



**ECONOMIC AND SOCIAL COMMISSION FOR  
WESTERN ASIA (ESCWA)**

**Contribution to the  
2015 United Nations Economic and Social Council  
(ECOSOC)  
Integration Segment**



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### **ESCWA's Input into the ECOSOC 2015 Integration Segment**

While the baseline unemployment rate in the Arab region is already the highest globally at an estimated 14% in 2013, in the sub-regions fraught with conflict it can reach as high as 20-30%<sup>1</sup>. Political and security tensions in the Arab region hinder social progress and economic development. Intensifying armed conflicts have forced workers into economic inactivity, with the escalating number of refugees in the region especially vulnerable to loss of jobs, income and opportunity.<sup>2</sup> Resources that could be directed towards labour-intensive public investment, labour market policies, and social protection are instead directed to military expenditures.<sup>3</sup>

Youth unemployment in the Arab region is alarmingly high at 26 %<sup>4</sup> -double the world average- and in some countries as extreme as 40%<sup>5</sup> - presenting a major socioeconomic challenge. Recent uprisings have catapulted young people to centre stage in national and regional politics. They demand more and better jobs; they challenge existing and often inadequate educational structures and push the boundaries of established social and cultural norms that hinder their access to decent jobs.<sup>6</sup>

In addition to youth, some other key segments of the labour force, notably women, rural populations and informal workers, also have particularly inequitable access to the labour market. The region has the world's largest gender gap in unemployment.<sup>7</sup> Participation of women in the labour force is the lowest in the world, at only 21.55%.<sup>8</sup> External socio-economic factors have pushed already marginalized women, especially those with no formal education, into the fringes of society and the perils of the informal sector. Compared to other regions, the Arab world lacks anti-discriminatory laws, in effect allowing employers to indirectly discriminate against the employment of women without accountability; and also suffers from the lowest measures of maternity protection in all its aspects.

The region has witnessed significant population increase, while economic growth in many countries has not translated into job creation.<sup>9</sup> Inequality has soared as a result of insufficient decent jobs, with a high level of informal sector employment generally associated with low pay, poor conditions and

<sup>1</sup> ESCWA estimates based on country data

<sup>2</sup> UN (2015): World Economic Situation and Prospects 2015, UN

<sup>3</sup> ESCWA calculations from data obtained from SIPRI Military Expenditure Database.

<sup>4</sup> UN ESCWA (2014): Arab Middle Class: Measurement and Role in Driving Change

<sup>5</sup> ILO (2014): Youth Employment and Migration, Country: Tunisia

<sup>6</sup> UN ESCWA (2014): Working for a Just and Prosperous Arab World, ESCWA at 40

<sup>7</sup> UN ESCWA (2014): Working for a Just and Prosperous Arab World, ESCWA at 40

<sup>8</sup> UN ESCWA (2014): Arab Middle Class: Measurement and Role in Driving Change

<sup>9</sup> Azour, Jihad (2014): Social Justice in the Arab World, UN ESCWA

low productivity. Formal sector workers in the region represent only 19% of the working age population, compared to 27% in Latin American and 40 % in Eastern Europe.<sup>10</sup> Skills mismatch and a lack of job creation have been identified as two of the main obstacles to full employment in the region.<sup>11</sup>

Achieving sustainable development through employment creation and decent work for all is a priority area for the UN Economic and Social Commission for Western Asia (ESCWA) especially as it relates to the work on the post-2015/ SDG framework. Through multidisciplinary research and analysis, ESCWA explores aspects of employment in the region and offers a range of policy options to fill existing gaps. ESCWA directly supports and advises member states in their national development planning efforts, including addressing labour market issues and employment concerns.

### ***Regional integration***

The challenges of more and better job creation have to be realized within the context of greater Arab economic integration. Taking regional integration steps forward -such as lifting non-tariff barriers, the liberalization of trade in services, and the movement of capital and labour among the countries of the region- would lead to significant progress.<sup>12</sup>

### ***Strengthening Active Labour Market Policies (ALMPs)***

At the national level Arab States need enhanced willingness and capacity to set evidence-based and equality-oriented social, labour and economic goals. Further, States require strengthened governance structures and processes that facilitate the coordination and integration of policies across ministries and public agencies. An increased understanding of the benefits of partnerships with non-State actors and possible strategies for regulating their engagement can greatly benefit the labour markets.<sup>13</sup>

### ***Harnessing the potential of the youth workforce***

With more than half of its population under the age of 25, the youthfulness of the population<sup>14</sup> presents an opportunity to drive positive change. ESCWA has been working closely with member states to establish and revisit national youth development policies that aid the transition of young men and women from school to work, increasing their employment potential and socioeconomic contributions.

### ***Empowering women and implementing protections***

Increasing women's representation in economic decision-making bodies, as well as facilitating their access to unions and syndicates can contribute to addressing the staggering gap between men's and women's labor force participation in the region. In order to be competitive and have fair working opportunities, Arab women need their governments to provide safeguards such as paid maternity leave, equal remuneration, incentives to the private sector to support and facilitate women's employment, and anti-discrimination legislation.

### ***Strengthening and expanding the Arab middle class***

An empowered and growing middle class in the Arab region is essential for generating higher value added jobs in the formal sector. Creating an enabling environment that fosters the success of the

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<sup>10</sup> UN ESCWA (2014): Arab Middle Class: Measurement and Role in Driving Change

<sup>11</sup> UN ESCWA (2012): Active Labour Market Policies in Arab Countries

<sup>12</sup> UN ESCWA (2014): Arab Integration: A 21st Century Development Imperative

<sup>13</sup> UN ESCWA (2012): Active Labour Market Policies in Arab Countries

<sup>14</sup> Saddi, J. & Soueid, R. (2011): Accelerating Entrepreneurship in the Arab World, World Economic Forum

middle class requires policy choices and investments aimed at increasing economic productivity by revitalizing manufacturing, fostering high-value industries and services, and effectively using human capital. Establishing a social protection floor would provide space for the poor and vulnerable to be able to join the middle class and access better employment opportunities.<sup>15</sup>

#### ***Utilizing technology and innovation***

In the Arab region ongoing political instability and unrest have had a negative impact on industry sectors, as well as tourism, investment and trade.<sup>16</sup> Greater growth in non-oil sectors is needed to ensure the achievement of economic and social development goals, and to create job opportunities beyond the conventional forms of employment. There is an urgent need for promoting research development and innovation, and the transfer of technology for improving productivity and diversification of economies.

#### ***Transitioning to a Green Economy***

Investments in the green economy of the region can create decent jobs that build on available skills, notably among the youth.<sup>17</sup> Promising sectors include renewable energy, water supply and waste management, and sustainable agriculture. ESCWA has created a green economy investment roadmap that enables the identification of policy options that meet regional needs in terms of employment generating economic growth.<sup>18</sup> Some Arab countries have already adopted ambitious green economy initiatives<sup>19</sup> such as a network of Green Help Desks<sup>20</sup> that support production sectors – particularly small and medium enterprises.

#### ***Building National Capacity for Producing Indicators on Decent Work***

In the majority of Arab countries, especially those witnessing conflict, the availability of data relating to employment is very limited. There is an urgent need to address this gap through the development of comprehensive and comparable databases, whether on socioeconomic challenges or on the effects of public policies.<sup>21</sup> ESCWA works with partner institutions to build the capacity of member states in the field of labour force statistics.

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<sup>15</sup> UN ESCWA (2014): Arab Middle Class: Measurement and Role in Driving Change, UN ESCWA

<sup>16</sup> UN ESCWA (2014) Survey of Economic and Social Developments in the Arab Region 2013-2014: Summary

<sup>17</sup> See for example the ILO green jobs assessment conducted in 2011 for Lebanon in five sectors.

<sup>18</sup> The framework was discussed and approved by the Council of Arab Ministers Responsible for the Environment in 2014 (<http://css.escwa.org.lb/SDPD/3315/1.pdf>).

<sup>19</sup> For example, the United Arab Emirates' green economy initiative.

<sup>20</sup> Oman, Lebanon, Jordan, Egypt, Tunisia and Morocco.

<sup>21</sup> UN, ESCWA (2012): Active Labour Market Policies in Arab Countries