008),
- The Arab Strategy for Training and Technical and Vocational Education (2010),
- The Arab Framework of Qualifications (the six axis of the 2nd Arab Report on Employment and Unemployment in Arab Countries) (2010),
- Guide of Legal terms in the labor field (1992).

III. On the level of some development and employment issues:

13. Inviting the three parties of production to harmonize within the framework of the social dialogue and the extended social dialogue as much as possible, to treat developmental issues, particularly:

13.1 Finding solutions to overcome **geographical dualism** between economically prosperous region and remote, rural or desert regions that are less lucky in development efforts long time ago, in a way that ensures just and balanced development of all regions.

13.2 Finding solutions **for the economic dualism** between the regulated and the informal sectors (official and unofficial). The phenomenon of the informal sector, with its various dimensions, particularly smuggling and parallel imports, represent a dangerous phenomenon that is dangerous to the state by virtue of depriving the treasury of tax return, and harmful to employers by virtue of the dishonest competition, and harmful to the workers by virtue of contingent work and work conditions. This phenomenon is impossible to treat except with a flexible and gradual organizational strategy **within the framework of social dialogue and the complementation of roles between:**

- **The role of the state:** Preparing a database covering the informal sector: Flexible legislations, simplification of initiation procedures and administrative registration of independent workers and small institutions, facilitating funding procedures and the enjoyment of incentives and privileges.

- **The role of employers organizations:** Devising a mechanism to represent the owners of small businesses and active independents in the informal sector to bring out in the open and defend their interests and enable them to access privileges and incentives and regulate them through the creation of a union with the aim of helping them move to the organized sector and merge into the official economic cycle, similar to the Chinese experiment that created a union for this sector, the Chinese Confederation for Employers.
- **Labor organizations:** Defending the interests of those working in the informal sector by creating a union for the sector's workers.

A tripartite dialogue may enable the promotion of care and interest in the informal sector through the plans and policies of development and not on its periphery, in a way that ensures the improvement of the economic and social performance in this sector and guarantees citizenship rights. Within this framework, the possibility of establishing border free zones, in cooperation with neighboring countries to treat the problem of smuggling, may be examined.

13.3 Strive to establish knowledge and strengthen its base in the economy and the society from the education, training and employment aspects in order to merge into the knowledge economy

and maximize the economic and social benefiting from knowledge and sciences in order to secure the best opportunities of economic prosperity and social advancement.

IV. On the level of the social contract

14. Inviting the three parties of production to gradually raise the level of the social dialogue till the concept of **"Arab alliance and solidarity for employment and controlling unemployment in light of the current reality for all Arab countries, individually and collectively"** is adopted, in accordance with the decisions of **"Riyadh Declaration"**, 24-26 February, 2014).
15. Inviting production partners to explain and promote the concept of **national and nationalistic alliance and solidarity for development and employment, and also seek to adopt and embody it** through agreement **on an economic and a social contract for growth and decent work** through which reconciliation can take place between the parties of production on the basis of an even dialogue and mutual trust to serve common interests.
16. Inviting partners of production to adopt this harmonious path to build a modern economic and a social developmental pattern according to the conditions and specialty of each country, that realizes sustained economic growth, regional justice and social fairness.

Epilogue

At the end of this report, I can only ascertain once more the importance of tripartite social dialogue that has become a core concept in political theorization worldwide, and a primary element of wise economic and social governance to increase the challenges of development and win its gambles in an open international economy.

Springing from my realization of how critical and sensitive this issue is, I have carefully dealt with it according to a balanced approach between rights and duties of every party, with the ultimate goal of exchanging views and ideas with production partners regarding the realization of common lawful interests and higher national interests at the highest social echelon on the Arab level, i.e., the Arab Labor Conference.

All of us realize that the issue of development, in its broadest content, has become a common national affair. Each has a right to, and a role to play. In this context, active and even social dialogue between governments and employers and workers organizations is considered a primary lifter to achieve regional balanced development, fair social development that is environment-friendly and supportive to the poor,

sustained development and the development that qualify man to the knowledge economy. The challenges that face development are not limited to its local dimensions only, but they are also connected to its international dimension. Thus, it is necessary "to work locally and think internationally". This requires from us all, each in his/her position, a strong will for dialogue and a harmonious mind, a will to divide roles and carry responsibilities between the three parties of production, in an embodiment of a principle of **Riyadh Declaration** (2014), related to the concept of "Arab alliance and solidarity for development and employment", adopted by the three parties of production and a number of ministries, agencies, and some concerned civil society institutions within the framework of **the extended social dialogue**. This concept is considered a strong lifter of social dialogue, taking it to a social and economic contract on national and nationalistic levels. Hence, to a modern developmental pattern that raises the economic and social challenges, and guarantees the interests of all parties and responds to the youth expectations and those of Arab World societies.

May God support our intensions!

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