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Labour Market Policies and Institutions: a Synthesis Report
The cases of Algeria, Jordan, Morocco, Syria and Turkey

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Preface

The primary goal of the ILO is to contribute, with member States, to achieve full and productive employment and decent work for all, including women and young people, a goal embedded in the ILO Declaration 2008 on *Social Justice for a Fair Globalization, and*[1] which has now been widely adopted by the international community.

In order to support member States and the social partners to reach the goal, the ILO pursues a Decent Work Agenda which comprises four interrelated areas: Respect for fundamental worker's rights and international labour standards, employment promotion, social protection and social dialogue. Explanations of this integrated approach and related challenges are contained in a number of key documents: in those explaining and elaborating the concept of decent work[2], in the Employment Policy Convention, 1964 (No. 122), and in the Global Employment Agenda.

The Global Employment Agenda was developed by the ILO through tripartite consensus of its Governing Body's Employment and Social Policy Committee. Since its adoption in 2003 it has been further articulated and made more operational and today it constitutes the basic framework through which the ILO pursues the objective of placing employment at the centre of economic and social policies.[3]

The Employment Sector is fully engaged in the implementation of the Global Employment Agenda, and is doing so through a large range of technical support and capacity building activities, advisory services and policy research. As part of its research and publications programme, the Employment Sector promotes knowledge-generation around key policy issues and topics conforming to the core elements of the Global Employment Agenda and the Decent Work Agenda. The Sector's publications consist of books, monographs, working papers, employment reports and policy briefs.[4]

The *Employment Working Papers* series is designed to disseminate the main findings of research initiatives undertaken by the various departments and programmes of the Sector. The working papers are intended to encourage exchange of ideas and to stimulate debate. The views expressed are the responsibility of the author(s) and do not necessarily represent those of the ILO.

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[1] See http://www.ilo.org/public/english/bureau/dgo/download/dg_announce_en.pdf
[2] See the successive Reports of the Director-General to the International Labour Conference: *Decent work* (1999); *Reducing the decent work deficit: A global challenge* (2001); *Working out of poverty* (2003).
[3] See http://www.ilo.org/gea. And in particular: *Implementing the Global Employment Agenda: Employment strategies in support of decent work, "Vision" document*, ILO, 2006.
[4] See http://www.ilo.org/employment.

Foreword

Despite relatively positive economic performance in the years prior to the global economic and financial crisis, countries in the Mediterranean basin face important employment and labour market challenges. The unemployment rate especially amongst youth is one of the highest in the world and their labour markets are characterized by high incidence of underemployment, employment in the informal economy and poor working conditions. The gender gap, particularly the low labour force participation of women, is a major challenge. Limited opportunities for productive employment together with more demand for labour in European countries have resulted in labour migration from East and South Mediterranean countries towards the Northern shore of the Mediterranean. The recent global economic and financial crisis led to economic downturn at varying degree in different countries, however, it shed light on the structural challenges of unemployment, poverty and inequality.

In the current political, economic and social context giving effect to the ILO Global Jobs Pact adopted in the 98th Session of the International Labour Conference (June 2009) is of paramount in order to promote productive employment and decent work in these countries. The promotion of productive employment and decent work is high on the agenda of the Euro-Mediterranean Partnership and is an utmost priority in the countries of the region. At the first Euro-Mediterranean Employment and Labour Ministers Conference in 2008 Ministers highlighted the urgency of challenges relating to employment, investment in human capital, and decent work for all and committed themselves to a Framework of Actions which would "contribute to developing a genuine social dimension within the Euro-Med agenda".

The European Union has long actively supported the uptake of decent work as a global goal. As part of the Renewed Social Agenda the European Commission has "reaffirmed its commitment to promoting the internationally-agreed Decent Work Agenda, including through cooperation with the ILO and other partners, and the mobilisation of all relevant policies". Furthermore, cooperation to enhance the response to the economic crisis has been recently intensified between both institutions.

Against this backdrop, the International Labour Office (ILO) and the European Commission (EC Directorate-General for Employment, Social Affairs and Equal Opportunities) developed a joint action oriented research project on "Expanding the knowledge base on decent work in Mediterranean countries." The research undertaken focused on three main themes: 1) economic growth and employment; 2) labour market policies and 3) labour migration. The findings from the research are of great interest for policymakers as well as researchers and are reproduced in a series of working papers. They open up new avenues for research under future programmes.

This synthesis report prepared by Mariangels Fortuny (Employment Policy Department, ILO, Geneva) and Jalal Al-Husseini (Researcher, Institut français du Proche Orient, Amman) highlights key employment and labour market challenges in five Middle East and North African countries: Algeria, Jordan, Morocco, Syria and Turkey. It analyses current labour market policies, programmes and institutions with a focus on inclusion and discrimination in employment, particularly among women and youth. The first part is devoted to a diagnosis of the countries' labour markets. It analyses labour market trends with a focus on vulnerable groups in the formal and informal economies, with particular attention to gender equality issues. The second part examines how countries are presently coping with current labour market imbalances, with a special focus on the exclusion of relatively large segments of the population from the labour market, all within the framework of the pervasive world financial and economic crisis. It analyses current active and passive labour market policies and programmes specifically designed to provide an

environment conducive to promotion of productive employment and decent work. It also looks into the countries' labour market regulations, which are a key element of policies, aimed at promoting efficiency and equity in the labour market. This part also includes a discussion on the challenge of regularizing the informal economy. The third and last part suggests some policy recommendations related to the improvement of labour market outcomes, policies and programmes. These recommendations are steered towards the promotion of labour market inclusion and equal opportunities as well as formalization and upgrading of the informal economy.

The report largely draws on the findings of five "country reports", namely:

- Aita Samir (2010), Labour Markets Policies and Institutions, with a Focus on Inclusion, Equal Opportunity and the Informal Economy. The case of Syria, ILO;
- Al Husseini Jalal (2010), Labour Markets Policies and Institutions, with a Focus on Inclusion, Equal Opportunity and the Informal Economy. The case of Jordan, ILO;
- Dayioglu Meltem and Ercan Hakan (2010), Labour Markets Policies and Institutions, with a Focus on Inclusion, Equal Opportunity and the Informal Economy. The case of Turkey, ILO;
- Hammouda Nacer Eddine (2010), Labour Markets Policies and Institutions, with a Focus on Inclusion, Equal Opportunity and the Informal Economy. The case of Algeria, ILO;
- Ibourk Aomar (2010), Labour Markets Policies and Institutions, with a Focus on Inclusion, Equal Opportunity and the Informal Economy. The case of Morocco, ILO.

It also draws on the findings of Jacques Charmes (2010), Informal Economy and Labour Market Policies and Institutions in selected Mediterranean Countries, ILO.

The paper greatly benefited from the comments and inputs of Dorothea Schmidt, Senior Employment Specialist in the ILO Decent Work Team for North Africa

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Contents

1. Introduction

This paper highlights key employment and labour market challenges in five Mediterranean countries: Algeria, Jordan, Morocco, Syria[5] and Turkey, and analyses current labour market policies, programmes and institutions with a focus on exclusion and discrimination in employment, particularly among women and youth. It also provides a number of recommendations to address the main employment challenges.

Since their independence, these countries have pursued different socioeconomic policies, based on specific endowments in terms of natural resources and human capital, and differentiated economic, social and political contexts. Despite Gross Domestic Product (GDP) varying significantly among these countries, they have all enjoyed positive economic performance over the last years (prior to the economic crisis). Economic growth, however, has not been accompanied by positive employment outcomes. During this period, these economies have entered into a jobless growth path, at least with regard to jobs in the formal economy. Furthermore, high demographic growth rates have meant that the populations of these countries have a relatively young demographic profile, thereby straining their labour markets in providing sufficient numbers of quality jobs to match new jobseekers. They are among the most affected Mediterranean countries in terms of low labour market participation, high unemployment, underemployment and a vibrant informal economy. Women, youth and the population in shrinking rural areas are particularly affected by these negative labour market trends.

These countries are increasingly recognizing the centrality of employment for socio economic development and employment promotion is now identified as a priority in all national policy agendas. Despite progress, in terms of institutional development, policies and programmes and promotion of social dialogue, major challenges remain.

The first part is devoted to a diagnosis of the countries' labour markets. It analyses labour market trends with a focus on vulnerable groups in the formal and informal economies, with particular attention to gender equality issues.

The second part examines how governments are presently coping with labour market imbalances, with a special focus on the exclusion of relatively large sections of the populations from the job market, unequal working conditions among those employed, all within a pervasive world financial and economic crisis. This primarily includes the elaboration of active and passive policies and programmes specifically designed to provide an environment conducive to job creation and promotion of productive employment and decent work. It also looks into the countries' labour market regulations, which are a key element of policies, aimed at promoting efficiency and equity in the labour market. The successful implementation of labour market policies, programmes and regulations ultimately depends on the efficiency of social dialogue and employment services in charge of implementing them. This part also includes a discussion on the challenge of regularizing the informal economy.

The third and last part suggests some policy recommendations related to the improvement of labour market outcomes, policies and programmes. These recommendations are steered towards the promotion of labour market inclusion and equal opportunities as well as formalization and upgrading of the informal economy.

[5] Syria is used as an abbreviation of Syrian Arab Republic.

2. Diagnostic of the labour market

The five countries under investigation are facing unprecedented labour market challenges.[6] Their population is expected to increase from 149 million in 2000 to 196 million by 2020 and their labour force is expected to increase from 51 million to 72 million over the same period. However, while half the population is female, only about one fourth of their current labour force is female. They have the lowest employment-to-population rates in the world. This is associated with low participation of women and youth in the labour market. Women's employment status in these countries is unfavourable compared to that of women in other regions of the world. They all suffer from extremely high unemployment and underemployment that mostly affects youth and women. In 2008 unemployment rates were among the highest in the world: about 10 per cent compared to a world average of 6 per cent.[7]

The private sector is increasingly providing the bulk of job creation. But, the size of the informal economy remains large and the decrease of its share in global employment is slow. A large number of young people, and particularly early school leavers, are concentrated in the informal economy. Informal workers frequently work long hours with low wages, under poor and precarious working conditions, without access to social protection, freedom of association and collective bargaining.

2.1 Macroeconomic situation and the impact of the financial crisis

Despite positive economic performance, economic growth in the region weakened markedly in 2009 as the onset of the global economic recession and the fall in oil prices.[8] Furthermore, countries in the region have likely been affected by problems in obtaining credits following the Dubai debt crisis. As we can see in the table below, between 2008 and 2009 GDP growth dropped from 5.6 to 3.1 per cent in Jordan and from 6.2 to 4 per cent in Morocco. In Syria, it dropped from 4.7 to 1.9 per cent and in Turkey, GDP growth plummeted by 5 percentage points in 2009,[9] but there were some signs of recovery during the third quarter of 2009.[10] Such economic decelerations are bound to impact on employment. Algeria is the only country where GDP growth contracted slightly; this may be attributed to the fact that the Dubai debt crisis had a minimal impact on this country whose debt levels are much lower than the others (net public debt in 2009 was about 20 per cent of GDP in 2009).

[6] See tables 1 to 5 in the Annex for a regional and country comparison.
[7] Global employment trends, May 2009 (update), ILO.
[8] Country Forecast Middle East and North Africa. Regional overview. December 2009. The Economist Intelligence Unit.
[9] L. Christensen, *Turkey: Steep drop in GDP growth*, 10 September 2008, www.fxstreet.com/fundamental/economic-indicators/turkey-steep-drop-in-gdp-growth/2008-0910.html.
[10] "GDP decline slows sharply" EIU ViewsWire: 10 December 10 2009.

Table 1. Nominal GDP, Real GDP growth and GDP per capita (2007-2010)

		2007	2008	2009	2010
Turkey	**Nominal GDP (US$ m)**	647140	729990	618321	713549
	Real GDP growth (%)	4.7	0.9	-6	3.2
	GDP per head (US$ at PPP)	12480	12730b	12011	12423
Morocco	**Nominal GDP (US$ m)**	75114	88880	92558	102092
	Real GDP growth (%)	3.2	6.2	4	3.8
	GDP per head (US$ at PPP)	4095	4385b	4572	4761
Algeria	**Nominal GDP (US$ bn)**	134.3	174.6	162.1	183
	Real GDP growth (%)	3.1	2.8	2.6	4.6
	GDP per head (US$ at PPP)	7563 b	7827	8002	8329
Jordan	**Nominal GDP (US$ m)**	16532	20068	20704	22507
	Real GDP growth (%)	6.6	5.6	3.1	3
	GDP per head (US$ at PPP)	4580b	5062	5112	5167
Syria	**Nominal GDP (US$ m)**	40416	50573	51302	59763
	Real GDP growth (%)	6.3	4.7	1.9	4.1
	GDP per head (US$ at PPP)	4394b	4535	4540	4666

Source**:** IMF, International Financial Statistics in Economist Intelligence Unit, Country Reports 2009 and 2010.

Note**:** Data for 2009 are EIU estimates and for 2010 are forecasts b: EIU estimates.

As can be seen in the table below, the agricultural sector contributes the lowest share of GDP, however, with strong variations. Most economies are more (Jordan[11], Turkey, Morocco) or less (Syria) services-oriented, except Algeria that maintains a strong industrial sector. According to recent estimates, in 2009 the industrial sector substantially contracted in all countries except in Jordan where the services sector was the hardest hit.[12]

Table 2. Shares of GDP (value added) of services, industry, agriculture (1990-2008), per cent

	1990	1995	2000	2005	2006	2007	2008
Turkey							
Services	50	50	57	61	62	63	62
Industry	32	33	31	29	29	28	28
Agriculture	18	16	11	11	10	9	10
Algeria							
Services	40	39	33	30	30	31	23
Industry	48	50	59	62	62	61	69
Agriculture	11	10	9	8	8	8	9
Jordan							
Services	64	67	72	68	67	67	64
Industry	28	29	26	29	30	29	32
Agriculture	8	4	2	3	3	3	4
Morocco							
Services	48	51	56	57	56	59	64
Industry	33	34	29	28	27	27	20
Agriculture	18	15	15	15	17	14	16
Syrian Arab Republic							
Services	45	48	38	45	49	47	45
Industry	25	20	38	35	32	35	35
Agriculture	30	32	24	20	18	18	20

Source: World Bank, World Development Indicators Dataset, 2009.

[11] For Jordan the low share of agriculture should not be seen as an indicator of development but it is simple the result of the fact that they only have 5 per cent agricultural land and that it is almost impossible to extend this given the climate conditions in this country.

[12] See EIU Country Reports 2010. Data and charts section. Annual data and forecast.

Probably, due to its greater exposure to the world economy, the impact of the current financial and economic crisis has hit Turkey harder than the other countries under scrutiny. It impacted heavily on the real sectors of Algeria, and Morocco, where export revenues, capital inflows, and tourism have slowed down significantly. Exports in Morocco declined from US$20330m in 2008 to US$14592m in 2009 and in Algeria from US$78590m in 2008 to US$43479m in 2009. Jordan and Syria are in a difficult position due to limited financial resources, traditional budget deficits, dependence on foreign aid, and exposure to the economies of the Gulf countries. [13]

Table 3. Economic indicators (current account and fiscal indicators)

		2006	2007	2008	2009
Algeria	Trade Balance (US$ m)	34,060	34,240	40,600a	6,391
	Services Balance (US$ m)	-2,200	-4,090	-7,590	-7,554
	Income Balance (US$ m)	-4,520	-1,830	-1,340	-1,541
	Current account balance (US$ m)	28,950	30,540	34,450	-1,268
	Net public debt (% of GDP)	21.7	11.9	13.5	19.8
Morocco	Trade Balance (US$ m)	-9,757	-14,170	-19,497	-16,450
	Services Balance (US$ m)	5,316	6,749	6,722	6,466
	Income Balance (US$ m)	-477	-404	-522	-421
	Current account balance (US$ m)	1,315	-224	-5,659	-3,460
	Net public debt (% of GDP)	66.6	63.7	55.6b	53.6
Syria	Trade Balance (US$ m)	886	-521	-1,996	-2,979
	Services Balance (US$ m)	404	849	1,051	1,388
	Income Balance (US$ m)	-935	-689	-718	-641
	Current account balance (US$ m)	890	459	-687	-1,426
	Net public debt (% of GDP)	34.0b	28.7b	25.4	31.8
Turkey	Trade Balance (US$ m)	-40,941	-46,669	-52,844	-23,183
	Services Balance (US$ m)	13,831	13,879	17,513	17,893
	Income Balance (US$ m)	-6,691	-7,143	-7,964	-7,850
	Current account balance (US$ m)	-40,941	-46,669	-52,844	-23,183
	Net public debt (% of GDP)	45.5	39.6	40	48.3
Jordan	Trade Balance (US$ m)	-5,035	-6,442	-7,126a	-5,504
	Services Balance (US$ m)	-63	-68	289a	820
	Income Balance (US$ m)	581	807	951a	332
	Current account balance (US$ m)	-1,577	-2,924	-2,354a	-1,277
	Net public debt (% of GDP)	68.7	69.4b	62.2	70.3

Source: IMF, International Financial Statistics in EIU country reports, 2010 and 2009.

The ILO's Trends Econometric Models estimate that the direct impact of the financial crisis on unemployment in the Arab states is likely to be limited relative to other regions in the world. Nevertheless, there will be an impact, and reverberations are already being felt in some quarters.[14] In the countries under review, it can be seen that the financial crisis is having a substantive impact on unemployment rates. In Turkey, in December 2008, unemployment increased to 14 per cent. The unemployment increase started in June 2008, in the middle of the high season for construction and tourism sectors. The unemployment

[13] See Economist Intelligence Unit Country Reports January 2010 and "Arab Countries Stumble in the Face of Growing Economic Crisis" by I. Saif and F. Choucair; Carnegie Endowment, May 2009, http://www.carnegieendowment.org/files/economic_crisis_wc_english.pdf. as well as Article IV Consultation reports, IMF

[14] The Impact of the Financial and Economic Crisis on Arab States: Considerations on Employment and Social Protection Policy Response, Beirut, ILO, 2009.

rate peaked in February 2009 at 16 per cent. The industrial sector has borne the brunt of the crisis: during the first two quarters of 2009, it recorded successive negative employment growth compared to an average positive growth of 2.9 per cent in 2008. Employment growth in agriculture and services was also affected, but to a lesser extent: from 3.1 per cent (average) to 1.6 per cent in 2008, and from 1.5 per cent to 0.8 per cent, respectively, in the second quarter of 2009.

A recent ILO study compared current unemployment rates of 17 countries to their historical high over the last 40 years and concluded that in a majority of these countries (13) the unemployment rate is lower in early 2009 than the historical high. It is equal or very close in three countries (Japan, Sweden and the United States) and higher, in 2009, in one country (Turkey).[15] In Jordan, as remittances and local and foreign investments have started declining, layoffs have occurred in the banking and financial sector and it is forecasted that unemployment will rise above 13 per cent in 2009. There are forecasts predicting that, under current labour market conditions, unemployment may reach 20 per cent by 2015.

Several observers foresee a prompt recovery of these economies, *if* the world crisis is not prolonged. Such an assessment is predicated on the fact that: non-oil countries (such as Jordan, Syria and Morocco) are too weakly integrated into international trade and capital markets; most energy exporters, such as Algeria, are likely to survive the crisis (at least for some time) because of the considerable financial reserves they have been able to accumulate during the boom years.[16] Moreover, a recent study predicts that the Middle East and North African region may be leading the world economic growth in the 2009-2013 period.[17]

Table 4. Real GDP growth rates (market exchange rates), forecasts 2009-2013

	2009	2010	2011	2012	2013
World	- 3.0	0.9	2.4	2.9	3.1
Middle East and North Africa	1.5	2.8	4.8	5.5	5.5
Sub-Saharan Africa	- 1.0	3.0	4.9	5.0	4.7
Latin America	- 2.5	1.3	3.4	4.0	4.0
Asia and Australasia (incl. Japan)	- 2.3	3.5	3.9	4.4	4.5
Eastern Europe	- 4.0	3.6	3.7	4.2	4.7
Western Europe	- 4.1	- 0.5	1.2	1.7	1.9
North America	- 3.2	0.6	1.5	1.9	2.1

Source: *Globalization Stalled*, Economic Intelligence Unit (May 2009).

However, the current deceleration of the economy and its adverse effects on the labour market may be difficult to overcome in the future, even in the event of a recovery of the economic situation. Evidence of past crises[18] indicates that, even after economic growth

[15] Protecting people, promoting jobs. A survey of country employment and social protection policy responses to the global economic crisis. ILO, Geneva, September 2009. An ILO report to the G20 Leaders' Summit, Pittsburgh, 24-25 September 2009, http://www.ilo.org/public/libdoc/jobcrisis/download/protecting_people_promoting_jobs.pdf.

[16] See for instance, German Institute of Global and Area Studies, *The Impact of the International Financial Crisis on the Middle East and North Africa*, http://www.innovationsreport.com/html/reports/studies/impact_international_financial_crisis_middle_east_137299.html.

[17] *Globalization Stalled*, Economic Intelligence Unit (May 2009).

[18] Four years after the Asian crisis of 1997–98, unemployment rates were still above their pre-crisis level. In Thailand, real manufacturing wages remained depressed for several years after the August 1997 crisis. Wage inequality increased in several Asian countries and member States of the Commonwealth of Independent States following the 1997–98 crisis. In the United States, 35 months

returns, employment only recovers to pre-crisis levels after a gap of four to five years on average. One of the current world crisis's "merits" is to have shed light on the five countries' structural vulnerability in terms of overall lack of sound, long-term, economic and labour market governance. This may, accordingly, prompt them to engage in reform policies towards more efficient, inclusive and equitable employment markets.

2.2 The demographic determinants of the labour force

The demographic trends in the five countries under scrutiny may pose some challenges for their labour markets in the coming years. Declining demographic growth rates (DGR), mostly due to decreasing fertility rates and increases in life expectancy (see tables 6 and 7 in statistical annex), have usually been interpreted (and celebrated) as a move towards modernity and sustainable development. As shown in Table 1, the DGRs in the first five years of the 2000s are significantly lower than they were ten years earlier. Syria stands out as an exception: despite declining fertility rates, the demographic rate has increased in the 2000s. This is due to large inflows of Iraqi immigrants (1.2 million, namely 6 per cent of the population residing in Syria)[19] after 2003.

Table 5. Population (2005) and demographic growth rates, 1990-1995 and 2000-2005 (per cent)

Algeria		**Morocco**		**Jordan**		**Syria**		**Turkey**	
Pop: 32.9 m		Pop: 30.5 m		Pop: 5.6 m		Pop: 19.1 m		Pop: 71.2 m	
Demo. growth		**Demo. growth**		**Demo. growth**		**Demo. growth**		**Demo. growth**	
1990-95	**2000-05**	**1990-95**	**2000-05**	**1990-95**	**2000-05**	**1990-95**	**2000-05**	**1990-95**	**2000-05**
2.23	1.48	1.66	1.13	5.59	2.74	2.77	2.94	1.75	1.37
Fertility rate		**Fertility rate**		**Fertility rate**		**Fertility rate**		**Fertility rate**	
1990-95	**2000-05**	**1990-95**	**2000-05**	**1990-95**	**2000-05**	**1990-95**	**2000-05**	**1990-95**	**2000-05**
4.13	2.53	3.66	2.52	5.14	3.53	4.86	3.64	2.9	2.23

Source: *World Population Prospects*, in: http://esa.un.org/unpp/p2k0data.asp

In the next decades, however, demographic trends will continue to constrain the labour market. In Jordan and Syria, demographic growth rates remain relatively high. But, more generally, the five countries are at different stages of their demographic transition,[20] whereby the overall population growth rates decrease with a relative decline in the size of the child and elderly population compared to that of the working age population. The latter keeps increasing due to past high fertility rates. As the "youth bulge" (the largest 15-24 age

elapsed before employment returned to its previous level. Following the 1990–91 recession in Finland, it took 18 years for employment to return to its pre-crisis level. *Report of the Director-General: Tackling the global jobs crisis. Recovery through decent work policies.* International Labour Conference, 98th Session 2009, www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_106162.pdf.

[19] UNHCR, September 2009, www.unhcr.org/refworld/country,USCRI,,PSE,4562d8cf2,4a40d2b3a,0.html.

[20] The demographic transition is a demographic phenomenon accompanying economic development. It denotes the transformation of pre-industrial societies with high birth and death rates (phase one) to societies with declining death rates resulting from increased life spans due to improvements in food supply and sanitation (phase two), and to a decline of birth rates as a result of the spread of contraception and more generally a rise of the educational and socioeconomic status of women (phase 3). In a fourth phase, both birth and death rates are low, which may result in a stabilization of the size of the overall population.

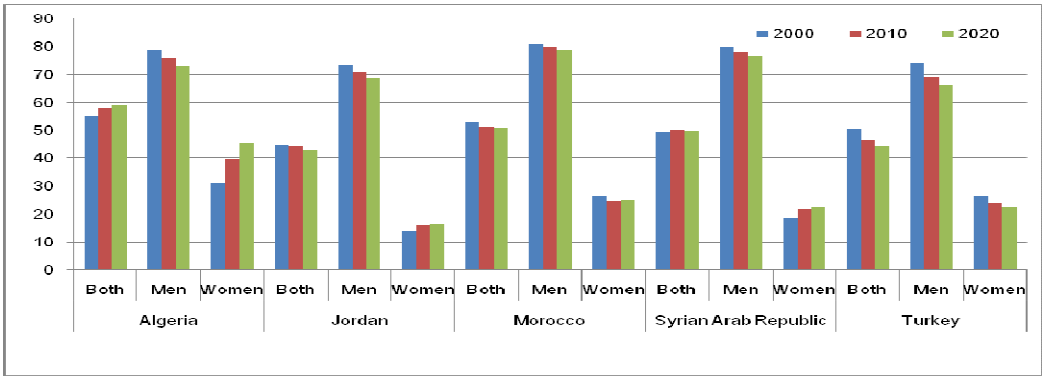
cohort) advances through the age structure, the number of economically active population is bound to increase the demand for employment that is already outrunning the job supply. Women's lower fertility rates and the postponement of marriage may also add, in the future, to the size of the economically active population (see ILO forecasts of labour force participation in table 8 in the statistical Annex).

Table 6. Projections of economically active population (15+) and overall population, in thousands

	Economically Active Population			Population		
	2000	**2010**	**2020**	**2000**	**2010**	**2020**
Algeria	11071	14950	17813	30506	35423	40630
Morocco	10144	11963	13649	28827	32381	36200
Syria	4838	7014	8805	16511	21428	25573
Turkey	23911	26653	29316	68158	77703	86070
Jordan	1285	1877	2255	4799	6453	7469
Total	51249	62457	71838	148801	173388	195942
women	*13091*	*16673*	*20059*	*73942*	*86378*	*97790*

Source: ILO, Labour Statistics Database (www.ilo.org/stat).

Figure 1. Total (15+) economically active population by sex (rates)



Source: ILO, *Labour Statistics Database* (www.ilo.org/stat).

That bulge in economically active people has traditionally been portrayed as a "demographic window of opportunity" because it entails declining dependency ratios and, therefore, opportunities for higher rates of savings and investments. However, it may well also turn into a curse if the labour market is not able to absorb it.

In the meantime, other demographic trends will continue to affect the five countries' labour markets. The first one relates to the variations in the rural/urban composition of the population. National development policies, including infrastructural investments, have prioritized urban and industrial growth for decades. An important part of the agricultural sector has been somewhat marginalized from this modernization process, especially since these countries' primary concerns have been to provide food and raw materials for urban centres and their manufacturing facilities.

This trend has resulted in the exodus of part of the rural population towards the urban areas, thus spawning a "segmented" economy characterized by a dichotomy between densely populated urban areas versus neglected and sparsely inhabited rural areas.

Although rural populations still record higher fertility rates,[21] urban populations form the majority of the countries' population, with some variations, however: from 78 per cent in Jordan, to 68 per cent in Turkey, 65 per cent in Algeria, 56 per cent in Morocco and 54 per cent in Syria.[22] Trends, however, vary depending on the countries. Whereas in Turkey and Jordan, rural-urban migration flows are relatively modest, Syria is said to be experiencing a renewed dynamic phase of rural-urban migration that was triggered by the dismantling of the State-owned farms and the liberalization of land transactions in 2003-2004.[23]

Another important demographic trend relates to migration flows. Syria and Jordan have been especially affected. Both countries have hosted large refugee populations that work mainly in the informal economy. Since 2003 about half a million of Iraqi refugees are in Jordan and 1.2 million in Syria.[24] These countries have also hosted numerous waves of Palestinian refugees/displaced persons.[25] And, since the advent of the world and Gulf financial crisis, both counties are witnessing a return of professional expatriates who had been employed in the Gulf States. It is, however, difficult to measure the actual impact of these trends on these labour markets since no official data is available.

2.3 Education trends

The most striking characteristic of the selected countries is the existence of a large (although decreasing) illiterate labour force. Illiterate people are compelled to accept precarious low pay/productivity jobs, with inadequate working conditions largely in the informal economy**.**

Despite progress, important gender inequalities in educational attainment are found in these countries. However, women's educational status should be put into a generational perspective. The data presented in the table below takes into account older women who were pupils at a time when their enrolment was lower than today. Literacy rates among the youth 15-24 are much higher than those of the overall 15+ population. In Turkey, the male population aged 15+ recorded higher literacy rates than in other countries under survey . The male youth population aged 15-24 years enjoy high literacy rates particularly in Turkey and Jordan. Likewise, Turkey's female youth population are more (5.7 per cent) than the overall female population aged 15+ but their literacy rates are still lower than for their male counterparts. Moroccan women and young women face the lowest literacy rates of all the countries under scrutiny.

[21] The Jordanian case is relatively well documented: children aged 0-14 make up 38.4 per cent of the rural population compared to 36.5 per cent of the urban population.
[22] World Bank data: devdata.worldbank.org.
[23] See country reports on Jordan, Syria and Turkey.
[24] *Refworld*, UNHCR, 2 September 2009, http://www.unhcr.org/refworld/country,,USCRI,,PSE,4562d8cf2,4a40d2b3a,0.html and Norwegian Institute for Applied International Studies (Fafo), *Iraqis in Jordan – their numbers and characteristics*, www.dos.gov.jo/dos_home_e/main/Iraqis percent20in percent20Jordan.pdf.
[25] Palestine refugees registered with UNRWA constitute 34,5 per cent and 2.6 per cent of the total population in Jordan and Syria. See UNRWA, *UNRWA in Figures - Figures as of 30 June 2002*, UNRWA HQ (GAZA), September 2002.

Table 7. Literacy rates of the population aged 15 + and 15-24 per sex, latest available year (per cent)

Adult population		2006	2007	2008
Algéria	Women	63.9	...	...
	Men	81.3	...	...
Jordan	Women	...	88.9	...
	Men	...	95.5	...
Morocco	Women	...	...	(**) 44.1
	Men	...	...	(**) 69.4
Syria	Women	...	...	(**) 77.2
	Men	...	...	(**) 90.0
Turkey	Women	80.4	81.3	...
	Men	96.0	96.2	...

Source: Unesco Database. (**): Estimate

Youth		2006	2007	2008
Algéria	Women	89.1	...	...
	Men	94.4	...	...
Jordan	Women	...	98.9	...
	Men	...	99.0	...
Morocco	Women	...	...	(**)68.4
	Men	...	...	(**) 84.8
Syria	Women	...	...	(**)92.5
	Men	...	...	(**)95.5
Turkey	Women	94.1	94.3	...
	Men	98.4	98.6	...

Source: Unesco Database. (**): Estimate

The growing awareness that human development is an essential determinant of economic growth and crucial to combat poverty and inequality–has led these countries to increase their investment in education.[26] This is particularly true for those countries whose investment was low. For instance, Morocco and Jordan increased their average expenditure on education from 3.4 and 3.2 per cent of their GDP in the 1965-1974 period, to 5.9 and 6.4 per cent, respectively for 1995-2003. In contrast, Syria and Turkey's levels of expenditure

[26] See discussion on the importance of improving access to skills in order for countries to move to a virtuous circle of higher productivity**,** employment and income growth, and development in "Skills for improved productivity, employment growth and development". ILO, Report V, International Labour Conference, 97th Session, 2008.

on education have remained lower: 3.2 and 3.7 per cent of the GDP, respectively, in 2003. In comparison, in 2003, the OECD average expenditure on education was 5.5 per cent. Overall, the Middle East and North Africa region does well on spending on education as a proportion of GDP compared to East Asia and Latin America. In the period 1965–2003, Middle East and North African governments spent an average of approximately 5 per cent of their GDP on education, whereas East Asian and Latin American countries spent closer to 3 per cent.[27]

Table 8. Average of Public Expenditure on Education as a Percentage of GDP, 1965–2003

	1965-74	1975-84	1985-94	1995-2003
Algeria	6.2	6.1	7.2	6.1
Jordan	3.2	5.2	6.1	6.4
Morocco	3.4	6.3	5.6	5.9
Syria	3.3	5.4	4.3	3.2
Turkey	na	na	2.4*	3.7**

Source: The World Bank, *The Road not Traveled – Education Reform in the Middle East and North Africa,* Mena Development Report, Washington D.C., 2008, p.11, and www.oecd.org/dataoecd/7/32/37344685.xls (for Turkey).

*= Data for 1995, OECD **= Data for 2003, OECD.

This overall increase in investment in education, together with urbanization and a growing public demand for quality education, has resulted in a rise in enrolment rates at all levels. As can be seen in table 9 in the annex, the primary gross enrolment rate has risen to about universal enrolment today.[28] The evolution of the gender parity index (GPI)[29] has reflected an improvement in the female educational status. For example the GPI of primary gross enrolment rates has grown from less than 0.5 in Syria and Morocco and less than 0.7 in Jordan and Algeria to almost parity in the 2000s.

Women's improvement in educational status is also reflected in enrolment rate figures for secondary and tertiary education. As it is indicated in the table below, Jordan and Turkey have the highest gross enrolment rates for both men and women of all five countries. In contrast, Morocco records the lowest secondary and, particularly, tertiary enrolment rates, way below the Arab States average; its gender male/female gap is also the widest. It is interesting to note the increase in gross enrolment rates in pre-primary education. While these are still extremely low by international standards, the relative substantive increase in the last years may be related to the increases in female labour force participation.

Overall, despite the progress achieved by these countries in particular (and the Middle East and North African countries at large) in promoting access to education, their average level of education is lower than that found in other middle-low income countries in South America or East Asia.[30]

[27] The World Bank, *The Road not Traveled – Education Reform in the Middle East and North Africa*, Mena Development Report, Washington D.C., 2008.

[28] The gross enrolment rate is the ratio of total enrolment, regardless of age, to the population of the age group that officially corresponds to the level of education shown.

[29] This index is the ratio of the female-to-male values of the gross enrolment rate.

[30] See a detailed comparative analysis in World Bank, *The Road not Traveled – Education Reform in the Middle East and North Africa*, Mena Development Report, Washington D.C., 2008.

Furthermore, in this region as a whole – and this has also emerged clearly from the five country reports – the expansion of education (and especially for women) has not been tailored to meet the real needs of the labour market.[31]

2.4 Labour force participation, employment and un(der)employment

Despite relatively positive economic performance, labour force indicators show a negative picture of the labour markets in these five countries. Participation and employment rates are low, unemployment and underemployment rates are high, and the informal economy size is large.

Low **participation and employment** rates are a key characteristic that defines the five countries' labour markets, with coefficients ranging from a low of 26.6 employment rate in Algeria to a high of 46.1 per cent in Morocco in 2008, as indicated in the table below.[32]

Table 9. Employment-to-population ratios and labour force participation rates, 2007 and 2008

	Jordan		Morocco		Syria		Algeria		Turkey	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Participation rate	43.3	43.4	51.1	51.1	49.6	49.7	40.9	41.7	47.1	46.7
Male	69.8	69.8	79.5	79.4	78.3	78.1	na	69.0	70.0	69.6
Female	15.2	15.5	24.5	24.4	20.9	21.2	na	14.1	24.2	24.0
Employment to population ratio	37.3	37.9	46.0	46.1	44.6	44.8	25.5	26.6	42.4	42.3
Male	60.5	61.2	71.5	71.9	72.5	72.5	na	na	63.2	63.0
Female	12.8	13.3	22.1	22.0	16.6	16.9	na	na	21.7	21.7
Youth participation rate	26.1	25.5	41.4	41.1	40.7	40.2	28.2	na	38.0	37.2
Male	41.8	40.7	61.1	60.9	59.3	57.9	47.5	na	51.0	49.8
Female	9.6	9.5	21.8	21.4	21.5	22.0	8	na	24.5	24.2
Youth employment ratio	19.9	19.8	34.1	34.7	32.7	32.3	na	na	30.7	30.7
Male	32.2	31.9	50.1	51.0	50.3	49.2	na	na	41.3	41.0
Female	6.9	7.1	18.3	18.5	14.5	14.8	na	na	19.8	20.0

Source: KILM 6th Edition, National Statistical Offices

These rates are significantly lower than in other regions. For example, according to Eurostat, the average employment rate in the EU 27 in 2008 was 65.9 and in the EU 15 it was 67.3. Longitudinal analysis shows that participation rates have stagnated (or slightly declined) in past years in all countries under survey. While projections anticipate a rise in the number of active persons in the coming decades due to the current "youth bulge", participation figures may well remain lower than in other regions.

The above table also reveals the huge discrepancy existing between male and female participation and employment rates, especially among the younger population. The

[31] For instance, the percentage of students enrolled in scientific (engineering, technical etc.) faculties in the five Arab countries under survey ranged in the early 2000s between a low of 18 per cent in Algeria and a high of 30 per cent in Jordan (average of 22.6 per cent among Arab countries). Conversely, the percentage of students engaged in education, humanities and social sciences stretched from 48.4 per cent in Algeria to 75.4 per cent in Morocco (average of 63 per cent among Arab countries). See World Bank, *The Road not Traveled – Education Reform in the Middle East and North Africa*, Mena Development Report, Washington D.C., 2008.

[32] See also Table 8 in the annex: Economically active population by age and sex (rates) 1990-2020.

differences are particularly striking in Jordan, Syria and Algeria. The Middle East and North Africa's average female participation rates are similar, standing at 25.1 in the Middle East and 28.1 per cent in North Africa; this is about twice as low as similar rates in other regions of the developing world.[33] Longitudinal trends show that women's participation rates have increased significantly in the last decades, but these are still extremely low.

Relatively low participation rates, more especially among the female and young population, are believed to stem from various factors:

- *Demographic*: given past fertility and growth rates, the age structure of the population is weighted towards segments such as children and youth.
- *(Early) Retirement legislation*: civil servants usually benefit from early retirement schemes. Jordan, for instance, has witnessed growing numbers of early male retirees (45 years instead of 60 years). This may explain why male participation rates reach their highest levels in the 30–40 age range, and decline markedly afterwards.
- *Level of education*: despite an improvement in their educational profile in past decades, women's overall participation is still hindered by low educational attainment (the average number of years of schooling of the labour force is lower among women than among men). This is mainly due to the status of women in rural areas where it is less valued than in urban areas.
- *Loss of employment "niche" and rural/urban migration dynamics*: in Turkey and in Syria, rural populations are reported to have lost employment opportunities in recent years. In Turkey, former unskilled family agricultural workers who migrated to cities tend not to participate in the labour market. And, in Syria, significant losses in the agricultural labour force size were measured in the mid-2000s as a result of massive privatization of State-run farms that used to constitute an important share (65 per cent) of female rural population employment. As in Turkey, most rural female workers who migrated to cities tended to be socio-economically marginalized.
- *Socio-cultural reasons*: women's economic activity is often constrained due to their heavy engagement in household activities and unpaid family care responsibilities (that is not classified as non-economic activity). This seems to be particularly the case in Jordan and Syria. The drastic decline in women's economic participation after marriage testifies to this.[34] Other reasons include, lack of flexible forms of employment such as part time jobs and consequent discouragement, absence of good quality child care facilities and discrimination in employment and occupation.

Since women constitute about half of the total Middle East and North African population, the economy finds itself deprived of a large portion of its potential labour force, which restrains its performance and productivity. Adverse economic impacts also stem

[33] Source: World Bank, *Gender and Development in the Middle East and North Africa: Women in the Public Sphere*, 2004, p. 2 and ILO, *Key Indicators of the Labour Market, KILM*, 2009.

[34] In Jordan, only 10.5 per cent of married/ever married women are economically active (9.1 per cent employed, 1.4 per cent unemployed) compared to 20.2 per cent of never married women (13.7 per cent employed, 6.5 per cent unemployed). The causality link is reversed for men, who tend to be the household breadwinners: 72.4 per cent of married/ever married men are economically active (69.6 employed, 2.8 per cent unemployed) compared to 53.4 per cent of never married men (43 per cent employed, 10.5 per cent unemployed), in Department of Statistics (DOS – Jordan), *Employment and unemployment Survey*, First Round, February 2009.

from the relatively high pressure on the breadwinners, as the number of non-working dependants is relatively high.[35]

A combination of demographics, education and the structure of the labour market has determined the employment profile of the five countries under survey. Comparative analysis provides mixed results in terms of similarities and differences. Reflecting the age structure of the five countries' population, a majority of the employed persons are below 40 years, but the largest age group cohort varies from country to country: for instance, the largest cohort of employed persons in Morocco is the 35–44 years age group while in Jordan it is the 25–39 years age group. Regarding the region of residence, the employed in most of the countries live in urban areas (60 per cent in Algeria, 72.6 per cent in Jordan). Morocco and Turkey stand out, in this respect, as an exception. In Morocco although a majority of the population lives in urban areas (56 per cent), a majority of employed persons (55 per cent) live in rural areas. In Morocco overall participation in urban areas is quite lower than in rural ones (44.7 per cent compared to 59 percent for 2008 data). In Turkey data on employment and participation shows that both are also lower in urban areas (38.8 % and 46% respectively) than in rural ones (46.8% and 51.5% respectively) for 2009 data. But, this specificity is portrayed rather negatively since the rural workers are more likely to face underemployment. In Jordan, overall participation rate in urban areas in May 2009 was 41.5 percent compared with 39.7 percent in rural ones. In Algeria, the majority of new jobs created between 2000-08 were created in urban areas and today, it is estimated that 60 percent of overall employment is located in urban areas. Regarding gender differences in employment and participation in urban and rural areas, important differences exist between countries. In Jordan female participation in both rural and urban areas are very low and quite similar. Male participation, however, is much is higher in urban areas than in rural ones: 66.4 percent versus 63.0 percent in May 2009. In Morocco both female and male participation are much higher in rural areas (82% for men and 37% for women) than in urban ones (71.6% for men and 19.3% for women). In Algeria, employment rates for men are higher in rural areas (91%) compared to urban ones (80.3%) but employment rates for women are much higher in urban areas (19.7) than in rural ones (9.2%) according to 2007 data. Syria, experienced recent declines in rural participation due to privatisation of agriculture and women were the hardest hit by these losses. However, according to 2003 data female participation in rural areas is still substantially higher than in urban ones (23 per cent in rural areas compared to 15 percent in urban ones). Furthermore, regional differences are also significant as participation of rural women in coastal areas reaches 35 percent.

Another interesting area of similarity concerns the relationship between the level of education, participation, employment and sex. Men's highest employment rates are often to be found among those who did not pass through the elementary cycle: in 2008, 78.5 per cent in Morocco, for instance (compared to 64.3 per cent for tertiary education graduates and 52.7 per cent for secondary education); and, in Syria for instance, a majority of employed men (63 per cent) had not passed through the elementary cycle (2007). The situation is radically different for women: in Morocco, it is among tertiary education graduates that the highest rate of employed women is to be found (39.3 per cent, compared to 25.3 per cent for primary education graduates and 14.6 per cent among the secondary education graduates). In Syria, only one third of women, who did not pass through the elementary cycle, were employed. In Turkey, however, there is a strong correlation between educational attainment and labour force participation. In 2009, labour force participation of men with higher education was 83,7 % compared to 70,9 % for women.

[35] *Gender and Development in the Middle East and North Africa: Women in the Public Sphere*, 2004, p. 2.

Men and women tend to differ with respect to their type of economic activity and these countries face substantial occupational sex segregation.[36] Sex-based occupational segregation raises both equity and efficiency concerns because it affects women's socioeconomic status. In past decades, the economies of the reviewed countries have witnessed a decline of agriculture in the national economies; except in Morocco, rural areas no longer absorb labour force and the development of industry has been rather sluggish. Most employed persons of both sexes across the five countries under survey, except Morocco, therefore work in the services sector. The latter covers a vast array of economic activities of various socio-professional status: from labour-intensive occupations often associated with self-employment and informality (including wholesale and retail trade, hotels, transport) to professional, administrative, occupations in the government or in the private sector. Given their higher educational profile, young women are more inclined to work as professionals (and preferably in the public sector) than men; accordingly, they are also comparatively less inclined to operate as self-employed or as employers, or more generally in the private sector.

Simultaneously, the five countries, just like the whole region, are experiencing very high unemployment rates, over the 9–10 percentage average rates for the Middle East and North Africa. Such unemployment rates are the highest in the world. Jordan experienced the highest unemployment rate of 12.7 per cent in 2008. These high overall rates are accompanied by the highest female rates reaching rates of about 25 per cent in Jordan and Syria. They are higher than the average female unemployment rates for the Middle East (12.3 per cent) and North Africa (15 per cent) in 2008.

Youth unemployment is particularly high in all the countries and it is double or more than the total unemployment rate. Young women find it even harder than young men to find a job. In Jordan the female youth unemployment rate in 2008 was nearly 50 per cent. The reasons for high unemployment rates among young women are, more or less, the same as the reasons for adult women.[37] On the one hand, some employers openly give preference to male jobseekers, and on the other hand, the women that have gained access to education often do not wish to take up the type of jobs that are available to them. Some employers do actually prefer female workers, but the jobs offered are low-skilled and low-paid. The overall result is that some women will remain unemployed while waiting for the "right" job (with some holding out for public sector work) and other women – the majority – have little choice but to fall out of the labour force. However, perhaps, the greatest challenge for young women in the region is not so much unemployment, but their tremendous share of inactivity which, unlike in most other regions, is only to a small extent attributable to their engagement in educational activities.[38]

[36] See *Gender and Development in the Middle East and North Africa*. World Bank, 2004. www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2004/03/09/000090341_20040309152953/Rendered/PDF/281150PAPER0Gender010Development0in0MNA.pdf.
[37] See ILO Global Employment Trends for Women, 2008.
[38] ILO Global Employment Trends for Women, March 2008.

Table 10. Unemployment rates, 2007-2008 (per cent)

	Jordan		Morocco		Syria		Algeria		Turkey	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Unemployment rate	13.1	12.7	9.5	9.6	8.4	10.9	13.8	11.3	8.9	9.8
Male	10.3	10.1	9.6	9.6	5.7	8.3	12.9	na	8.8	9.7
Female	25.6	24.3	9.4	9.8	25.7	24.2	18.4	na	9.2	10
Urban	na	na	15.4	14.7	na	9.2	14.2	na	na	na
Rural	na	na	3.8	4.0	na	13.0	13.1	na	na	na
Youth unemployment rate	28.3	27.4	17.6	18.3	na	22.4	31.3*	25.2*	16.8	18.1
Male	23.7	22.7	18.2	na	na	8.3	na	na	16.8	18.1
Female	47.8	48.8	16.1	na	na	24.2	na	na	16.7	18.0

*= less than 20 years of age. Source: KILM 6th Edition, National Statistical Offices

Table 11. Trends in open unemployment and underemployment rates, 2000-2009

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Open unemployment										
Turkey	6.5	8.4	10.3	10.5	10.3	9.9	9.9	10.3	11.0	14.9
Syria	na	10.3	11.6	11.1	12.3	8.0	8.5	8.4	10.9	na
Jordan	13.7	14.7	15.3	14.5	14.7	14.8	14.0	13.1	12.7	na
Algeria	29.7	27.3	na	23.7	17.7	15.3	12.3	13.8	11.3	na
Morocco	13.4	12.3	11.3	11.4	10.8	11	9.7	9.8	9.6	8.0
Underemployment (including open unemployment)										
Turkey	10.9	12.3	14.0	14.0	14.6	16.1	16.9	17	19	na
Syria	na	na	na	31.6	na	na	na	na	na	na
Morocco	28.0	27.8	27.6	26.5	25.3	24.6	22.1	19.7	19.2	na

Source: National labour force surveys, various years.

Furthermore, underemployment[39] is also very high and increasing in some countries. In Turkey, it has nearly doubled over the past decade (from 11 in 2000 to 19 per cent in 2008). While in Morocco it has decreased, underemployment is still very high (over 19 per cent in 2008). In Syria, a study conducted by the Norwegian Foundation FAFO[40] and based on the 2003 labour force survey, measured and analysed underutilization[41] of the labour force, concluding that the underutilized are three times as many as the unemployed. Furthermore, the underutilization of men (30.8 per cent) is almost four times as high the unemployment rate. Underutilization of male labour manifests itself as invisible underemployment, while underutilized women are less frequently invisibly under-employed.

Regarding the distribution of unemployment by educational attainment, in Jordan, as much as 63 per cent of unemployed men have an education below secondary level. In Morocco and Algeria, however, the challenge of the "educated unemployed" is a major problem. In Morocco, unemployment rates of the population with secondary education and higher is about 20 per cent compared to 8 per cent of those with only primary education. In

[39] See ILO definition of underemployment at: www.ilo.org/global/What_we_do/Statistics/topics/Underemployment/history/lang--en/index.htm.

[40] The Syrian Labour Market: Findings from the 2003 unemployment survey, FAFO, 2007, http://www.fafo.no/pub/rapp/20002/20002.pdf.

[41] Underutilization includes unemployment, discouragement and visible and invisible underemployment.

Algeria, the unemployment rate of those with tertiary education is above 20 percent (33 per cent for women). Unemployment in general is higher in urban areas than in rural ones. This discrepancy is particularly high in Turkey where rural unemployment is 9% compared to 15.6 percent in urban areas and in Morocco where there rates are 4 percent and 14.7 percent respectively. In Syria, however, unemployment in rural areas is higher.

2.5 Wage trends and the gender wage gap

Wage statistics in these countries are scarce and their quality sometimes questionable. This is because wage statistics are not only among the most complex, but also require substantial resources and infrastructure. Following similar trends in other countries in the region and, as can be seen in the table below, in the last decade, real wages increased marginally or stagnated. Worker productivity, which should be the basis for real wages, increased in the 1990s by less in the Middle East and North Africa than in any other region except Europe and Central Asia that had been undergoing significant economic restructuring.[42]

The five countries have enacted minimum wage legislation, but this is thought to be ineffective because of the low level of the minimum wage (see table below), weak coverage and lack of enforcement.[43] Wages tend to be more egalitarian in the public sector than private sector, leading to a narrower range of wages. Public sector wage-setting rules also place more emphasis on formal education and seniority. Estimates of returns to education are generally higher in the public sector than private sector, at nearly all educational levels, except the university level.[44] Rates of return to education in the private sector have declined in Morocco, matching estimates of more rapid increases in unemployment of educated workers in Morocco, where the public sector has contracted. In Syria, for the first time, the 2008 labour force survey provides information on wages according to type of employer. The average wage in Syria is around €178 per month. The highest average salaries are in the public sector and the lowest are for women in the informal sector at only €97 per month. Important differences exist between productivity and wages in the formal and informal economy.

[42] For the Middle East and North Africa, as a whole, worker productivity increased by an average of about 0.7 per cent a year in the past decade. According to World Bank estimates, average annual growth in output per worker was negative in Jordan, the Syrian Arab Republic and Algeria.

[43] Syria is the only one of the five countries that has ratified (in 1972) Convention No. 131 Minimum Wage Fixing, 1970.

[44] See Table 4.6 on rates of Return to Schooling in MENA Countries, by Gender and Sector (per cent per year) in "Unlocking the Employment Potential in the Middle East and North Africa. Toward a New Social Contract".

Table 12. Trends in wages

	Average real wage growth		Changes in minimum wages (MW) over the period 2001-07			Level of the minimum wage (2007 or latest year available)		Share of wage employment (2006 or latest available year)		
	1995-2000	2001-2007	Annual growth (real)	MW/GDP per capita (%)	MW/average wages (%)	PPP (US$)		Men	Women	All
Algeria	4.95	5.63	3.5	-16.16	na	294	53.97	61.9	49.8	59.8
Morocco	na	Na	-0.32	-22.78	na	383	112.91	46.8	33.4	43.2
Jordan	na	0.61	-0.79	-17.58	-3.36	234	57.52	na	na	na
Syria	na	Na	8.71	17.01	na	262	69.93	49.8	46.6	49.2
Turkey	na	2.85	6.86	14.26	24.67	605	56.30	59.9	46.7	56.5

Source: ILO, Global Wage Report 2008 / 09. Minimum wages and collective bargaining. Towards policy coherence.

A fundamental dimension of labour market inequalities in these countries is the difference between men's wages and women's wages, the so-called gender pay gap i.e. the difference between the wages earned by women and those earned by men. Key issues are whether there is equal remuneration for work of equal value, and whether occupational segregation and wage differentials have widened or narrowed. Such questions are difficult to analyse in view of limitations in both research and data. The gender pay gap has not only an impact on the current economic situation of women but also an important impact on lifetime earnings and on women's pensions. Measuring the gender pay gap is a challenging task and only limited empirical analysis exists in these countries. Furthermore, the gender pay gap is unable to capture female participation in the informal economy, n these countries, where it is large.

While further research on this topic is needed countries -and in particular Turkey- are making some efforts to compile empirical evidence on the gender wage gap. A recent study in Turkey using data of formal sector firms with 10 or more workers, in the industries of manufacturing, electricity, gas and water, mining and quarrying, finds a 70.6 per cent female to male wage ratio. The gender wage gap is reduced to 85.2 per cent when they control for human capital variables, and further to 91.2 per cent when they control for all types of other industry, occupation, sector, and firm characteristics. In other words, given two workers, one male and one female, with exactly the same wage-enhancing characteristics (education, experience, tenure, occupation, industry, sector, and firm characteristics), the male worker still earns on average 10 per cent more than the female worker. The study shows that a substantial portion of the gender wage gap is attributable to the occupational and industrial gender segregation plus male–female differences in a number of labour market affiliations (type of firm, sector, and collective labour bargaining status). The study concludes that lower human capital endowments of women and the systematic allocation of women into lower-paying private sector jobs not covered by collective bargaining agreements and their heavy concentration in only a few occupations and industries are indicative of different forms of gender discrimination..[45]

The Jordan country study highlighted the pay discrimination Jordanian women faced in absolute terms. The Employment (enterprise-based) Survey organized by the Statistical Office in 2006 shows that female employees are systematically paid less than their male

[45] The Gender Wage Gap in the Turkish Labour Market. Ipek Ilkkaracan, Raziye Selim, 2007, http://www3.interscience.wiley.com/cgi-bin/fulltext/117979455/PDFSTART.

counterparts whatever the skill level category. The gender pay gap is at its widest at high skill levels that correspond to "professionals" in terms of professional category (or occupation). Professional women are paid 35 per cent less than their male counterparts.[46] In Algeria, the female average wage in 2005 was nearly 50 per cent of the male average wage. This gap corresponds to the cumulative effects of different outcomes between women and men, namely, educational attainment, discrimination in job access and wage discrimination.[47]

In Syria, analysis based on data for the 2003 Syria Labour Force Survey reveal that the gender pay gap narrows for those women with higher levels of education, particularly female public sector employees. Those with the lowest levels of remuneration are illiterate female workers in comparison to men. The wage functions estimated from the Morocco's Living Standard Measurement Survey of 1999 concern urban wage earners. They reveal that the education return is higher for women than for men. However, the returns from professional experience are higher for men than women. [48]

2.6 The informal economy[49]

Defining informality

The term "informal economy" encompasses the expanding and increasingly diverse group of workers and enterprises in both rural and urban areas operating informally.[50] In these countries, however, the terminology of informality is not officially recognized as it is still a source of confusion for policy-makers who often assimilate these concepts to illegality and underground activities.[51]

Turkey, Algeria and, more recently, Morocco and Syria are systematically collecting comprehensive information on social protection coverage in their labour force surveys, while only a few countries have measured the informal sector as yet and only through once-off surveys.[52] Data on self-employment[53], on the contrary, are widely available.

[46] Department of Statistics, *Employment Survey 2006 Annual Report*; Amman: Government of Jordan, 2008. Another study published by Al Manar in 2008 showed that the private sector earnings from work were lower than in the public sector and that the gender wage gap in the private sector was larger: the male wage was around JD0.89 versus JD0.71 for female wages. In the public sector, the male wage was around JD1.31 versus JD1.25 for female wages; see Assaad, Ragui et al., op.cit., p.63.

[47] Republique Algérienne Démocratique et Populaire, Conseil National Economique et Socialm, "Rapport National sur le Développementr Humain", 2006, pages 43–44.

[48] For Syria, H. Huitfeldt and N. Kabbani, 2006, "Returns to Education and the Transition from School to Work in Syria", Paper Presented at the Twelfth Annual Conference of the ERF. For Morocco, S. Belghazi, Study on wage equality in Morocco, 2007, GTZ-Genre, Maroc, Ministry of Social Protection, Family and Solidarity.

[49] This section draws on J. Charmes paper on Informal Economy and Labour Market Policies and Institutions in selected Mediterranean Countries, 2010. Unpublished.

[50] Decent Work and the Informal Economy**,** International Labour Conference, 90th Session, report VI, Geneva.

[51] Moreover, numerous terms are used in Arabic to refer to the term informal: "unofficial", "unorganized", "non-structured", etc. See *Report of the Regional Meeting of Experts – Informal Employment in Arab States*, Carthage, 15-17 July 2008, pp. 4-5.

[52] See for example for Morocco: *Enquête nationale sur le secteur informel non agricole (1999-2000), Rapport des premiers résultats, Tableaux statistiques*, Rabat, 2001. In June 2008, Jordan carried out an employment survey including those employed in the informal economy in the Greater

The size of the informal economy and its diverse segments' trends

One way to classify informal employment is to comprise all jobs not declared to a social security system, or all working persons who do not benefit from any social protection. Two categories of workers can be informally employed: self-employed and wage-earners. Although some self-employed may be benefitting from social protection, the category is for its majority informally employed as own-account workers and "contributing" unpaid family workers. Between the broader category of informal employment, which encompasses all kinds of informal employment, and the smaller category of self-employment, the informal sector comprises the self-employed and a proportion of paid employees working for micro-enterprises. The three categories roughly fit together so that self-employment is included in the informal sector, which itself is included in informal employment. There are two ways of measuring informal employment: i) by comparing total employment (from labour force surveys) with the number of paid employees and employers registered in the social security systems (from administrative sources); and ii) through questions designed for capturing the protected workers in labour force surveys.

As shown in the next table, social security statistics overestimate the population coverage because of double counting and failure to update, while it is not obvious that labour force surveys underestimate the coverage, provided that respondents are supposed to be aware of their actual situation regarding social protection. In Turkey the time series from 1990 to 2006 is based on social security statistics and shows that the proportion of the active population not covered has been regularly decreasing from 56.1 in 1990 to 31.3 per cent in 2003. The introduction of a question to capture those not registered to any social security institution in the LFS at the beginning of the year 2000 has lowered by some 4 million the number of active persons actually being covered. Informal employment, defined by the lack of social protection, was measured at 53.8 per cent of total employment in 2004, regularly declining to 44.9 per cent in 2008. The same observation can be made for Algeria: in 2006, when the question on social security was asked in the LFS, the number of active persons covered was revealed to be overestimated in social security statistics by nearly 3,5 million; informal employment was then estimated at 53.6 per cent of total employment. In Morocco, according to social security statistics, informal employment decreased from 80 in 1990 to 75.8 per cent in 2000 and has been rather stagnant since then. In Jordan, where the only source of information is the social security statistics, the trend is also downward.

Amman Municipality. The results are yet to be published. But, early preliminary findings reveal that taking into account the informal economy (logically) increases the economic participation rates calculated on the basis of the sole formal economy: 71 per cent instead of 66 per cent for men (+5 percentage points); and 22 per cent instead of 16 per cent for women (+6 percentage points), see: unstats.un.org/unsd/demographic/meetings/wshops/Ghana_Jan2009/Doc40.pdf.

[53] As defined in the International Classification of Status in Employment http://www.ilo.org/public/english/bureau/stat/class/icse.htm in J. Charmes abovementioned report.

Table 13. Trends in social protection coverage (in thousands and %)

	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Turkey											
Employment (1)	18,539	21,581	21,525	21,351	21,147	21,791	22,046	22,330	23,581	22,111	21,947
Covered by social security (LFS) (2)	*na*	*na*	*na*	*na*	10,214	10,241	11,001	10,791	11,251	12,185	11,922
Covered by social security (3)	*8,131*	*11,859*	*11,591*	*14,437*	*14,520*	*14,546*	*15,104*	*16,582*	*na*	*na*	*na*
% not covered = (1-3)/(1)	*56,1%*	*45,0%*	*46,2%*	*32,4%*	*31,3%*	*33,2%*	*31,5%*	*25,7%*	*na*	*na*	na
Informal employment (% not covered) = (1-2)/(1)	*na*	*na*	*na*	*na*	**51.7%**	**53.8%**	**52.3%**	**48.5%**	**46.9%**	**44.9%**	**45.7%**
Syria											
Informal employment (% not covered)	*na*	*na*	*na*	*na*	*na*	*na*	*na*	*na*	**61%**	*na*	*na*
Jordan											
Employment		1,130	1,198	1,211	1,278	1,314	1,324	1,436	1,552	1,534	na
Covered by social security		*366*	*382*	*416*	*467*	*519*	*592*	*662*	*724*	*788*	*na*
Informal employment (% not covered)		*68%*	*68%*	*66%*	*63%*	*60%*	*55%*	*54%*	*53%*	*51.4%*	na
Algeria											
Employment (1)	na	na	6,229		6,684	7,798	8,044	8,779	8,594	9,146	na
Covered by social security (LFS) (2)	*na*	*na*	*na*	*na*	3,568		4,092	4,159	4,322		
Covered by social security (SS) (3)	*na*	*na*	*4,877*	*4,784*	*5,917*	*6,320*	*7,527*	*5,906**	*na*	*na*	na
% not covered = (1-3)/(1)	*na*	*na*	*21.7%*		*11.5%*	*19.0%*	*6.4%*	*32.7%* *	*na*	*na*	na
Informal employment (% not covered) = (1-2)/(1)	*na*	*na*	*na*	*na*	46.6%	*na*	**49.1%**	**52.6%**	**49.7%**	*na*	*na*
Morocco											
Employment (1)	7,783	9,323	9,265	9,415	9,838	9,934	9,947	10,212	10,297	10,381	na
Covered by social security (LFS) (2)		1,160	1,257	1,264	1,285	1,269	1,292	1,690	1,727	1,765	na
Covered by social security (SS) (3)	*1,556*	*2,254*	*2,284*	*2,340*	*2,401*	*2,508*	*2,564*	*2,606*	*2,650*	*na*	*na*
% not covered = (1-3)/(1)	*80,0%*	*75,8%*	*75,3%*	*75,1%*	*75,6%*	*74,8%*	*74,2%*	*74,5%*	*74,3%*	*na*	*na*
Informal employment (% not covered) = (1-2)/(1)	na	**87.6%**	**86.4%**	**86.6%**	**86.9%**	**87.2%**	**87.0%**	**83.5%**	**83.2%**	**83.0%**	na

Note: Figures in italics are from administrative sources (social security), other figures are from labour force surveys (LFS).
Sources: For Turkey: TÜIK, Turkish Statistical Institute, (2008), Statistical Indicators 1923-2007, Table 7.1, population covered by social security schemes, p.116; and Household Labour Force Survey (LFS), June 2004, 2005, 2006, 2007, 2008 and 2009. <http://www.turkstat.gov.tr/yillik/stat_indicators.pdf> and http://www.turkstat.gov.tr/PreTablo.do?tb_id=25&ust_id=8
For Jordan: Social Security Corporation, Annual reports http://www.ssc.gov.jo and http://www.almanar.jo
For Algeria: social security statistics (CNSS, CASNOS and CACOBATPH) and Labour Force Survey 2006. <www.ons.dz/-Protection-Sociale-.html>. (*)The 2006 figures take into account the detailed tables provided by CNAS.
For Morocco: Labour Force Survey , Activité, emploi et chômage 2007, résultats détaillés, table 2.17 p.257, et années 2000 à 2008. http://www.hcp.ma/publication.aspx and DEPF www.finances.gov.ma . Social security statistics include CNSS (private sector), CMR (civil servants) and.CNRA (public sector).

In all countries, the trend is downward and it seems that they are engaged in a process of formalization. The pace is slow, but since 2005–2006 it has accelerated. The only exception is Algeria where the private sector is still lagging behind a predominant public sector. However, in 2006, among the 52.6 per cent not affiliated to any social protection system, a little less than 31 per cent were employed in the public sector, which means that

public enterprises do not hesitate to resort to low quality jobs, a phenomenon that could explain why informal employment is still rising in this country.

The differences between countries partly reflect the respective shares of agriculture in their labour force (40.9 per cent in Morocco, 23.7 per cent in Turkey, 20.1 per cent in Syria, 13.7 per cent in Algeria and 3.4 per cent in Jordan). The agricultural sector is the most difficult to cover and will remain the last obstacle to the extension of social security. The table below shows that informal employment is huge in agriculture and declining trends are slow. The rapid increase of non-agricultural informal employment in Turkey in 2004–05 corresponds to a period of jobless growth and the rapid decrease since 2006 accompanies the recovery. In Morocco, urban informal employment stagnated at a high level from 2000–2005, and then declined.

Table 14. Trends in informal employment in rural/urban areas or in agricultural/non agricultural activities (in % of employment)

In % of	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 (June)
Turkey										
Agricultural employment	na	na	90.2	91.2	90.0	88.2	87.4	87.6	87.8	86.7
Non agricultural employment	na	na	31.7	31.6	34.0	34.2	33.9	32.2	29.8	31.0
Total employment	na	na	52.1	51.7	53.8	52.3	48.5	46.9	44.9	45.7
Morocco										
Rural employment	97.9	98.0	97.8	98.3	98.0	98.0	97.2	96.7	96.4	na
Urban employment	73.9	72.8	72.7	72.8	73.7	73.6	67.5	68.1	68.4	na
Total employment	87.2	86.4	86.1	86.9	87.2	87.0	83.4	83.2	82.9	na
Algeria										
Non agricultural employment	na	34.7	na	na	43.0	39.0	45.0	43.9	na	na
Total employment	na	na	na	46.6	na	49.1	52.6	49.7	na	na

Source: National labour force surveys, various years. **Note:** the table should be read as follows: in Morocco (2000), 97.9% of rural employment is informal.

Self-employment represents the major component of informal employment between one third and a half of total employment, except in Jordan (see table below). During the past decade, self-employment has significantly declined in Turkey, Jordan and Morocco.

Table 15. Trends in self-employment, 2000-2009 (self-employment in % of total employment or non-agricultural employment)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total										
Turkey	51.4	52.8	54.9	48.2	50.1	47.7	44.5	42.7	39.8	40.7
Syria	na	50.8	na	na	na	na	44.8	45.0	na	na
Jordan	18.8	19.0	18.6	17.5	17.8	17.3	16.2	15.9	na	na
Algeria	33.9	37.8		35.0	39.9	34.4	39.9	35.0	34.2	na
Morocco	63.8	62.6	62.8	64.3	64.0	63.5	57.8	56.0	56.8	na
Non agricultural										
Turkey	na	na	na	26.2	26.5	26.5	25.5	23.8	22.6	22.9
Syria	na	na	na	na	na	na	35.7	35.9	na	na
Morocco	40.7	40.5	41.1	41.6	40.8	40.4	34.9	33.4	35.9	na

Source: National labour force surveys, various years.

In Turkey, it is possible to distinguish informal employment according to status in employment. In 2007, for example, 21.1 per cent of regular employees were not covered, against 89.9 per cent of casual employees, and 27.8 per cent of employers against 65.6 per cent of own-account workers (and as expected, 95.9 per cent of contributing family workers). The table below draws a detailed picture of informal employment in Turkey and

Morocco. In Turkey it accounted for about 50 per cent of total employment from 2002–2005 and declined to less than 50 per cent from 2006–2009. Informal self-employment is predominant and represents over 35 per cent of total employment during the first period and less than 30 per cent in the second period. On the contrary, informal paid employment tended to increase (from 15 to 18 per cent) until 2006–2007, when it started a slight decline, remaining however at over 16 per cent of total employment.

Table 16. Trends in informal employment and its major components (in % of total employment)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 (June)
Informal employment (no social security coverage)										
Turkey	na	na	52.1	51.7	53.8	52.3	48.5	46.9	44.9	*45.7*
Algeria	na	na	na	na	*na*	49.1	53.6	na	na	na
Morocco	87.6	86.4	86.6	86.9	87.2	87.0	83.5	83.2	83.0	na
Informal paid employment										
Turkey	na	na	14.9	15.2	16.6	17.6	17.9	17.2	16.4	16.6
Algeria	na	na	na	na	na	14.7	13.7			na
Morocco	23.8	23.8	23.8	22.6	23.2	23.5	25.7	27.2	26.2	na
Informal self-employment										
Turkey	na	na	37.2	36.5	37.2	34.7	30.6	29.7	28.5	29.1
Syria	na	na	na	na	na	na	44.8	45.0	na	na
Jordan	18.8	19.0	18.6	17.5	17.8	17.3	16.2	15.9	na	na
Algeria	33.9	37.8	na	35.0	39.9	34.4	39.9	35.0	34.2	na
Morocco	63.8	62.6	62.8	64.3	64.0	63.5	57.8	56.0	56.8	na

Note: Except for Turkey, self-employment is taken for a proxy of informal self-employment: consequently, this component of informal employment is slightly overestimated in comparison with informal paid employment, which is calculated as the balance between total informal employment and self-employment.

Source: National labour force surveys, various years.

Despite the lack or scarcity of data, the structures of informal employment are relatively identical and the higher the informal employment is, the higher its component of self-employment. There is a tendency for informal paid employment to increase more rapidly than self-employment, a phenomenon which can be interpreted in two ways: either paid employment is growing in the micro-enterprise segment, or it is growing in the formal segment of medium and large enterprises of the formal sector, meaning a deterioration of the working conditions of wage earners. Further analysis of these two variants of the trends of informal employment would require the availability of data from informal sector surveys.

Among the characteristics of informal employment in these countries, the low participation of women (less than 20 per cent) in non agriculture informal employment must be noted because they generally represent more than 50 per cent of the population working informally in the other regions. However, among working women, the proportion of those working informally is generally much higher than for men (ranging from 73.6 per cent in 2001 in Turkey, at the top of the crisis, to 66 per cent in 2006, against 45.3 and 42.3 per cent respectively for men). Patterns of employment by age show that the youth and older workers are more likely to be informally employed, as are the illiterate and the population under secondary school level. It is high in agriculture for both women and men, for men in construction and for women in manufacturing.

Dynamics and "Root" Causes of Formality and Informality

In these countries, informal employment has played a major role in the absorption of new labour market entrants. It is interesting to note that in Algeria the decline of unemployment rates during the past decade is coupled with an increase of informal employment. Moreover, for Syria and Jordan in-migration flows must be taken into account to explain the upward trend and the level of informal employment.

As has been seen, recent trends show, however, that there has been a turn during the past decade and the growth of informal employment has started to stabilize in the five countries studied (even in Algeria where non-agricultural informal employment dropped between 2006 and 2007). A major reason is of demographic order: the rate of growth of the working-age population, which was one of the highest in the world, has begun to slow down.

Nevertheless, informal employment remains at a very high level and this general downward trend deserves to be carefully analysed as it is the result of diverging trends. Agricultural activities and especially informal farms are declining. A key issue to be addressed is: which component of non-agricultural informal employment is rising – the micro-enterprise segment, on one hand, or the informal employment in the formal firms, on the other hand. Informal employment in formal firms is often linked to the development of export industries in free-trade zones, through sub-contracting of home-based workers or outworkers, particularly in textiles/garments or electronic appliances industries. In Turkey, Jordan and Morocco, such activities have occupied an important place during the past decade. However, it has already been shown that this component of informal employment was rather small in Morocco and it can, therefore, be assumed that it is the micro-enterprise segment, which accounts for the bulk of the global trend. It is also true for Turkey, where the 2001 economic crisis[54] probably cut dramatically the number of home-based workers, a situation that left the policy-makers with a major concern for the promotion of micro-enterprises, rather than the protection of informal paid employees.

The pro- or counter-cyclical growth of informal employment can be assessed as follows: when the economy is in recession, the petty producers and the informal micro-enterprises increase their share of total informal employment and tend to grow in absolute, as well as relative numbers. The segment of informal paid employees in the formal firms is the first to contract when the crisis occurs and its workers then come into the informal sector segment or come back into the agricultural sector, unless they increase the number of unemployed. As far as it is not too tightly linked to the formal firms, the micro-enterprise sector will try to survive by going underground in the informal sector and the growth of the micro-enterprise segment, in times of crises, is only due to the conversion to informal of these previously formal firms. In this sense, petty producers and micro-entrepreneurs are counter-cyclical. During the periods of expansion, on the contrary, the counter-cyclical behaviour of micro-enterprises makes their segment shrink because they have a new interest to re-emerge in the formal sector if only policy-makers would give them the appropriate and required incentives.

3. Labour market policies and programmes and institutions

This chapter deals with the labour market policies and programmes and with the institutions in charge of their elaboration and implementation. This includes active and passive labour market policies, labour market regulations, employment services and the role of social dialogue. Areas of research cover both the management of the formal labour market and the transition of the informal economy towards formalization.

[54] See for example : February 2001 Crisis in Turkey: Causes and Consequences L. Koch and M. A. Chaudhary, 2**001** http://ideas.repec.org/a/pid/journl/v40y2001i4p467-486.html

3.1 Country efforts in employment policy formulation

Algeria, Morocco, Jordan and Turkey have ratified the ILO Employment Policy Convention of 1964 (No. 122) that provides the overarching normative policy framework on employment policy development and implementation. Convention No. 122 calls member States "to declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment".[55]

The ILO Global Employment Agenda with its ten core elements provides the framework for country level design of employment policies.[56] Furthermore, the 2008 Declaration on Social Justice for a Fair Globalization[57] recognizes the importance of countries' commitment to place full and productive employment and decent work for all as central objectives of their national and international policies.[58] In recent years employment promotion has increasingly become a priority for the governments of these countries and quantitative and qualitative aspects of employment issues have been taken on board by national agendas and development frameworks. Efforts of the selected countries are, of course, different in scope and nature.

Turkey: Turkey's Strategic Coherence Framework,[59] prepared on the basis of the Ninth Development Plan (2007–2013) includes employment as a priority and human resources development and constitutes one of the four operational programmes identified in the framework. Furthermore, an Employment Package was adopted in May 2008 aiming to address unemployment challenges, with a specific focus on the promotion of job opportunities for women, young people and people with disabilities.[60]

Jordan: Employment is one of the pillars of the 2005 Jordan's National Agenda (2006–2015) and its follow-up, the 2006 "We are all Jordan" initiative. These ambitious reform programmes set targets for the period from 2006–07 to 2015–17 without however establishing priorities among the numerous operational recommendations proposed (over 210 of them in the "We are all Jordan" initiative). They are made up of three transformation phases. The first phase focuses on creating employment opportunities and its main objectives include: eradicating structural unemployment and reshaping the skills of the labour force by expanding vocational training and employment support; and public sector reforms and promotion of gender equality in the labour market. The second phase focuses on gradually upgrading and strengthening the industrial base, and preparing the ground for

[55] Ratification dates. Algeria, 12.06.1969; Jordan, 10.03.1966; Morocco, 11.05.1979 and Turkey: 13.12.1977.

[56] GB.286/ESP/1(Rev.) 2003 and implementing the GEA: Employment strategies in support of decent work. "Vision" document. ILO, 2006, http://www.ilo.org/public/english/employment/empframe/practice/index.htm.

[57] *ILO Declaration on Social Justice for a Fair Globalization*, 13 August 2008, www.ilo.org/public/english/bureau/dgo/download/dg_announce_en.pdf.

[58] The abovementioned ILO Declaration on Social Justice for a Fair Globalization is to be implemented through the Decent Work Agenda (introduced by the ILO in 1999) and its indivisible strategic objectives which include: employment; rights at work; social protection; social dialogue and international labour standards.

[59] *Turkey Strategic Coherence Framework*, http://ipa.stb.gov.tr/Dosyalar/SCF.pdf.

[60] *Turkey 2008 progress report. Enlargement Strategy and Main Challenges 2008–2009*. Brussels, 5.11.2008,ec.europa.eu/enlargement/pdf/press_corner/key-documents/reports_nov_2008/turkey_progress_report_en.pdf.

the third phase based on the development of high value-added sectors in the knowledge economy.[61]

Syria: The general framework of the current government policies was set in 2005 within the 10th Five Year Plan (FYP 2006–2010).[62] This framework addresses employment issues within the context of poverty alleviation, with the main objective to reform the labour law to render it more flexible for the business environment, but does not include commitments on active or passive labour market policies.[63]

Morocco: Employment issues figures high in the National Human Development Initiative that was officially launched in 2005.[64] In the same year, Morocco put in place a set of interventions "employment initiatives" mainly targeting youth. Furthermore, in the field of human resources development, the government has recently adopted an "emergency plan (2009–2019)"[65] to improve access to education as well as the quality of education. The plan includes important provisions related to gender equality as well as the need to include guidance and counselling in the education curricula.

Algeria: Employment promotion is a priority of the Action Plan of the Algerian Government to implement the President's Programme (2009–2014).[66] The Action Plan foresees the creation of 3 million jobs in the next five years, an average of 400,000 jobs per year and places particular emphasis on the youth population. For this purpose, an Action Plan to promote employment and to combat unemployment (2009–2013)[67] has recently been adopted. Youth employment is one of the key areas of intervention of the action plan and specific measures have already been envisaged, some of them targeting the most disadvantaged youth.[68]

3.2 Labour market policies and programmes

Passive and active labour market policies provide income replacement and assist with labour market integration. Passive policies are those that are concerned with providing replacement income during periods of joblessness or job search. They do not generally

[61] See *2006-2015 National Agenda*. The Jordan we strive for, in: www.nationalagenda.jo/Portals/0/EnglishBooklet.pdf; and *Executive Programme* (MOPIC -2007-2009), in http://www.mop.gov.jo/pages.php?menu_id=323.

[62] Available in Arabic at http://www.planning.gov.sy/?page_id=23.

[63] Further details on the assessment of the Five Year Plan in "Labour Markets Policies and Institutions, with a Focus on Inclusion, equal Opportunity and the Informal Economy", S. Aita, 2009. Forthcoming.

[64] This initiative, which considers finding solutions to the informal economy a key priority, is regarded as an important step forward in terms of social policy in Morocco; see: www.maroc.ma/PortailInst/An/MenuGauche/Major+Projects/National+Initiative+for+Human+Development/National+Initiative+for+Human+Development.htm.

[65] Maroc, Plan d'Urgence. Pour un nouveau souffle de la réforme 2009-2012 (www.men.gov.ma/purgence/).

[66] *Plan d'Action du Gouvernement pour la mise en oeuvre du Programme du Président de la République,* http://www.premier-ministre.gov.dz/images/stories/dossier/Plan_action_2009_fr.pdf.

[67] *Algeria Action Plan to promote employment and combat unemployment* (2009-2013), http://www.mtess.gov.dz/mtss_fr_N/emploi/2008/OBJECTIFS%20ET%20AXES%20DU%20PLAN%20D'ACTION.pdf.

[68] *Quatrième axe du plan d'action pour la promotion de l'emploi et la lutte contre le chômage. La promotion de l'emploi des Jeunes,* in: www.mtess.gov.dz/mtss_fr_N/emploi/2008/PROMOTION%20DE%20L'EMPLOI%20DES%20JEUNES.pdf.

impose conditionality on beneficiaries. In recent years, several countries around the world have shifted from passive to active labour market policies in an effort to increase employment opportunities for the unemployed and to allocate public expenditure productively.[69] In the five countries reviewed, labour market policies are mainly geared towards activating the labour force and these are largely targeted to the youngest segments of the population.[70]

Jordan, Syria and Morocco have not yet properly developed passive support measures such as unemployment benefits and social assistance for the unemployed. Their labour legislation nevertheless does encapsulate protective provisions against unjustified layoffs and other provisions in favour of rights at work and equal opportunities, as well as national aid funds for the poor. In Jordan, however, the new Social Security Law draft (endorsed in March 2010)[71], provides for an unemployment benefits scheme as well as the financial endorsement of maternity leave. In Syria also, there is an ongoing debate about the creation of such a scheme, but no concrete steps have yet been taken. In the meantime, unemployed persons remain unprotected and have no choice but to get involved in the informal economy in order to sustain their livelihoods.

Algeria and Turkey have taken some steps in this respect, although their passive policies have a short history. Algeria has developed a "Measures for social integration of educated youth" (*Dispositif d'Insertion sociale des jeunes Diplômés*) against the spread of poverty and unemployment among needy and/or disabled jobless graduates aged 19–39 years. This initiative combines passive with active measures.[72] Turkey's passive arrangements are more comprehensive and do not prioritize any specific population subgroup per se. They consist of four programmes: unemployment insurance; wage guarantee fund; short-work pay; and work-loss compensation. While these schemes have not yet been evaluated, their databases allow for a profiling of the beneficiaries. For instance, unemployment insurance benefit mostly goes to unemployed persons aged 25–34 (55 per cent) and those who have not gone past the primary (42 per cent) and the secondary (39 per cent) education cycles.[73]

The priority given to activation measures is for different reasons.[74] First of all, these countries have less financial resources that do not allow for the financing of both active and passive measures. Passive labour market policies are expensive and the effects are not immediate. In these conditions, countries prefer to invest in interventions that facilitate access to employment rather than in those that do not encourage active job search, such as

[69] P. Auer, U. Efedioglu, J. Leschke, 2004, *Active labour market policies around the world: Coping with the consequences of globalization*, ILO, Geneva.

[70] As opposed to OECD countries where passive spending (varies from 0.2 to 2 per cent of GDP) is higher than active spending (that varies from under 0.01 to 1.3 per cent), in: *OECD Employment Outlook 2009*.

[71] See http://www.issa.int/Observatory/Country-Profiles/Regions/Asia-and-the-Pacific/Jordan/Reforms/Social-security-system-to-be-overhauled

[72] The measures involved range from the disbursement of compensatory sums to beneficiaries (8,000–10,000 Algerian Dinars–AD) to financial and fiscal encouragement measures for enterprises interested in hiring such graduates. See more in: «Labour Market Policies and Institutions with a focus on Inclusion, Equal opportunities and the Informal Economy: Algerian case" (ILO, 2009). Hammouda Nasser-Eddine, Draft. Not published.

[73] See more in: «Labour Market Policies and Institutions with a Focus on Inclusion, Equal opportunities and the Informal Economy: Turkey" (ILO, 2009), Hakan Ercan, Draft. Not published.

[74] For further elaboration of the three reasons see: Jean Paul Barbier, *L'intermediation sur le marché du travail dans les pays du Maghreb. Etude comparative entre l'Algerie, le Maroc et la Tunisie.*, OIT, 2006.

unemployment benefits or other social assistance benefits. Secondly, in the current international context, and in particular in OECD countries, there is a tendency to promote activation measures. Finally, the preference for activation measures is also due to the fact that the employment challenge in these countries affects largely the young population, who are mainly first-time jobseekers, and therefore would not qualify for unemployment benefits based on their lack of previous employment history.

Active labour market interventions provide market integration measures to those looking for jobs, usually the unemployed, but also the underemployed and even the employed looking for better jobs. Designed to meet both economic and social goals, active measures typically include: labour market intermediation between jobseekers and enterprises; labour market training (and retraining); job creation in the form of public and community work and services programmes; financial and/or technical programmes to promote enterprise creation and self-employment; and hiring (cash or in kind) subsidies. Contrary to passive policies, they are contingent upon participation in such programmes in order to enhance labour market (re)integration.[75]

Recent trends in the reviewed countries' active labour market policies are characterized by:

1) Emphasis is placed on providing financial and technical assistance to support the creation of small-scale enterprises – including self-employment – through microcredit/microfinance schemes. These are usually set up as a double unemployment/poverty instrument. However, the outcomes on their beneficiaries remained generally undetermined. Evaluation studies carried out in Jordan have shown that there is little correlation between microcredit and the sustainable improvement of living conditions. At best, if successful, it may be instrumental as a secondary source of income; it may also contribute to make beneficiaries self-reliant and subsequently facilitate the full integration in local employment.

[75] *Active Labour Market Policies.* ILO, Governing Body, Committee on Employment and Social Policy, GB.288/ESP/2 http://www.ilo.org/public/english/standards/relm/gb/docs/gb288/pdf/esp-2.pdf.

Box 1. Focus on Employment Initiatives in Morocco

Type of Measure	Targets	Type of contract	Conditions	Duration	Costs	Expected results	Previous programmes
CPE – IDMAJ Subsidy for employment	University graduates, /TVET and Bacc.	Short-term contract 4 types of contracts depending on salary levels	2 contract: 6 months registration with ANAPEC, and 2 contracts no registration with ANAPEC	18 months to 24 months + 12 months tax breaks if person recruited	210 MDH	65.000 Contracts by end of 08	- 1997 Action Employment (4years) - 2001 Contract for insertion (4 years), replaced by CPE
TAEHIL (Retraining) FCE training meeting along specific recruitment needs FQR retrain graduates who have difficulty entering LM	Young graduates: University and TVET and Bacc.	Training contract	Registration with ANAPEC	Maximum duration 1 year	500 MDH	50.000 contracts by end of 2008	Qualification Training Program
MOUKAWALATI Micro-enterprise development	Young graduates University, TVET and Bac. (age 20 - 45)				750 MDH	30.000 new enterprises 90.000 Additional jobs	-Credit Young Developer -Programme Self Employment -Guaranteed Fund for Young Entrepreneurs

Source: World Bank – «Morocco; Skills development and social protection within an integrated strategy for Employment creation» - Draft not published, 2008.

2) There is substantive focus on youth and these youth employment interventions are carried out, to a large extent, to make up for the growing mismatch between the youth's educational capacities and the labour market needs. Namely, they mainly target the "educated unemployed". Turkey, as a response to the negative impact of the 2008 economic and financial crisis on youth employment has expanded training and employment measures (employment incentives) targeting youth.[76] The Moroccan and the Algerian interventions are cases in point as it will be described below.

Morocco has put in place since the late 1990s, a set of active labour market interventions targeting educated youth that include: subsidies for employment (CPE – IDMAJ), training and retraining (TAEHIL and FCE, focusing on training to meet specific recruitment needs, and FQR for retraining of graduates who have difficulty entering the labour market), and micro-enterprise development (MOUKAWALATI).

The outcomes of these interventions are reported to be relatively positive: by the end of 2008 IDMAJ achieved the labour market integration of 120,076 youth which was 15 per cent over the 105,000 target. Based on these results, a new target of 230,000 jobseekers has

[76] Table 2.4 on targeted labour market interventions in selected countries in protecting people, promoting jobs. A survey of country employment and social protection policy responses to the global economic crisis. *An ILO report to the G20 Leaders' Summit, Pittsburgh, 24-25 September 2009.* ILO, September 2009.

been established for the period 2009–2012. TAEHIL had a successful rate of labour market integration of over 75 per cent. The number of target beneficiaries was increased from 50,000 for the period (2006–2008) to 100,000 for the period 2009–2012. However, the MOUKAWALATI programme that was launched in May 2006 experienced serious difficulties in meeting the target of creating 30,000 new enterprises.[77]

Algeria's active labour market interventions also mainly target young people. Prior to 2008, a set of measures were put in place which included micro-enterprise development targeting young unemployed and a pre-employment programme (employment subsidies) targeting first time jobseekers. However, neither of the programmes has shown an important success rate. Problems related to the financing of microenterprises, as well as the lack of interest or awareness of the private sector on the pre-employment programme did not yield very positive results. In 2008 new measures were put in place under the umbrella of a set of interventions to assist with occupational placements. These include a placement contract for educated youth targeting first time jobseekers, a placement contract for youth with secondary or technical education also targeting first time jobseekers and a placement and training contract targeting youth without technical or vocational qualifications. These contracts consist of different forms of job subsidies. These three interventions will target 400,000 young people per year. The goal of the overall package of youth employment interventions (which include the three placement contracts as well as enterprise promotion initiatives targeting youth) aim to generate 185,000 "stable" jobs (130,000 in terms of wage employment and 55,000 in self-employment).[78]

Overall, an important weakness of these interventions (in both Morocco and Algeria) is the very limited quantitative and qualitative results available, with little monitoring and evaluation of their implementation and practically no evaluation of results. Besides, except for some isolated studies, there is a lack of research work on evaluation of active labour market policies. Other weaknesses relate to the lack of adequate labour market statistics to support monitoring and evaluation, the broad targeting of beneficiaries, the lack of active involvement of different actors and particularly employers' and workers' organizations in project design and evaluation and finally the lack of targeting specific interventions to women.

The countries under review have also placed increasing emphasis on vocational education and training (VET). In these countries VET is largely a synonym for academic failure and low basic skills, and often regarded as a last resort for chronic repeaters and dropouts from the general education system. It has long lacked quality and attractiveness; rates of enrolment have remained low. In addition, continuing training for employees with a background in vocational education seems to be considered of minor importance in most Mediterranean countries.

The State plays a predominant role in VET strategies, although participation by social partners in system governance has been put on agendas everywhere. Steering committees with government and social partner representatives have been established at the national level, but all too often they have proven ineffective. Another key characteristic of the VET systems in the region is the strong segmentation between public and private training provision, with public VET institutions suffering from a lack of administrative autonomy: they are limited in terms of decision making on many key issues such as staff recruitment or adaptation of curricula to local and regional demands. Thus, schools are not encouraged to seriously take into consideration the demands of the labour market and are not ready to

[77] Finally, only 1,500 of such new ventures were established (see below section D); and S. Belghazi, *L'emploi des jeunes au Maroc*. (ILO, 2009). Forthcoming.
[78] Algeria labour market study, ILO, 2009, Draft. Not published.

develop and adapt the profiles of their education programmes in close cooperation with the companies in their environment.[79]

Despite the abovementioned challenges, the countries' interest in the quality of and improvements to VET systems has increased progressively in recent years. Countries have recognized that VET is a vital component in supporting economic growth and social cohesion, and also as playing a key role in fostering workforce mobility and adaptability and facilitating access to lifelong learning. All countries have developed strategies and plans related to human resources development.

In line with the EU Education and Training 2010 agenda,[80] Turkey is currently involved in a major VET reform, as well as a number of initiatives that include: supporting the vocational qualification authority to implement the national qualification system in line with the European Qualifications Framework; supporting a coherent lifelong learning approach with a focus on promoting access to adult learning, diversifying and improving the quality of post-secondary VET and developing a coherent career guidance strategy; enhancing a coordinated approach for the collection and analysis of labour market needs and promoting links between the world of work and the world of education.[81] Furthermore, several training programmes targeting disadvantaged groups have been put in place. These include employment-guaranteed training programmes, occupational training for the unemployed, and training and rehabilitation programmes for individuals with disabilities and ex-convicts.

Jordan's efforts to develop its VET system in the past couple of years also stand as a case in point. The drafting of a strategy and an action plan for the next few years began in 2006 and has helped start many activities. The strategy covers various issues in several distinct areas, namely occupational classification and standards, non-formal VET, the role of the private and non-governmental sector in VET and the regional and international dimension.[82] In November 2007, the National Training and Education Project (NTEP) was established. An important feature of the NTEP is that it aims to strengthen linkages with the labour market. Following a first three-six months of training, the trainees are employed in enterprises for at least one year under a contract signed between the trainee and the employer. Already three waves of trainees (about 9,000) are at different stages of the training/employment process.[83] It is as yet too early to assess the medium, long-term significance of the NTEP, but it is already considered, by the authorities, as the flagship of Jordan's efforts against poverty and unemployment. An important shortcoming of the VET system in Jordan that remains to be properly addressed, however, is that it is highly dominated by male participants. Another shortcoming is the Jordanians' aversion to manual jobs. Most of these jobs are actually occupied by foreign labour, especially in the sectors of construction and tourism (hotels, restaurants). Recent studies show that foreign labour has been instrumental in sustaining the Jordanian economy in the 2000s: during the 2002–2006 period, over half of the total number of jobs created was taken by foreign workers, mostly

[79] Erwin Seyfried. *Quality and quality assurance in technical and vocational education and training*, European Training Foundation. Thematic Studies 2008, www.etf.europa.eu.
[80] *European strategy and cooperation in education and training*
http://ec.europa.eu/education/lifelong-learning-policy/doc28_en.htm.
[81] Turkey European Training Foundation, *Country Plan, 2009*, www.etf.europa.eu.
[82] Jordan European Training Foundation, *Country Plan, 2009*, www.etf.europa.eu.
[83] The numbers of trainees involved has been declining, however. The first wave of 4,000 trainees is about to graduate, the second wave of about 3,600 trainees is currently trained in private companies; the third wave (1,500 trainees so far) that was registered in February 2009 is still receiving vocational training in the NTEP premises. See "The Brigadier Qudat: The National Training and Employment project is "stable" and has resolved 80 per cent of its difficulties", *al-Arab al-Yawm* (Jordanian daily), 6 June 2009, p.4.

of Egyptian nationality. Engaging Jordanians in these trades – and replacing the foreigners – in order to bring unemployment down, has become a governmental priority.[84]

Box 2. Focus on the VET system in Jordan

- More value is placed on high academic achievement rather than on skills and competences.
- Examinations are the main means of assessing achievement.
  Teachers are hired on the basis of their academic qualifications rather than on their workplace- related skills.
- Industry linkages are weak: industry does not participate to any significant degree in education, either in its delivery or funding.
  Education is centrally controlled by government: most schools, colleges and vocational training centres have on authority to manage their own finances; set their own administrative policies; hire and manage staff accordin own needs; enter into contracts with industry; and raise (and keep) money from external sources.
- Colleges are run on a traditional model (more like schools than businesses) and lack many of the syst mechanisms to operate as a business (financial autonomy, a complex infrastructure that enables them to do ot competitive processes, incentives, performance-based funding.
  There is a lack of coordination among educational institutions at the highest level, resulting in overlapping manda coordination among the parts of the education system, and insufficiently clear and transparent processes for a and transfer between systems.
- Government is the main source of funding for education.
- There is no strong incentive system in place for innovation and performance.

Source : European Training Foundation. Thematic Studies. Quality and quality assurance in technical and vocational education and training. Erwin Seyfried, 2008; www.etf.europa.eu

Finally, most governments are increasingly recognizing the importance of investment in infrastructure, including through labour-based public works, as part of their strategy to promote employment among low-income and low-skilled. The experience of the labour-based programmes points to their effectiveness in upgrading productivity and quality of work as they combine employment opportunities with training.

Morocco has a long tradition of using these programmes, and Algeria introduced them in the 1990s following structural adjustment programmes. Morocco's 30-year-old "Promotion Nationale" manages projects located mostly in disadvantaged rural areas, including projects involving reforestation, well-water recapture, dam and road construction, and road paving. During 1990–99, the programme created some 40,000 person-years of employment in labour-intensive activities. In Algeria, investment in public works programmes increased from US$112 million in 1997 to almost US$192 million in 2000.[85] Syria invested in infrastructure projects in areas of urgent need and distributed extensively small loans for business development.[86] It has been most probably the main contributor to the significant increase of employment in 2005 and 2006.

Finally, Jordan has relied on the expansion of its labour-intensive industrial sector. As early as the early 2000s, it set up Qualified Industrial Zones (QIZ), mainly in the apparel sector. More recently, a law was passed in February 2008 (the Areas Law of 2008) in order

[84] Jordan labour market study. ILO, 2009 draft. Not published.
[85] Algeria labour market study. ILO, 2009 draft. Not published.
[86] This included the rehabilitation of 80 schools in rural areas, especially in the North-Eastern region (the region declared "devastated" later in 2008): 320 million SYP out of a total of 350; the financing of 3 rural roads in the mohafazat of Rakka: 10 million SYP; and other projects on water sanitization, health development and industrial zones. Syria labour market study (ILO, 2009 draft. Not published.)

to boost growth, reduce unemployment and poverty, and stimulate investment in the poorest regions of the country. The idea is to promote large-scale development projects offering comprehensive customs and tax incentives to light industry companies, communication and medical industries, touristic ventures and the rehabilitation of the social infrastructure. The impact of these initiatives on employment has been rather disappointing. While most workers in the QIZ apparel industries are foreigners, the Areas law projects have not yet had spinoff effects on employment and living conditions. So far, their most visible impact has been a sharp rise in the price of land included in the development projects.[87]

3.3 Labour market regulations and social dialogue

Labour market regulations (LMRs) are a key element of policies aimed at promoting efficiency and equity in the labour market. In recent years, the job creation aspects of the LMRs have sparked controversies in the reviewed countries. Labour laws and regulations in these countries provide in general for maintaining tenure and stable employment relationships. It has been argued, however, that these tend to hinder job creation and favour the informal economy. According to World Bank figures, Middle East and North African countries have the highest level of public sector employment in the world (29 per cent), just behind East Asia and the Pacific (34 per cent). As a measure of comparison, the world average level of public employment (excluding China) is 18 per cent and OECD countries' average level is 14 per cent.[88] Within the five countries reviewed, differences are significant however: from 10 per cent in Morocco to 44 per cent in Jordan. The size of public/private share of employment actually depends, to some extent on the labour market regulations in the public and the private sectors, as well as the incentives provided by each of the latter.

In Turkey, the 2003 Labour Law (no. 4857) has sought to remove some of the rigidities that were regarded as impediments to the expansion of the private sector: restrictions on the use of temporary forms of employment contracts and the lack of a legal framework for temporary work agencies. The Law included provisions for fixed-term contracts and allowed the temporary transfer of workers, with their consent, across establishments. With the introduction of part-time and fixed-term employment, a legal basis for atypical employment was established. Yet, while the private sector has since then accounted for virtually all employment gains in the period analysed in this chapter, public sector employment has not fallen off.[89] According to most observers, Turkey still needs to facilitate the procedures related to enterprise creation (including the diminution of bureaucratic red tape and reduction of tax burdens on employment) and further relax its employment protection legislation that is still considered too rigid.[90]

Jordan has sought to reduce the size of its public sector (about one-third of the workforce) by trying to reduce recruitment in the public sector and encourage private enterprise. Yet, the percentage of men and women in the public sector has *increased* by about 2 per cent between 2005 and 2008 after a decrease.

This reflects two employment patterns. First, civil service jobs are more attractive than most jobs in the private sector, they are safer, more rewarding (higher minimum wage for instance) and their incumbents automatically benefit from retirement benefits, which is

[87] Jordan labour market study (ILO, 2009 draft. Not published.).
[88] World Bank, *The Road Not Traveled*, MENA development Report, 2008, p. 226.
[89] World Bank, *Turkey Labor Market Study*, April 14, 2006, p. 60.
[90] Arjen Vos, *Human Resource Development – Country Analysis: Turkey*, (European Training Foundation, Etf), working paper May 2008.

not the case in the private sector. Second, some "inflexibilities" in the labour law tend to limit the recruitment: uneasy and onerous layoff procedures, inflexible working hours and extensive maternity leave, more especially. These protective regulations are believed to push employers to recruit employees in the "black market" thus contributing to the expansion of the informal economy.[91]

The same issues fuel the debate around the efficiency of the private sector in Morocco. In Morocco, as seen above, difficulties met by the employers to hire and/or layoff personnel are well above regional and world levels. In particular, layoff indemnities have increased since the introduction of the new Labour Code in 2003. Employers also claim that minimum wages are too high and tend to pose the reduction of the current minimum wage as a prerequisite for the enhanced competitiveness of Moroccan enterprises in the global market. However, such a claim seems hardly receivable given the prevailing poverty levels and absence of passive labour policies.[92]

Syria's situation is different from that of the four other countries reviewed. Its legal system originates from a constitution and labour laws that were elaborated during the union with Egypt (1958–1962). The liberalization of the economy that started in 1986, has questioned the relevance of these regulations. For instance, the current investment law liberates to some extent the new commercial ventures from conforming to them. A new labour law project has been approved by the Council of Ministers in July 2009, after two years of controversy due to provisions stating that the labour contract would in future be a "free contract between two parties" and that the provisions for firing commissions would be repealed.

In the countries under survey, efforts have been made to promote social dialogue. This trend highlights a growing awareness that only collective bargaining between legislators and the social partners could resolve the intricate employment and income security for workers versus employers' flexibility dilemma in a fair and sustainable manner.

Turkey, Morocco and Algeria have well-established collective bargaining systems promoting bipartite or tripartite dialogue. This system was further reinforced in the course of the 1990s with, in Turkey for instance, the creation of an Economic and Social Council in 1995. Established as an advisory body, its role is to address the major economic and social issues at the highest level. Jordan's practice of collective bargaining is more recent and more fragile due to recurrent control by the government, the unions and the latter's extra-social, political, agenda. Nevertheless, in cooperation with the ILO and the EU, two national social dialogue bodies were created. The National Tripartite Advisory Committee on Labour Affairs in 2008, whose purpose is to facilitate consultations with employers and unions under the aegis of the Government and, later, in 2009, the Economic and Social Council was created with a view to serving as an independent consultative body whose task was to inform the government about any type of social and economic issue prior to policy and legislative decisions.

However, these structures are yet to meet proper social dialogue standards. In particular, the representativeness of these trade unions has been regularly questioned. The level of unionization among registered enterprises is relatively low in all the countries reviewed; even when they are tolerated, trade unions often face the mistrust (or a fear to

[91] Jordan Labour Market Report, Draft, 2009. Not published.
[92] See for more details: Morocco Labour Market Report, Draft, 2009. Not published.

join) on behalf of the employees.[93] Moreover, unions are inexistent in the large informal economy, as well as in the majority of small and medium-sized enterprises which constitute the bulk of the private sector. In this way, enforcement of labour legislation is weak and most workers lack a voice to defend their rights. The same representativeness challenge applies to the employers' chambers of commerce/industry as, for example, the interests of the SMEs are poorly represented. The unsatisfactory implementation of the labour law and regulations also stems from the poor performance of the employment services and of their operations.

3.4 The employment services and their operations

Public and private employment services play a key intermediary function in matching the supply of labour to demand. All the countries analysed recognize the important role of government institutions in the intermediation process and have put in place public employment services affiliated to labour and employment ministries.[94]

Public employment services are poorly developed in these countries and they have weak policy frameworks for career guidance.[95] Services are under staffed, have limited funding and limited credibility with employers. They tend to operate along the lines of old-fashioned labour exchanges; they are, moreover, bureaucratic and fail to respond to the realities of the labour market. In countries where there are no unemployment benefit schemes that require unemployed jobseekers to register, and since access to jobs is primarily governed by a network of social contacts, the only way to attract jobseekers is by offering efficient employment services that respond to real needs. Efficient public employment services are, however, very necessary.[96]

In recent years, the five reviewed countries have attempted to overhaul governmental employment services. It is important to note the importance foreign stakeholders have played in this respect, in Turkey and Jordan more especially. A further important influence in Turkey has been the process of harmonization with EU standards as part of its candidacy process for admission.

The Turkish public employment services (İŞKUR) are in the process of establishing an internal evaluation system to evaluate the effectiveness of its programmes and increase its capacity in fulfilling its objectives. Within the framework of the EU pre-accession financial support programme, an assessment of İŞKUR was carried out in 2006. The strengths were noted to be: a country-wide network; an administrative structure that is participatory and open to social dialogue; satisfactory management of the unemployment insurance fund; IT use in service provision; dedicated and adaptive personnel; use of quality management systems; experience in running international projects; and, importance given to in-house training. Opportunities were listed to be: harmonization process with the

[93] In Jordan, and to some extent in Algeria, trade unions have been assimilated to political bodies little interested in pure labour market concerns: in Jordan they have been held as bodies making up for the absence of strong political parties.

[94] See in-depth debate on operation of public and private employment services and their role in labour market intermediation in: L'intermediation sur le marché du travail dans les pays du Maghreg. Etude comparative entre l'Algerie, le Maroc et la Tunisie. Jean Paul Barbier, ILO, 2006.

[95] Career guidance in the Middle East and North Africa. Ronald G. Sultana, International Journal of Vocational Guidance, 2008, Watts, http://www.um.edu.mt/__data/assets/pdf_file/0004/39496/Guidance_MENA_IAEVG.pdf.

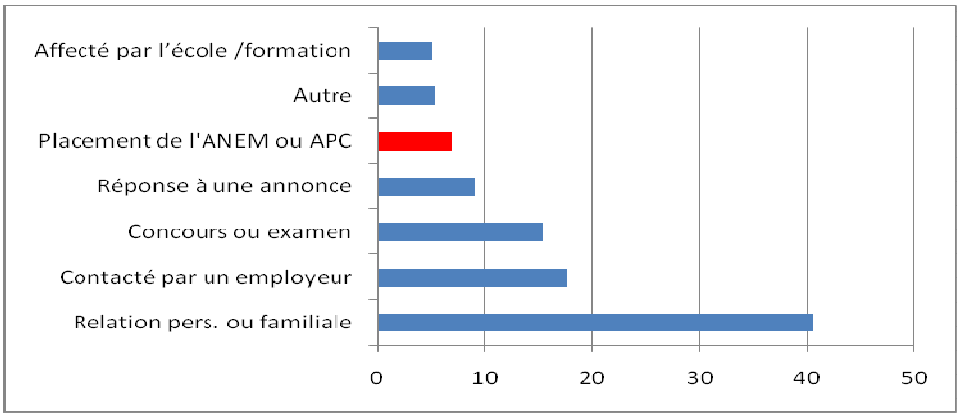
[96] U. Bardak, H. Huitfeldt and J. Wahba, Employment Policy Reforms in the Middle East and North Africa, European Training Foundation, 2006.

EU; increasing importance of public employment services; having a young population; technological developments; and, the continuity of economic growth. Weaknesses cited to be: shortage of staff; lack of technical capacity of existing staff; ineffective use of financial and human resources; negative public attitude towards the services provided; lack of coordination; lack of infrastructure and physical space; weak ties with universities, local administration and vocational training organizations; lack of services provided to and weak ties with employers; lack of services geared toward highly qualified jobseekers; and, a lack of institutional identity. Threats were identified to be: political instability of the region; non-existence of a clear national employment strategy; rapid population growth; high unemployment rate; low labour market participation rate; low schooling and productivity of the labour force; high share of agriculture in employment; rural-urban migration; regional disparities in development; and, informal employment.[97]

In Jordan, serious efforts to improve the employment services started in 2006. The Ministry of Labour's (MOL) administrative structure was streamlined through the consolidation of its 14 previous micro-departments into five strong planning departments and six operational directorates.[98] However, MOL's extensive network consisting of 22 labour counselling and exchange offices has not adequately responded to the demands of the labour force. Offices are inadequately equipped, procedures are outdated, work routines are not supported by even the most rudimentary information and communications technologies, and staff are poorly qualified. Jordanians have little confidence in these offices and this is reflected in them being the least used method by jobseekers to find a job (27 per cent used them amongst other methods, in 2008). Visits to the work sites (75 per cent), followed by use of personal contacts (48 per cent) were the most preferred job search methods.

The same trend is witnessed in Algeria. Jobseekers also make very limited use of the employment services offered by the local offices of the National Employment Services' (ANEM), as can be seen in the graphs below concerning Algeria.

Figure 2. Modalities of job search for employed jobseekers 2007



Source: National data. Algeria labour market study, ILO, 2009 (unpublished).

[97] Hakan Ercan, «Labour Market Policies and Institutions with a focus on Inclusion, Equal opportunities and the Informal Economy : Turkey" (ILO, 2009). Draft, not published.

[98] Ministry of Labour, *Labour Compliance and Administration in Jordan, a Multi-Stakeholder Collaboration*, www.jordanembassyus.org/.../LabourAdministrationandComplianceinJordanFinalLT.pdf. The Directorates are the following: migration, women's affairs, labour affairs and inspection, employment and training, administration, international cooperation, legal and media issues.

The challenges in Algeria and Morocco are similar to those described for Jordan. A three year programme was put in place in Algeria in 2007 with the goal to modernize the employment services. Morocco's ANAPEC was also recently reorganized in order to improve its efficiency. However, the lack of involvement of key actors (such as employers' and workers' organization) and the poor coordination, together with the lack of routine follow-ups and evaluations of programmes remain key challenges. In Morocco and Algeria, employment services with specific missions targeting youth have been set up (ANAPEC and ANSEJ). The challenges are similar to those facing the national employment services. Furthermore, the differentiation of roles and responsibilities between agencies is not clear.

Syria seems to face important challenges. Registration in the employment services is very low and placements have been mainly in the public sector. A major challenge identified is the important lack of technical capacity of the staff to provide adequate vocational guidance and counselling to jobseekers. In response to that, the Ministry of Labour has decided to improve the operations and procedures of the employment offices, and intends, with the new labour law, to extend their role, not only to the private sector hiring as a mandatory passage point, but to the employment of Syrians in foreign countries.[99]

Private employment offices are available in the countries under review, except Syria. However, their role is limited to labour exchange and they tend to pay little attention to career guidance. The reasons for this can be attributed to the relatively small market for commercial and fee-based services (which large parts of the population simply cannot afford) as well as to the weak development of private employment services in general. In Jordan, maybe as the result of the weakness of the governmental employment offices, they have been mushrooming. More than 35 employment or recruitment companies provide counselling and exchange services to recruit foreigners, mainly as domestic or construction workers, or to recruit Jordanians for the local or regional job market. In Syria, the establishment of these private services is currently not yet fully regulated.

3.5 Towards the regularization of the informal economy?

While informality is gaining ground and remains an important development challenge, countries are searching for new policies, innovative solutions and practical responses. The 2002 International Labour Conference adopted a Resolution[100] on *Decent work and the informal economy* which included a broad range of directions for action. The Resolution provides a new and comprehensive framework for action to address the decent work deficits in the informal economy and to facilitate integration into the mainstream economy.

Box 3. Proposed actions to address the decent work deficits in the informal economy and to facilitate integration into the mainstream economy

To promote decent work, it is necessary to eliminate the negative aspects of informality while at the same time ensuring that opportunities for livelihood and entrepreneurship are not destroyed, and promoting the protection and incorporation of workers and economic units in the informal economy into the mainstream economy.

The government has a primary role to play:

- providing the conducive macroeconomic, social, legal and political frameworks for the large-scale

[99] Syria labour market study. ILO, 2009. Unpublished.

[100] The full text of the Resolution and Conclusions concerning decent work and the informal economy, adopted on 19 June 2002, International Labour Conference, 90th Session, Geneva, 2002, can be consulted at http://www.ilo.org/public/english/standards/relm/ilc/ilc90/pdf/pr-25.pdf pp. 52.53.

creation of sustainable, decent jobs and business opportunities;

- designing and implementing specific laws, policies and programmes to deal with the factors responsible for informality;
- extending protection and social security to all workers;
- removing the barriers to entry into the mainstream economy;
- ensuring that the formulation and implementation involve the social partners and the intended beneficiaries in the informal economy;
- providing and enabling framework at national and local levels to support representational rights.

Employers' and workers' organizations can play an important advocacy role:

- to draw attention to the underlying causes of informality;
- to galvanize action on the part of all tripartite partners to address them;
- to publicize and share the innovative and effective strategies and good practices that employers' organizations and trade unions in the different parts of the world have used to reach out to workers and enterprises in the informal economy;
- employers' organizations could assist economic units with access to information, finance, insurance, technology and entrepreneurship development and could help to develop a lobbying agenda geared to the needs of micro and small enterprises. They could act as the conduit for the establishment of links between informal enterprises and formal enterprises;
- trade unions can sensitize workers in the informal economy to the importance of having collective representation; they can include them in collective agreements and provide them with special services including information on their legal rights, legal aid…

Source: ILO Background document. The informal economy: enabling transition to formalization Tripartite Interregional Symposium on the Informal Economy: Enabling Transition to Formalization. Geneva, 27-29 November 2007. www.ilo.org/public/english/employment/policy/events/informal/download/back-en.pdf

Despite the already mentioned challenges in terms of defining and measuring the informal economy in the region, the five countries have put in place interventions to address the issue. Examples of these efforts are the interventions to promote and support micro or small enterprise creation. As has been seen the "Moukawalati" programme in Morocco promoting self-employment, which initially targeted young graduates from secondary schools, universities and vocational training, was extended in 2009, to all categories of promoters. Similarly, in Algeria the ANSEJ provides young unemployed graduates with incentives towards entrepreneurship and small enterprise creation. Syria, since 2001, has also targeted "business development", supporting through financing and project assistance, individuals and families, to create and expand SMEs. The agency for combating unemployment in Syria was seen as the main contributor to employment creation in 2005–2006. In Jordan, the Development and Employment Fund (DEF), created in 1989, was mandated to eradicate unemployment and poverty by providing poor individuals, groups, families and low-income persons with the technical and financial support needed for employment and production. Over the years, the range of loans granted by DEF has included direct individual, household (female-headed) and collective start-up loans and they have also made loans available for upgrading existing enterprises and for innovative pilot projects in impoverished areas. Under this programme, nearly 35,000 projects generating 60,000 jobs had been funded by the mid 2000s.

Also, as previously discussed, income-generating activities for the working poor have been extensively supported in the region. Employment intensive investment programmes have been implemented in Morocco, under the auspices of the Promotion Nationale, in order to improve the living conditions of rural populations and reduce rural-urban migration and regional disparities (equipment programme, Saharan provinces development, programme and proximity social development programme). They were conducted in rural areas in order to provide agricultural workers, who depend entirely on agriculture, with jobs during the dry season (irrigation works, small dams, anti-erosion works, etc.). Later on, these types of programmes were extended to urban areas for the maintenance of basic equipment, in partnership with NGOs. In Algeria, since 1997, Public Utility Labour Intensive Works (TUPHIMO), Activities of General Interest (AIG), Community

development programmes and Proximity actions, are of a similar type. In Jordan and Syria, countries with large numbers of immigrant workers, these issues are not raised in the same way. The "culture of shame", which prevents Jordanian workers accepting certain types of jobs, especially in the low-paid construction and agricultural sectors, leads public authorities to design adequate incentives to slow down the demand for foreign labour with the gradual substitution of Jordanians.

More generally, micro-credit schemes aim at enhancing the inclusion of marginalized groups, women in particular. In that way, in Jordan, where half of the unemployed women are university graduates, DEF has provided indirect loans in order to refinance targeted groups, such as the Micro Fund for Women, the Jordan Micro Credit Company, and Ahli Micro Finance Company. In 2003, UNRWA extended its microcredit scheme that had only been available in the Palestinian Territories. In Syria, the Syria Trust for Development has also focussed on rural development, micro-credit and training with two projects: Firdous, comprising village business incubators, entrepreneurship development, microcredit schemes and mobile information centres; Shabab, which includes business awareness programmes, know about business programmes, business experience programmes and business clinic programmes. In Algeria, the Agency for Social Development (ADS) and the National Agency for the Management of Micro Credit (ANGEM) focus on self-employment, home-based activities and petty subsistence activities.

Furthermore, Jordan, Morocco and Turkey have implemented programmes of expansion of social security coverage. They are all willing to improve labour market flexibility and in parallel extend safety nets.

Along with the 2005 National Agenda (NA) for the years 2006–2015 and the 2006 Kulluna al-Urdun (KU – We are all Jordan) for the 2007–2015 period, both of which emphasize the guarantee of social welfare, the necessity to improve working conditions and empower women and youth, Jordan seeks to improve labour market flexibility and productivity coupled with the introduction of safety nets. To this end, the expansion of coverage of the Social Security Corporation is pursued, by including, from now on, the enterprises with less than five employees, for which social security was not mandatory. The process started in November 2008 and is expected to be completed by 2011: more than 140,000 new firms employing more than 300,000 workers will thus fall under the coverage of social security. In parallel, and for a better inclusion of marginalized categories, amendments have been adopted to elaborate a legal regime to protect domestic servants and agricultural workers. It has also been proposed that maternity leave should not be solely supported by the employer.

In Syria, social security is mandatory by law for all employees in the public and private sectors. Notwithstanding these provisions, social protection was never fully implemented for all and the gradual liberalization of the economy has resulted in the dissemination of practises annihilating these provisions, even by the new investment laws, which freed new ventures from complying to them (only 34 per cent of the workers in the private formal sector are currently registered at the social security). Yet health services have, until recently, been provided free of charge by public hospitals, without any requirement for a social security number and the general improvement of health, which took place in the country, even in remote areas, explains why registration has remained so low. With the deterioration of the public health service and the introduction of a "paying path" by the government, access to health services was made more difficult for the poor and the informal workers. The generalization of a social security number could, therefore, reduce informal employment. Universality of social protection will not, however, be questioned, even in the wake of the new liberal policy launched in 2005 with the "Social Market Economy". Discussions and negotiations currently address the respective shares that employers and employees will have to pay to the social security.

In Turkey, three State agencies were brought together under the Social Security Organization in 2000. Nearly 55 per cent of the workforce is covered by social security, but the tax wedge is the highest among OECD countries: after deducting 14 per cent for social security and 1 per cent for unemployment insurance (plus 15 per cent for income tax and 0.6 per cent for stamp tax) and payment of 19.5 per cent by the employers for social security plus 2 per cent for unemployment insurance, the total labour costs for the employer increases by more than one fifth what is paid in gross amount to the workers and the total contributions from both workers and employers amounts to 54 per cent of net wages.

A major issue to be tackled during the process of expansion of social security coverage is the quality of the services, health services in particular. As long as these services are of poor quality, of difficult and costly access (even if theoretically free of charge), social contributions will be considered as a tax rather than an insurance by employees as well as employers. Therefore, there will be a preference for a cash salary from the employees and a complacency of employers towards their employees to negotiate the wage rate by saving the employees' contribution for their immediate satisfaction, which is by paying it in cash, or at least paying the contribution on the legal minimum.

4. The way forward

Low numbers of economically active population women and youth, low employment rates combined with high unemployment and underemployment rates (particularly among youth and women), vibrant informal economy, weak social dialogue and important gender inequalities are key characteristics of the five labour markets that are likely to negatively affect productivity while spurring social and economic instability. The question asked in this section is: what can be done beyond the measures that were taken so far? What needs to be taken into account when designing labour market policies and programmes?

4.1 Employment promotion

In the coming decades, employment promotion shall remain a priority for the five countries reviewed. The conclusions of the first Euro-Mediterranean Employment and Labour Ministers Conference (Marrakesh, 9–10 November 2008) highlight the urgency of challenges relating to employment, investment in human capital, and decent work for all in the region and Ministers committed themselves to a Framework of Actions that would contribute to developing a genuine social dimension within the Euro-Med agenda (see Box 1 in annex). Employment is fundamental to the fight against poverty and social exclusion and it is important that the countries pursue the crucial objective of placing employment at the heart of their economic and social policies. Given the impact of the global economic and financial crisis, this objective is more relevant than ever. This has been recently underscored in the Leaders' Statement of the Pittsburgh Summit of the G20 (September, 2009). Under the heading "Putting Quality Jobs at the Heart of the Recovery", the G20 leaders committed to "implementing recovery plans that support decent work, help preserve employment and prioritize job growth."[101] The ILO Global Jobs Pact,[102] approved in June 2009 by the tripartite membership of the ILO, provides an internationally-agreed set of policy measures designed to reach these objectives. The Global Jobs Pact is based on the

[101] See statement: www.pittsburghsummit.gov/mediacenter/129639.htm.

[102] Recovering from the crisis: A Global Jobs Pact adopted by the International Labour Conference at its 98th Session, Geneva, 19 June 2009.
http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_115076.pdf.

Decent Work Agenda and recalls that respecting fundamental principles and rights at work, promoting gender equality and encouraging voice, participation and social dialogue are also critical to recovery and development.

Although employment promotion is identified as a priority in the national policy agendas, there are no stated employment policy objectives that go in tandem with other economic and social development objectives. To meet the employment challenge, these countries will have to pursue and improve the macro-economic, employment and labour market policies recently engaged rather than relying on foreign aid and migrant remittances as these are not the basis for sustained economic growth and employment generation. These countries may need to focus on reinvigorating private sector activity, facilitating the integration of their economies into global markets and, for the oil exporters (Algeria and Syria) better management of oil resources. Furthermore, drivers of future growth and job creation require a foundation of better governance. In this respect, the four priority areas for raising growth and employment in the Mediterranean region agreed at the first Euro-Mediterranean ECOFIN ministerial (Rabat-Skhirat, 2005) are very relevant, namely: (i) improving the business climate to enable firms to invest, create jobs and expand; (ii) further liberalising trade and opening the economy, while simultaneously protecting the most vulnerable groups of the population, to increase competitiveness, efficiency and productivity; (iii) upgrading public institutions and governance systems to improve public service delivery, particularly in education, and raise transparency and accountability; while, at the same time, (iv) consolidating macroeconomic stability and public finance management through further fiscal consolidation in countries with high debt ratios and high quasi-fiscal deficits, and maintaining prudent monetary policies.[103]

Youth employment promotion is a key priority for the countries analysed. Given that youth employment is highly dependent on the general employment situation in a country, policies to boost and sustain job-rich economic growth are fundamental for the successful integration of young people into the labour market. Furthermore, young people are more likely to work longer hours under informal, intermittent and insecure work arrangements, characterized by low productivity, meagre earnings and reduced labour protection. Policies and programmes conducive to the creation of quality jobs for young women and men are therefore crucial. While these countries have made substantive efforts in developing interventions targeting youth, further targeting of measures might be desirable. Young people's needs, experiences and disadvantages differ depending on age, gender, ethnicity, social class, household size, educational and training levels, disability, migrant or refugee status, as well as the level of national development. These factors help identify young people's vulnerability to social risk and exclusion. This calls for a holistic approach that combines macroeconomic and development policies with targeted interventions aimed at overcoming the specific disadvantages faced by many young people in entering and remaining in the labour market.[104]

Improving female labour market outcomes is also a major challenge. Empowering women is one of the most urgent and pressing challenges these countries have to face, and the main route to reaching this successfully is by giving women the chance of a decent job. Heavy investment in women's education, changes in the labour legislation and recognition and sharing of family responsibilities with men set the preconditions for women to equally participate in labour markets. Gender equality in the world of work is a matter of human rights and justice but also makes good business sense for employers and is instrumental in

[103] See: http://ec.europa.eu/economy_finance/international/non_eu/middle_east/index_en.htm.

[104] See Starting right: Decent work for young people. Background paper Tripartite Meeting on Youth Employment: The Way Forward, Geneva, 13-15 October 2004.

achieving economic growth, social development and poverty reduction. Equality of rights applies throughout the life cycle. Available, accessible and affordable good quality childcare in urban and rural areas is also important to increase female participation and employment rates. Also, gender disaggregated data should be collected in relation to the wage gap and analysis should be made public in order to raise awareness about this issue. Interventions (such as job evaluation schemes) should be considered to ensure that wages are set according to the actual value of the jobs thus contributing to a narrowing of the wage gap between the sexes. Furthermore, improvements in the overall policy and legislative framework for gender equality in employment and the enforcement of laws is crucial.[105]

Improving the business environment is essential for helping markets in the five countries work better and for improving the investment climate, which is the key for expanding job opportunities. The creation of an enabling policy and legal framework, the development of an enterprise culture, the development of an effective service infrastructure, and the representation and organization of micro- and small entrepreneurs is important to create productive, sustainable and quality jobs.[106] ILO research indicates that the challenge is to ensure that the business environment is more conducive to the creation and growth of sustainable enterprises across the full spectrum of society so that the potential for enterprises to create decent jobs is maximized. When it comes to the legal and regulatory environment for business, fewer and simpler laws and regulations usually mean a more dynamic and efficient private sector. But, if sustainable enterprises are to be fostered, the regulatory framework should not compromise on international labour standards.[107]

4.2 Employment policies and labour market institutions

Despite these countries substantive progress in terms of **active labour market policies,** improvements could be made in terms of their design, monitoring and evaluation in order to improve their impact. ILO studies and others indicate that, if properly targeted and implemented, ALMPs can effectively benefit the most disadvantaged (particularly youth) by mitigating education and labour market failures, while promoting efficiency, growth and social justice.[108]

Targeting ALMPs to women is also important to increase their participation. Furthermore, regular monitoring of ALMPs and a constant flow of information from local to central institutions, and vice-versa, allows timely adjustment. It also allows for widening the scope of best-performing measures and narrowing that of less successful ones. Effectiveness and impact of ALMPs is greater if these programmes are implemented by local authorities. The latter have a better knowledge of both opportunities and constraints in the socio-economic context. However, decentralization needs to be synchronized with effective coordination and guidance at the central level. The involvement of social partners can bring focus on issues (e.g. working conditions, discouragement and inactivity) that are not always on the government's agenda.

[105] See Resolution concerning gender equality at the heart of decent work adopted at the International Labour Conference, 2009 http://www.ilo.org/gender/Events/lang--en/WCMS_111473/index.htm.

[106] In this respect, the ILO Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), provides an important basis for the types of measures that could be adopted.

[107] G. Reinecke and S. White: *Policies for small enterprises: Creating the right environment for good jobs*, ILO, Geneva, 2004.

[108] P. Auer, U. Efendioglu and J. Leschke: *Active labour market policies around the world: Coping with the consequences of globalization*, ILO, Geneva, 2004.

Box 4. Evaluation of ALMPs – lessons learned from international experience

Lessons learned from evaluation show that ALMPs aimed at young people are more effective when they are:

Well targeted and tailored to individual needs.

ALMPs that identify and target both the individual characteristics (e.g. age, gender, educational level, socio-cultural background) and the labour market disadvantages faced by young people have been more successful. Paths enabling young people to re-enter education are also factors of success.

Designed to respond to labour market requirements.

Design that responds to the labour market improves the employment opportunities of participants. Labour market information is essential for the design and monitoring of initiatives. Evaluation is also essential to assess their cost-effectiveness, relevance and impact, as well as to draw lessons for future programmes.

Linked to work experience.

Programmes linked to the world of work (e.g. in-company training, work placement) increase employment opportunities. The most successful ALMPs place participants with private-sector employers rather than offering temporary placement in public sector projects.

Part of a comprehensive package of services.

The integration and sequencing of various components targeting both demand (e.g. tax incentives, self-employment) and supply (e.g. training, career guidance and other job-search assistance) are more effective in easing the school-to-work transition.

Involve the social partners

Employers' and workers' organizations can help connect young people with the world of work by being involved in the design and implementation of policies and programmes targeting young people.

Source: Starting the new millennium right: Decent employment for young people. G. Rosas and G. Rossignotti. International Labour Review , Vol. 144 (2005), No. 2.

It is important that countries invest in education and training and strengthen their efforts to improve literacy rates (particularly among key segments of the population such as older women) and modernize **vocational education and training systems**. A key priority should be to reform VET curricula in order to make VET responsive to labour market requirements. In this respect, effective mechanisms to improve a better integration between work and learning should be put in place in cooperation with employment offices, the schools, training institutions and the social partners. It is crucial to ensure the implementation of a gender sensitive education and training system at all levels, and in all learning institutions. Core messages of gender equality, and women's leadership should be included in the curriculum and teacher training. Gender stereotyping, which encourages young women to train for traditional occupations and prevents them from taking part in training programmes that could lead to higher long-term earnings, should be avoided. Efforts should be made to develop coherent strategies and practical measures, promote lifelong learning and make it accessible to all. The Lifelong Learning Programme of the European Commission[109] could provide guidance for the future.

The operational challenges met by labour market policies must also be addressed and **employment services** must be reinforced, and good career guidance services need to be developed. Job centres are known for their poor management of labour exchange and counselling. Gender should be mainstreamed in the operation of the employment services (in the training of counsellors, the job allocation process, the registry of the unemployed, training projects, etc.) as employment services also have a key role to play in combating occupational segregation.

[109] http://ec.europa.eu/education/lifelong-learning-programme/doc78_en.htm.

Box 5. Review of career guidance services in 10 Middle East and North African countries

Policy recommendations

- Improving the comprehensiveness and quality of career information.
- Establishing career education more strongly within the school curriculum.
- Extending career guidance services more generally, within the context of lifelong career development for all, where possible building on existing provision in an organic way.
- Ensuring that such provision takes full account of, and is strongly grounded in, the socio-cultural context.
- Developing the competences of career guidance staff.
- Identifying a focal point for strategic leadership across the career guidance field, on a lifelong basis.
- Steps should be taken to sustain the networking across the region that has been a feature of the project reported here. There is much that the countries in the region can learn from each other, and there may be some areas in which collaboration and selective policy borrowing could enable maximum use to be made of scarce resources.

Source: Career guidance in the Middle East and North Africa. By Ronald G. Sultana Watts, International Journal on Education and Vocational Guidance, 2008 http://www.um.edu.mt/__data/assets/pdf_file/0004/39496/Guidance_MENA_IAEVG.pdf

In order to adequately inform the design and implementation of policies and programmes, and report on their effectiveness and efficiency, labour market information needs to be improved. Furthermore, disaggregated data, especially by gender and age, is particularly important.

Furthermore, on the issue of **labour market regulations,** the question will not be whether to regulate or not, but will be what kind, and at what level, of regulations are appropriate and how can compliance with legislation be increased. It is important to design labour legislation that facilitates the application and compliance of its provisions in micro- and small enterprises. Enforcement of labour protection legislation is crucial to cover unprotected workers in the informal economy. Labour market governance should, therefore, be improved and labour administrations, including effective and well-resourced labour inspection systems, need to be substantially strengthened. These are also instrumental in enforcing gender equality labour legislation and policy. Labour inspection departments are usually understaffed and unable to check the enterprises' compliance to existing laws and regulations. Training and adequate staffing would improve the operation of the employment services.

4.3 Social protection for all and formalization of the informal economy

"Social protection for all" and formalization of informal employment is a major challenge. Extending and developing social security systems remains a key challenge in the countries. While efforts to develop and implement ALMPs are to be commended, it is important that the countries place equal importance on the development and implementation of social safety nets. Like ALMPs, social security is also a critical tool in the management of change as it can enhance the dynamism of the economy and the mobility of labour. Furthermore, it is important to keep in mind that social policy is a productive factor in several ways. Its main aim of social protection is to cope with important life risks, such as sickness, invalidity, old age or maternity and parenthood, as well as the loss of income due to a variety of causes. In doing so, it can enhance and maintain the productivity of workers and creates possibilities for new economic activities with great employment potential and high employment rates, especially for female

workers.[110] This is particularly relevant for the informal economy where the lack of social protection is a key defining characteristic. Well targeted cash transfer programmes may be an option to extend social protection.

Social protection is a collective insurance for individuals and their families against income loss due to illness, disability, unemployment, old age, death of a breadwinner and maternity. It is also an automatic stabilizer in times of economic turmoil and strengthens aggregate demand. These circumstances are compensated by the goodwill and contribution of the majority, in the knowledge that everyone will be entitled to these benefits when the need arises. In order to reverse the perception of social contributions, by the employers and the own-account workers on one hand and the employees on the other hand, as a costly tax rather than a collective insurance for the future, the social contract between the State and informal workers, whatever their status, must be renewed. The benefits for all must be made visible, particularly in terms of accessibility and quality of health services.

Informal workers (own-account, employers as well as employees) tend to look at official contributions and taxations as irrelevant, illegitimate and groundless because they do not benefit from them enough in terms of education, training, infrastructure, credit and markets. Therefore, and more generally, the social contract must be based on the accessibility and quality of infrastructure in education, health, communication and the shared feeling that the use of taxes through public expenditure benefits all.

Specific strategies addressing the various segments of the informal economy should be put in place. These strategies should cope with the heterogeneity of the informal economy and address its various segments.

[110] Social Protection as a Productive Factor, Core Element no. 8. ILO, Global Employment Agenda, 2003,http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/meetingdocument/wcms_103334.pdf.

Box 6. Strategies addressing various segments of the informal economy

Regarding **informal employment in formal enterprises**, which are not able, due to their productivity level, either to pay decent wage rates to their workers or pay social security contributions, four kinds of actions could be developed with a view to making these enterprises compliant with the labour law:

- a higher probability of labour inspection audits;
- a higher capacity for workers to become members of trade unions in order to access, voice and defend their rights;
- a better promotion of the corporate social responsibility throughout the subcontracting tiers of the production chains;
- a social dialogue at sector level to tackle the unfair competition from smuggling or from local competitors, under the government arbitrage.

The second segment comprises **own-account workers and self employment** in general, including family workers, who have economic capacities, but are, in the majority, under the threshold of formalization. For this segment, the two main challenges are:

- to improve productivity and the quality of their products and services, which requires the implementation of programmes for transferring knowledge and financial resources;
- to raise confidence in the government legal framework, institutions and services, which depends on:
    - evidence of the government's willingness to adapt the legal and taxation framework, public expenditure and the social security system to their needs and capacities;
    - strength and relevance of their representation and voice and their ability to act as an efficient intermediary with central and local governments.

Besides these lower-tier enterprises of the informal sector, in all countries of the region, the dynamic **micro-enterprises** represent an important share of employment; but how to determine the units that have the potential to grow and become formal? The dynamics of micro-enterprises' growth in the informal sector often remain invisible in that these enterprises grow by multiplying the number of small establishments and by diversifying their activities or integrating upstream and downstream activities. This "missing link" of intermediary enterprises should be a priority for policy-makers. Efforts should be made to identify these economic units and to design the appropriate measures and incentives that would lead them to join the formal sector.

Finally, the segment of **subsistence activities** workers should be supported through social programmes while the segment of **domestic workers**, whose jobs and status – often associated with those of migrant workers – is more heavily dependent on the control activity, but more than for the other segments of the informal economy, decent work is a matter of social protection, if not just a matter of protection.

Source: Informal Economy and Labour Market Policies and Institutions in selected Mediterranean Countries, J. Charmes, ILO, 2009. Unpublished

In conclusion, there is no single or simple strategy for formalizing the informal economy, as appropriate measures are country-, time- and case-specific. The appropriate strategy is a matter of a comprehensive understanding and coordinated attitude from the State and public authorities towards a heterogeneous sector of the society and economy; an actor in need of recognition for its important role, played underground in times of crises and high open unemployment, and for the role it could play out in the open, if only policy-makers adopt appropriate and timely measures.

4.4 Social dialogue and collective bargaining

Social dialogue based on freedom of association and collective bargaining is the preferred way to perfect and achieve consensus on the above recommendations. Whether the aim is sustainable development, employability, or crafting other policies, the best procedural approach to all is based on social dialogue, freedom of association and collective bargaining, where the distinctive interests of those with the greatest stake in

employment policy can be represented. In these countries, however, people in informal work represent the largest concentration of needs without voice - "the silent majority of the world economy".[111] Strengthening representation and voice in the informal economy in these countries remains a key challenge. Nevertheless, it is important to bear in mind that, in addition to collective bargaining, other forms of social dialogue can be significant. "Voice regulation" through tripartite systems of consultation and negotiation, at national or sectoral level, has been increasingly recognized as a dynamic and effective means of promoting efficiency and addressing equity and distributional issues in both the formal and informal economies in the context of globalization. Beyond the traditional actors of the social dialogue, others should be involved in this process, such as chambers of commerce and industry, associations of craftsmen, municipalities, universities, research centres and also vocational training schools, women's associations, and above all, representatives of the civil society at large. The tripartite partners should agree on how to involve the various stakeholders. It is also important to recognize the diversity of civil society groups, movements and non-governmental organizations which give visibility to and provide advocacy on informal economy issues, but do not represent those in the informal economy, as they are often not membership-based or do not have democratic structures. Some of these groups and organizations have been very active and vocal at national and international levels and their experience in organizing, and their network structures, can be tapped by the social partners. There are increasing examples of cooperation and alliances between some of these organizations and trade unions and employers' organizations.[112]

[111] *Reducing the decent work deficit: A global challenge*, Report of the Director-General, International Labour Conference, 89th Session, Geneva, 2001, p. 64.
[112] See Chapter V in Decent Work and the Informal Economy, International Labour Conference, 2002, 90th Session (ILO).

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Statistical annex

Table 1. Real GDP growth rates (market exchange rates), forecasts 2009-2013

	2009	2010	2011	2012	2013
World	- 3.0	0.9	2.4	2.9	3.1
MENA	1.5	2.8	4.8	5.5	5.5
Sub-Saharan Africa	- 1.0	3.0	4.9	5.0	4.7
Latin America	- 2.5	1.3	3.4	4.0	4.0
Asia and Australasia (incl. Japan)	- 2.3	3.5	3.9	4.4	4.5
Eastern Europe	- 4.0	3.6	3.7	4.2	4.7
Western Europe	- 4.1	- 0.5	1.2	1.7	1.9
North America	- 3.2	0.6	1.5	1.9	2.1

Source: *Globalization Stalled*, Economic Intelligence Unit (May 2009).

Table 2. Employment, unemployment and GDP growth rates (%) in different regions by sex, 2008

	Middle East (ME)	North Africa (NA)	Sub-Sah. Africa	South Asia	East Asia	South-East Asia/ Paci	Latin Am. /Caribbean	World
Emp-to-Pop rate*	46.6	45.7	65.3	56.3	71.44	65.8	61.2	61.2
Male	69.0	67.9	74.3	77.7	75.6	78.2	74.7	73.1
Female	22.0	23.7	56.6	33.6	67.1	53.7	48.3	49.3
Unemployment Rate	9.0	10.0	7.6	5.0	4.3	5.4	7.2	5.9
Male	8.0	8.1	7.2	4.7	4.9	5.0	5.7	5.7
Female	12.3	15.0	8.2	5.8	3.6	5.9	9.4	6.2
Annual GDP growth	5.6	5.8	5.4	7.0	10.4	7.4	4.2	3.2

Source: ILO, *Global Employment Trends*, Geneva, January 2009, and ILO, *Global Employment Trends Update,* Geneva, May 2009. Note: *= Estimate.

Table 3. GDP growth and Employment to population ratios in different regions (2003-2008)

	2003	2004	2005	2006	2007	2008
Middle East Employment Population ratio*	44.5	46.1	45.9	46.1	46.4	46.6
Middle East GDP growth	7.5	6.4	5.9	5.5	6.1	5.6
North Africa Employment Population ratio *	43.7	44.5	44.6	45.3	45.5	45.7
North Africa GDP growth	5.7	4.7	5.0	6.1	5.8	5.8

Source: ILO, *Global Employment Trends*, Geneva, January 2009, and *Global Employment Trends Update,* Geneva, May 2009.

Note: *= Estimate.

Table 4. Rates of working poor and vulnerable employment in different regions, 2007-2008

	Middle East (ME)	North Africa (NA)	Sub-Sah. Africa	South Asia	East Asia	South-East Asia/ Pacific	Latin Am. /Caribbean	World
Working poor (US$ < 1.25 a day) (%), 2007	9.0	9.8	58.3	47.1	10.4	16.4	6.8	20.6
Vulnerable employment share (%), 2008	32.8	36.8	72.9	77.1	53.4	61.1	31.2	49.4

Source: ILO, Global Employment Trends – January 2009, pp. 32, 33.

Table 5. Human development indicators

	2006	2006	2006	2008
	HDI (1)	HPI-1 (2)	GDI as % of HDI (3)	GNI per capita, PPP (current international $) (4)
Turkey	0.798	8.7	97.8	13770
Jordan	0.769	6.1	98.2	5530
Algeria	0.748	18.1	99.5	7940
Syria	0.736	13	98.2	4350
Morocco	0.646	31.8	96	4330

Sources: UNDP Human Development Report 2008 Statistics http://hdr.undp.org/en/statistics/ and World Bank World Development Indicators Dataset, 2009.

Note:

(1): The HDI provides a composite measure of three dimensions of human development: living a long and healthy life (measured by life expectancy), being educated (measured by adult literacy and enrolment at the primary, secondary and tertiary level) and having a decent standard of living (measured by purchasing power parity, PPP, income).

(2):The Human Poverty Index for developing countries (HPI-1), focuses on the proportion of people below a threshold level in the same dimensions of human development as the human development index - living a long and healthy life, having access to education, and a decent standard of living. By looking beyond income deprivation, the HPI-1 represents a multi-dimensional alternative to the $1.25 a day (PPP US$) poverty measure.

(3): The gender-related development index (GDI) measures achievements in the same dimensions using the same indicators as the HDI but captures inequalities in achievement between women and men. It is the HDI adjusted downward for gender inequality. The greater the gender disparity in basic human development, the lower is a country's GDI relative to its HDI.

(4): Gross National Income

Table 6. Total Fertility (child per woman). Medium variant. 1990-2050

	Jordan	Syria	Algeria	Morocco	Turkey
1990-1995	5.14	4.86	4.13	3.66	2.9
1995-2000	4.32	4.02	2.89	2.97	2.57
2000-2005	3.53	3.64	2.53	2.52	2.23
2005-2010	3.13	3.29	2.38	2.38	2.13
2010-2015	2.81	2.93	2.26	2.26	2.04
2015-2020	2.54	2.64	2.16	2.16	1.97
2020-2025	2.32	2.41	2.07	2.07	1.9
2025-2030	2.13	2.21	2	1.99	1.85
2030-2035	1.97	2.04	1.93	1.92	1.85
2035-2040	1.86	1.89	1.86	1.86	1.85
2040-2045	1.85	1.85	1.85	1.85	1.85
2045-2050	1.85	1.85	1.85	1.85	1.85

Source: World Population Prospects. The 2008 Revision. Population Database. http://esa.un.org/unpp/

Table 7. Life expectancy at birth by sex (years) Medium variant 1990-2050

	Algeria			Jordan			Morocco			Syria			Turkey		
	Both	***M***	***F***	***Both***	***M***	***F***	***Both***	***M***	***F***	***Both***	***M***	***F***	***Both***	***M***	***F***
1990-1995	67.7	66.6	69.1	68	66.3	69.9	65.4	63.5	67.5	69.2	67.6	71.2	66.2	64	68.5
1995-2000	69.2	67.9	70.4	69.8	68.3	71.5	67.7	65.6	69.8	71.5	69.7	73.4	68.8	66.6	71.2
2000-2005	71	69.7	72.2	71.3	69.7	73.1	69.6	67.5	71.8	73.1	71.2	74.9	70.8	68.5	73.3
2005-2010	72.3	70.9	73.7	72.5	70.8	74.5	71.2	69	73.4	74.1	72.3	76.1	71.8	69.4	74.3
2010-2015	73.5	71.9	75	73.6	71.8	75.7	72.4	70.2	74.8	75.1	73.1	77.1	72.7	70.3	75.2
2015-2020	74.5	72.8	76.1	74.6	72.8	76.7	73.6	71.3	75.9	75.9	74	78	73.6	71.3	76.1
2020-2025	75.4	73.7	77.1	75.5	73.6	77.6	74.6	72.3	76.9	76.7	74.7	78.8	74.6	72.3	77.1
2025-2030	76.2	74.4	78	76.4	74.4	78.5	75.5	73.2	77.8	77.5	75.4	79.5	75.5	73.2	78
2030-2035	77	75.2	78.8	77.1	75.1	79.3	76.3	74	78.7	78.1	76.1	80.2	76.4	74	78.8
2035-2040	77.7	75.9	79.6	77.8	75.8	80	77.1	74.7	79.4	78.8	76.7	80.9	77.1	74.7	79.6
2040-2045	78.4	76.5	80.3	78.5	76.5	80.6	77.9	75.5	80.1	79.4	77.4	81.5	77.8	75.4	80.2
2045-2050	79	77.1	80.9	79.1	77.1	81.3	78.6	76.1	80.8	80	77.9	82.1	78.5	76.1	80.9

Source: World Population Prospects. The 2008 Revision. Population Database. http://esa.un.org/unpp/

Table 8. Economically active population by age and sex (rates) 1990-2020

			1990	2000	2010	2020
Algeria	**Both sexes**	**15-19**	28.7	31.7	21.8	13.6
		20-24	50.2	61.0	60.6	60.2
		25-29	61.3	68.2	73.2	74.3
		30-34	62.0	68.0	73.7	78.3
		35-39	61.7	67.7	73.3	78.3
		40-44	59.8	66.5	70.7	74.9
		45-49	58.7	64.2	67.7	67.8
		50-54	55.3	56.5	59.3	60.3
		55-59	49.4	49.1	49.5	50.3
		60-64	40.8	44.3	43.8	44.9
		65+	18.4	22.6	22.8	23.3
	Men	**15-19**	41.3	49.0	30.2	14.0
		20-24	70.8	81.1	72.3	64.6
		25-29	92.4	93.0	90.7	83.1
		30-34	96.8	96.7	95.4	92.9
		35-39	97.4	96.4	95.7	94.8
		40-44	97.2	96.7	95.4	93.3
		45-49	95.9	95.0	93.4	91.0
		50-54	91.9	90.7	88.6	85.4
		55-59	80.6	79.2	74.9	72.7
		60-64	63.1	63.0	64.7	64.7
		65+	27.4	27.4	25.3	25.0
	Women	**15-19**	15.7	13.6	13.1	13.1
		20-24	28.8	40.2	48.5	55.7
		25-29	29.1	42.6	55.0	65.1
		30-34	25.9	38.4	51.6	63.3
		35-39	25.1	38.3	50.4	61.3
		40-44	25.5	35.3	45.4	56.2
		45-49	23.8	32.7	41.3	44.2
		50-54	21.9	25.4	29.3	34.7
		55-59	19.0	21.2	23.8	27.5
		60-64	20.5	27.5	25.2	25.2

		65+	11.1	18.7	20.7	21.9
Jordan	**Both sexes**	**15-19**	15.8	13.3	8.5	3.8
		20-24	50.2	47.1	41.1	39.7
		25-29	59.4	64.7	65.4	66.1
		30-34	57.5	65.0	64.5	64.8
		35-39	53.4	58.2	59.6	61.0
		40-44	50.8	54.0	56.1	54.9
		45-49	49.2	49.9	50.7	50.7
		50-54	44.5	42.4	43.3	44.9
		55-59	38.9	41.4	37.8	38.0
		60-64	28.1	28.2	24.3	25.1
		65+	15.3	7.7	5.9	5.4
	Men	**15-19**	27.0	24.6	15.6	6.5
		20-24	74.7	74.1	63.1	60.3
		25-29	91.7	97.0	96.3	95.4
		30-34	95.0	98.5	97.8	97.2
		35-39	94.9	95.8	95.0	95.0
		40-44	94.3	94.9	92.7	91.2
		45-49	90.8	89.5	87.4	87.1
		50-54	82.7	83.4	80.5	77.6
		55-59	73.9	74.1	69.7	68.2
		60-64	52.6	50.1	46.2	46.0
		65+	30.0	15.2	11.1	10.1
	Women	**15-19**	2.5	1.5	1.0	1.0
		20-24	21.0	18.7	18.4	18.2
		25-29	22.7	28.5	33.6	35.4
		30-34	16.5	24.8	29.7	31.4
		35-39	11.5	16.2	20.6	26.0
		40-44	7.8	10.4	13.1	17.2
		45-49	5.5	8.1	10.3	10.8
		50-54	4.6	3.2	3.9	6.7
		55-59	3.1	4.2	4.8	5.5
		60-64	3.4	4.3	4.0	3.9
		65+	0.2	0.3	0.6	1.1
Morocco	**Both sexes**	**15-19**	43.2	40.3	31.2	30.4
		20-24	54.6	54.4	50.2	50.1
		25-29	60.2	60.9	60.5	60.9
		30-34	63.0	64.1	65.3	66.4
		35-39	62.0	62.5	62.9	63.6
		40-44	61.5	65.4	61.7	61.2
		45-49	54.9	60.3	59.8	59.0
		50-54	50.4	54.4	55.5	54.9
		55-59	50.3	49.0	50.9	48.3
		60-64	43.9	42.9	42.5	39.4
		65+	23.5	22.2	19.9	18.8
	Men	**15-19**	58.2	54.5	46.6	45.5
		20-24	80.8	78.4	74.6	74.3
		25-29	93.6	91.6	92.7	92.4
		30-34	95.5	94.9	94.5	94.2
		35-39	95.5	94.9	95.0	95.0
		40-44	97.3	98.2	96.5	96.4
		45-49	97.8	97.6	96.8	95.6
		50-54	93.6	93.3	91.9	89.7
		55-59	89.3	88.8	86.2	82.4
		60-64	81.0	79.9	74.3	67.5

		65+	43.3	42.6	39.9	36.7
	Women	**15-19**	28.0	25.9	15.5	14.8
		20-24	28.1	31.2	26.2	25.6
		25-29	29.3	32.7	30.4	29.8
		30-34	31.5	35.6	39.4	39.9
		35-39	28.9	33.6	35.0	35.0
		40-44	27.0	32.8	30.5	30.5
		45-49	17.5	22.0	26.6	27.8
		50-54	14.4	16.0	18.6	23.8
		55-59	11.6	12.8	14.4	18.0
		60-64	10.4	11.5	11.5	12.0
		65+	3.5	3.5	3.5	3.5
Syria	**Both sexes**	**15-19**	37.3	33.4	26.6	24.1
		20-24	51.8	52.1	51.3	48.8
		25-29	59.3	58.5	60.4	61.5
		30-34	59.2	60.5	62.6	63.8
		35-39	58.4	59.6	62.2	62.9
		40-44	57.8	57.7	60.0	60.4
		45-49	55.9	54.3	56.6	56.8
		50-54	51.7	50.8	51.6	52.1
		55-59	46.9	45.1	45.5	46.6
		60-64	39.5	38.2	31.6	31.7
		65+	22.5	30.7	17.6	17.7
	Men	**15-19**	57.4	50.8	35.9	28.1
		20-24	78.3	79.4	73.6	65.8
		25-29	93.8	93.5	93.3	93.1
		30-34	97.9	97.5	97.1	97.0
		35-39	98.7	98.1	97.0	97.0
		40-44	98.3	98.0	97.2	97.0
		45-49	96.9	95.9	95.1	95.0
		50-54	92.5	91.1	89.0	89.0
		55-59	87.5	82.8	80.2	80.0
		60-64	73.1	66.9	55.2	55.0
		65+	45.1	55.3	33.5	33.0
	Women	**15-19**	16.5	15.4	16.9	20.0
		20-24	24.7	23.9	28.3	31.1
		25-29	24.3	22.6	26.5	28.5
		30-34	20.7	22.9	27.3	29.5
		35-39	18.9	20.9	26.6	27.8
		40-44	16.9	17.9	22.3	22.9
		45-49	15.2	13.9	18.0	18.0
		50-54	12.3	10.8	14.9	15.0
		55-59	9.8	8.6	12.5	13.8
		60-64	7.1	11.8	9.1	9.9
		65+	2.9	9.9	4.5	5.3
Turkey	**Both sexes**	**15-19**	50.4	35.2	22.8	18.9
		20-24	64.9	52.2	49.8	49.0
		25-29	67.1	61.9	61.6	61.3
		30-34	68.0	62.6	62.2	61.8
		35-39	68.5	63.2	62.2	61.3
		40-44	67.1	61.5	60.8	60.5
		45-49	62.2	54.5	52.9	52.1
		50-54	54.7	47.5	41.6	40.2
		55-59	49.0	40.6	33.2	32.1

		60-64	37.9	32.0	25.7	24.7
		65+	19.2	21.1	12.1	10.5
	Men	**15-19**	61.8	45.6	27.9	20.3
		20-24	88.0	71.9	68.8	68.3
		25-29	96.8	90.9	91.3	91.0
		30-34	98.0	94.4	94.1	94.0
		35-39	98.2	95.3	94.1	94.0
		40-44	95.9	93.3	92.3	92.0
		45-49	90.4	82.6	80.2	79.5
		50-54	78.7	69.0	62.8	61.5
		55-59	66.9	58.4	50.5	50.0
		60-64	54.8	47.8	37.3	35.3
		65+	30.9	32.5	19.0	15.5
	Women	**15-19**	38.4	24.4	17.5	17.4
		20-24	40.6	31.5	30.3	29.1
		25-29	35.8	31.7	31.4	30.9
		30-34	36.4	29.4	29.1	28.8
		35-39	37.4	29.7	29.3	28.1
		40-44	37.0	28.3	28.1	27.9
		45-49	35.4	25.5	24.5	24.0
		50-54	33.1	25.6	19.8	18.6
		55-59	30.3	24.3	16.1	14.2
		60-64	22.2	18.6	14.5	14.4
		65+	9.3	11.3	6.7	6.5

Source: www.ilo.org/stat

Table 9. Gross enrolment rates by sex (2000-2008)

			2000	**2005**	**2006**	**2007**	**2008**
Algeria	***Pre primary***	**F**	2.76	6.01	27.96	20.49	23.4
		M	2.79	6.25	30.2	19.64	23.4
		T	2.78	6.14	29.1	20.05	23.4
	Primary	**F**	103	107	106.3	106.2	104.1
		M	112	116	114.4	113.4	110.8
		T	108	111.5	110.5	111	107.5
		GPI	0.92	0.93	0.93	0.94	0.94
	Secondary	**F**	na	86.32	na	na	na
		M	na	80.25	na	na	na
		T	na	83.22	na	na	na
		GPI	na	1.08	na	na	na
	Tertiary	**F**	na	24.05	24.39	28.02	na
		M	na	18.75	19.36	20.01	na
		T	na	21.39	21.82	23.9	na
		GPI	na	1.28	1.26	1.4	na
Jordan	***Pre primary***	**F**	29.78	31.62	32.55	31.51	na
		M	32.66	34.09	34.57	33.50	na
		T	31.26	32.88	33.58	32.53	na
	Primary	**F**	99.25	99.01	98.08	97.25	na
		M	99.26	98.43	96.14	95.38	na
		T	99.25	98.71	97.09	96.29	na
		GPI	1	1.01	1.02	1.02	na
	Secondary	**F**	88.73	85.30	86.92	87.94	na
		M	85.61	83.09	83.98	84.82	na
		T	87.13	84.16	85.41	86.34	na

		GPI	1.04	1.03	1.03	1.04	na
	Tertiary	**F**	29.32	38.59	39.01	39.82	na
		M	25.31	35.78	34.41	35.75	na
		T	27.22	37.14	36.64	37.73	na
		GPI	1.16	1.08	1.13	1.11	na
Morocco	***Pre primary***	**F**	44.27	45.29	48.31	49.65	48.10
		M	80.91	69.29	69.78	69.42	65.42
		T	62.88	57.48	59.22	59.69	56.90
	Primary	**F**	83.84	100.68	99.8	101.33	101.53
		M	99.9	112.72	112.02	112.95	112.17
		T	92.00	106.81	106.1	107.24	106.94
		GPI	0.84	0.89	0.89	0.9	0.91
	Secondary	**F**	33.68	44.84	na	51.44	na
		M	42.38	53.41	na	60.14	na
		T	38.09	49.17	52.44	55.84	na
		GPI	0.79	0.84		0.86	
	Tertiary	**F**	7.87	10.17	10.58	10.67	11.55
		M	10.87	12.62	13.1	11.95	13.03
		T	9.36	11.36	11.83	11.30	12.28
		GPI	0.72	0.81	0.81	0.89	0.89
Syria	***Pre primary***	**F**	8.46	10.1	10.28	9.41	9.30
		M	9.21	11.065	11.1	9.97	10.02
		T	8.84	10.59	10.67	9.7	9.67
	Primary	**F**	99.99	123.64	123.32	122.30	121.66
		M	108.33	129.77	129.08	128.02	127.04
		T	104.25	126.77	126.26	125.22	124.40
		GPI	0.92	0.95	0.96	0.96	0.96
	Secondary	**F**	39.1	64.95	67.57	70.69	73.11
		M	42.67	69.45	71.35	73.1	74.77
		T	40.92	67.24	69.5	71.9	73.95
		GPI	0.92	0.94	0.95	0.97	0.98
Turkey	***Pre primary***	**F**	5.86	10.32	13.26	15.6	na
		M	6.22	10.84	13.84	16.35	na
		T	6.05	10.59	13.56	15.98	na
	Primary	**F**	92.85	93.22	93.59	94.92	na
		M	102.37	98.52	98.03	100.18	na
		T	97.69	95.92	95.85	97.60	na
		GPI	0.91	0.95	0.95	0.95	na
	Secondary	**F**	na	68.51	72.87	74.05	na
		M	na	83.84	88.12	89.92	na
		T	na	76.29	80.62	82.12	na
		GPI	na	0.82	0.83	0.82	na
	Tertiary	**F**	18.83	26.86	30.39	32.1	na
		M	27.45	35.98	40.01	41.95	na
		T	23.24	31.5	35.28	37.10	na
		GPI	0.69	0.75	0.76	0.77	na

Source: UNESCO.

Note: GPI (Gender Parity Index)

Box 1. Euro-Med Framework of Actions on employment, employability and decent work. Key objectives

Employment policies – more jobs: The creation of a large number of jobs is necessary to reduce unemployment and to meet the challenge of fast growing working-age populations in the Mediterranean partner countries. Meanwhile, in the EU, many member States are confronted with low employment rates, in particular in the context of demographic ageing and a changing workforce composition. In this context, the following objectives are particularly relevant:
- promoting job creation, attracting and integrating more people into employment, and making work pay for jobseekers, including by appropriate fiscal measures;
- in consultation with the social partners, creating favourable conditions for modern labour markets to be more responsive to change, improving employment conditions and social protection;
- effective implementation of ALMPs and appropriate budgetary provisions in the countries;
- promoting employment policies, along with education and social policies, through Euromed inter-sectoral cooperation;
- encouraging entrepreneurship and the creation of SMEs that offer decent work opportunities;
- promoting access to decent jobs for those excluded from the labour market;
- combating the development of underemployment and working poor.

Enhancing employability – human capital: Facing the knowledge economy, investment in human capital is more important than ever, as is adapting education, training, and the workers' skills to economic change and the needs of labour markets, and facilitating professional mobility (including from informal to formal employment). In this context, the following objectives are particularly relevant:
- giving priority to reforms of the education systems, wherever necessary, to improve their responsiveness to labour market needs and ensure quality education and life-long learning;
- reinforcing demand-driven vocational training in key sectors, in terms of financing, organizational structures and promotion;
- improving the functioning of public employment services, transparent labour market information systems and innovative career guidance services (including by increasing the use of e-services and encouraging twinning programmes);
- supporting young people having difficulties integrating the labour market, including by strengthening their professional capacities.

Creating decent employment opportunities – better jobs: It is important to highlight the key role of promoting decent work and to integrate it into all relevant policies. In this context, the following objectives are relevant:
- completing the process of ratification of the core ILO Conventions and ensuring effective implementation;
- ensuring respect of rights at work, and preventing the segmentation of the labour market and fighting undeclared work;
- developing effective social dialogue at tripartite and bipartite levels;
- increasing the coverage and level of social protection;
- improving health and safety measures in the work environment;
- developing and implementing ILO Decent Work Country Programmes.

Within this Framework for Actions, **the following cross-cutting issues are essential**:
(a) Promoting equal opportunities for men and women, enhancing female employment rate, encouraging their access to decent work opportunities, in line with the Framework of Action adopted by the 2006 Euro-Med Ministerial Conference on Strengthening the Role of Women in Society;
(b) integrating more young people into productive, formal employment including by measures that:
- ensure equality of access to quality education at all levels for girl and boy students by 2015;
- take into account the Cairo declaration on higher education;
- facilitate school to work transition taking into account the need to counteract gender stereotypes;
- reduce mismatch between young people's education and professional aspirations (notably to the public sector) and labour market needs;
- prioritize expanding and improving quality vocational training and raising its attractiveness among youth.
(c) developing an integrated strategy for transforming informal into formal employment, including by measures that:
- provide appropriate incentives in terms of taxes and/or social protection;
- envisage legal, financial and institutional modalities for a gradual transfer towards formal employment;
- offer training and awareness-raising campaigns;
- reinforce controls by the authorities or by labour inspections.
(d) manage labour migration, taking into account the **labour market needs of both sides of the Mediterranean** and aiming at **sustainable development,** including by implementing the actions set out in the conclusions of the Euro-Med Ministerial Conference on Migration in Algarve in November 2007.

Source: Barcelona Process: Union for the Mediterranean. Conclusions of the first Euro-Mediterranean Employment and Labour Ministers Conference. Marrakesh, 9 and 10 November 2008. http://ec.europa.eu/external_relations/euromed/conf/employment_health_conclusions_1108_en.pdf

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