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Labour Markets Performance and Migration Flows in SYRIA

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Editor in Chief, *Le Monde diplomatique éditions arabes*

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National Background Paper
November 2009

Labour Markets Performance and Migration
Flows in Arab Mediterranean Countries :
Determinants and Effects

A Study co-financed by the European Commission
DG Economic & Financial Affairs and DG Employment



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For more information on the Study

<http://www.eui.eu/RSCAS/Research/LMM/>

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Foreword (November 2009)

This report comes a second in a series of three in author's analyses concerning the labour market in Syria since 2006; this is while major transformations were simultaneously occurring in the country: inward migration flows of Iraqis and rapid liberalization of the economy. The focus point of the three studies was different: respectively, the Euro-Mediterranean partnership¹, migration flows², and labour market institutions³. For the first focus point, the author had also had the occasion to execute a synthetic and comparative study⁴ covering Arab Mediterranean countries (AMC).

The analyses targeting the first focus point have been best developed in the comparative study. The main outcomes of interest here (migration flows) could be summarized as follows:

- The Arab Mediterranean countries, and specifically Syria, but also Jordan and Egypt, are facing significant inward migration issues (Iraqis, Palestinians, Sudanese, Somalians, etc.) representing a significant size of their population. This makes that, in first-generation immigrants' stock terms, during the last fifty years, the AMC countries have received more immigrants than what they have sent to Europe. And while European countries and EU institutions had dedicated significant efforts on migrations flows to Europe, little has been made in terms of analysis and assistance on the inward migrations towards the AMC.
- The Euro-Mediterranean partnership, along with the "structural adjustment" policies of the IMF that it follows, has created tremendous challenges on the AMC. On one hand, it has contributed to the deterioration of the situation of the local labour markets, specifically with significant losses of jobs in agriculture and industry (as well as in the state-led sector), and to the deterioration of the workers' status (increase of informal employment and of the precariousness of jobs), in a period of the AMC demographic transition characterized by the "youth bulge". On the other hand, the State institutions had weakened, and their policies, focusing on private sector and entrepreneurship promotion in a context of liberalization, have put little efforts on labour market institutions, social safety nets and jobs creation. Consequently, it is astonishing how weak was the attention paid by the EU towards the labour market issues in the Euro-Mediterranean partnership and its different mechanisms since Barcelona in 1995.
- In particular, one of the major determinants of migration from AMC towards Europe (comparatively with GCC countries per example) is the attraction exercised by the "European social model". And while migration inflows have been a major concern in the EU, little has been made within the framework of the Euro-Mediterranean agenda to foster the "fundamental social rights" in the AMC, and to help improving the local social safety nets and states' social protection. On the other hand, the remittances of the immigrants (not only from Europe) have played in practice the role of a social safety net *in fine* in the AMC; their levels having attained a sizable share of these countries GDP, largely above FDI's flows. And this migration/remittances mechanism is considered strongly active in the AMC, as in average 17% of the newcomers to the labour market were considered emigrating abroad every year.

¹ AITA Samir & Al MUSBEH Imaddedine: *The (Potential Impact) of Euromed Partnership on Employment and the right of Work in Syria*; May 30, 2006; unpublished.

² The present study.

³ Aita Samir: *Labour Markets Policies and Institutions, with a Focus on Inclusion, Equal Opportunity and the Informal Economy. The case of Syria*, National background paper, ILO, 2009; to be published.

⁴ AITA Samir: *Employment and Labor Law in the Arab Mediterranean Countries and the Euro-Mediterranean Partnership: a comparative study*; fundacion Paz y Solidaridad Serafin Aliaga; 2008. Available at <http://www.ccoo.es/comunes/temp/recursos/1/216566.pdf>

For the case of Syria, which has not ratified the partnership agreement, these three outcomes are also valid. The inward migration issue is a major concern, as in two years (2005-2006), Iraqi migrants have reached 7% of the total population. The liberalization policies, with little labour market policies, accelerated since 2005; while the MEDA and FEMIP programs have only addressed labour market issues pointing excessive employment in the public sector and bringing a contribution on the financing of SME's⁵.

This (second) report on Syria has put substantial efforts on assessing the population and labour force data evolution in the country, in the context of absence of migration specific ones. These efforts were estimated necessary by the author in light of the strong year-to-year variations in the labour force (with strong decrease in some years) and some confusion in the official statistics (and the literature) on the meaning of population labour force statistical categories⁶. The major findings of this effort are detailed in the executive summary. However, what should be pointed out for the focus on migration, is that the job creations level for the period of concern (2001-2007) were far too low comparatively to the needs, estimated in this report with different manners, including or not the different categories of population (resident Syrians, Palestinian and Iraqi inward migrants, non-citizen Kurds). This results in strong pressures for outward migration, which is estimated presently from population data as ranging around one third of the newcomers to the labour force. Little can be said more on the detailed characteristics of this migration in the absence of detailed consistent data, even from OECD countries' sources.

The author invites the interested readers to refer to the third study⁷ and to the ILO synthesis report⁸ for a more in depth analysis of the (socio-economic) mechanisms leading to the strong year-to-year variations in the labour force data in Syria, of the labour market policies and institutions, and of the mechanisms of exclusion.

However, few issues are worth mentioning in this foreword of the present study, linked to the proper process of conduction of similar EU sponsored projects. The problematic concerns the interaction between the country specific studies and the synthesis reports summarizing and assessing the issues common to several AMC. This was a significant concern, raised from the startup of this project⁹. And in fact, even if the synthesis report constitutes by itself a significant contribution to the subject, some of its findings¹⁰ could be argued. Here below some major examples:

- *The lack of statistics is an important issue, but maybe as or more important is the lack of analysis and in depth assessment of the existing statistics, not only on migration but on the labour force itself.* So even if proper detailed statistics on migration are scarce, the information on inward and outward migration is somehow included in the population statistics (resident population comparatively to citizens). More significantly, little attention has been made by researchers on how the country's labour force surveys (which are available for most countries in details) include migrants. This is of major importance in

⁵ AITA Samir & Al MUSBEH Imaddedine: *The (Potential Impact).. 2006.; op.cit.*

⁶ This is not specific for Syria, and similar efforts should be devoted to the case of other AMC, even if the rapid evolutions occurring in Syria makes the effects measurable on a relatively short term period (here the 2001-2007 period).

⁷ Aita Samir: *Labour Markets Policies and Institutions... 2009; op. cit.*

⁸ ILO: *Labour Markets Policies and Institutions, with a Focus on Inclusion, Equal Opportunities and the Informal Economy; Draft Interim Report; ILO joint project with European Commission Directorate of Employment, Social Affairs and Equal Opportunities; November 2009; to be published.*

⁹ Initially, it was contractually planed that one country study contributor participate to all EU meetings relative to this project, but this was not made possible.

¹⁰ These remarks are based on the version of the final report presented at the Cairo meeting in September 2009, and were detailed during the author presentation on Syria case during this meeting.

Syria and Lebanon (but also in Jordan and Egypt, maybe less elsewhere) as around one third of the Lebanese work force is constituted of foreign workers (mostly Syrians) and around one seventh of the Syrian labour force is in fact working in... Lebanon (circular migration). Also, inward migrants are in all AMC active in the labour market. *One outcome of the present project could have been to foster the necessity to better assessing the inward migrants' situation in the AMC labour markets and the interaction between inward and outward migrations.*

- *The argument that low women participation in the AMC has a cultural root is controversial and challengeable, as it in particular it neglects the effect of the recent job losses in agriculture lowering even further women participation, and the informal character of most of the jobs in the urban private sector, with no (or no enforcement of) women rights in labour.* In the case of Syria (but the same is observable in other AMC) major transformations have occurred in the last decade in the agricultural sector, which has gained productivity (60% in Syria in few years), but what has lead to massive losses of agricultural jobs (around 20% of total labour force), and to a renew of massive rural-urban migration. Women have lost around 50% of their total jobs, and were pushed away from the labour force (their lower participation), as the rather crowded, with citizens and immigrants) urban labour market is mainly constituted by informal employment, with no social/maternity protection for women. Wherever this social/maternity protection is available (i.e. public sector and a small share of the formal private sector) women participation and effective employment is rather high. Also, even for the women considered non-participating, a large share could be characterized as discouraged workers (as most of the women considered unemployed, has been such for long term), and another share are informally participating, especially in the case of rural women taking the role of the effective head of family, with their men involved in seasonal or long term circular work migrations to major cities (or to Lebanon for the case of Syria). *One outcome of the present project could have been to foster the necessity to better assessing participation to the labour force (especially for women) as its links to migratory pressures.*
- *The argument that the informal employment is a “solution of last resort” for employment could be misleading, as most of the newly created jobs, in particular for the youngs are informal.* Informal employment, which covers the informal (economic) private sector and the informal employment in the formal private sector (including self employment), is a dominant and the structural form of employment outside agriculture. In Syria, it constitutes 79% of employment outside agriculture and state-enterprises and administrations. And the figures are similar in the other AMC's. Also, in the context of absence of passive labour market policies in most of AMC (unemployment benefits) the proper category of “unemployed” is to be considered with scrutiny; as those “unemployed” have often an informal employment. Finally, a significant share of those formally employed (mainly in the public sector with low salaries) has a second job in the informal sector; putting more pressures on the “informal labour market” and creating complicated situations of underemployment. *One outcome of the present project could have been to change perspective, assessing in particular the link between informality and the outward migration pressures.*
- *The focus mostly made on the employment and migration of the youngs, although important, could be also misleading, as it tends to bias the focus on the conditions of the eldest.* For the eldest, and even if the absolute numbers are low comparatively to the youngs, there is an issue that a significant share of the above 60 years are participating in the labour force and informally employed. The absence of a retirement scheme for most of the formerly employed and the low pensions for those retiring from the public sector force the eldest to work until advanced ages. This questions how countries with mostly a young population

cannot build up effective redistributive schemes between ages. It poses also the issue of salary job seeking for the youngs, with no perspective for the retirement. This may be more a reason for tendency for migration than wage differentials (and the same for health coverage). In this regard, the discussion on “return migration” introduces a bias, as it is mostly the youngs who are candidates for migration, while the eldest candidates for return (if they have sufficient retirement revenues). *One outcome of the present project could have been to change perspective, assessing the interaction between generations on labour market and migration issues.*

Other findings could also be argued¹¹. A more cooperative scheme¹² in a field which still needs much more attention and analyses, and where local authorities are reluctant to perform and disseminate statistics (on migration, but also on the detailed segmentation of the labour markets) could have helped to have better outcomes and more focused recommendations.

In the present context, few general recommendations are worth mentioning in this foreword:

- The labour market and social protection in the AMC should be a priority topic in the future perspectives of Euro-Mediterranean social and political dialogues and EC programs. This is in the interest of both parties and will bring more social support to European partnership in the AMC.
- In the framework of partnership and neighborhood with the AMC (and the Union pour la Méditerranée), the migration issue merit to be considered as a whole by European institutions, including inward and outward migrations to the AMC. The approach shall also gain from adopting United Nations agencies’ and ILO perspectives¹³ (being even more preferential), rather than focusing on security and limitations, and on selective migrations.
- The conduction of EC assessment and policy recommendation studies would gain involving more efficiently researchers and social activists from the AMC, besides the collection of data and local analyses. The perspectives are different on the two sides of the Mediterranean, and reaching a consensus on analyses, assessment and recommendations could be a useful step laying out political dialogue between the EC and AMC governments.

¹¹ see power point presentation at the project Cairo final conference, october 11-12, 2009.

¹² In this context, it is worth noting that the version of the final report of the current study, as presented at the Cairo meeting, quoted the Fondation Paz y Solidaridad comparative study (Samir AITA: *Employment and Labor Law in the Arab Mediterranean Countries...*; 2008; *op. cit.*) in infringement to intellectual property rights, while this study was initially a collaborative project.

¹³ See in particular: Antoine PECOUD & Paul de GUCHTENEIRE: *Migration without Borders: Essays on the Free Movement of People*; UNESCO publications; Bergham Books Ed.; 2007 and UNDP: *Overcoming Barriers: Human Mobility and Development*; Human development Report 2009.

Executive Summary and Acknowledgements

When addressing questions of unemployment and migration, one of the major issues is the reliability of statistics. In Syria, as in many other Arab countries, this issue is particularly acute. Population and employment data is disseminated following censuses and surveys; however, **very large annual variations have been observed in official data**, sometimes from year to year; which is surprising as the non-measured information between two major censuses should, if no major socio-economic event occurs, be smooth extrapolations.

A first challenge then, addressed by this study, is to consider whether such variations have a meaning or not; and the basis for this is to give credibility to population and employment data, rather than to official unemployment and labour force participation estimates, which could be overly subjective. The inherent risk in such an approach is the identification of the 'subjective' data and the explanation of any differences.

A second major issue concerns the interpretation of yearly variations over a short period. Normally socio-economic changes are very slow and do necessarily show themselves over a few years: in this case 2001-2007. However, **Syria has experienced some major events during these years**: namely the arrival of 1.5 million Iraqi refugees (7% of the population) after the US invasion of Iraq in 2003; the withdrawal of Syrian troops from Lebanon in 2005; and the sudden reduction of Syrian circular migration to Lebanon; not to mention a dramatic shift in the macro-economic policies of the Syrian government, from being state-driven (though influenced by regional crises) to being 'Social Market' (which has led the value of imports to more than double). These events were all (along with the last two years of exceptional drought, while half of the population still live in the countryside) significant enough to have had an impact on participation, work, unemployment and outward migration. The link between the data and these socio-economic transformations is the second challenge of this study, along with the risky enterprise of judging the validity of official data.

Thus, to assess labour supply in Syria, **a first problem is an assessment of the resident reference population**. The country counts non-citizen Kurds and Palestinian refugees permanently residing (at least 4% of the population). They are active in the labour market, and assumed to be accounted for in labour force surveys (LFS). With the new Iraqi refugees, this makes the total population size 11% higher than the bare numbers of resident Syrian citizens. And the additional population should be accounted for in the labour force. A second problem concerns the characteristics of the working age population, as Syria is currently experiencing the arrival in the labour market of the sons of the 'baby boom' of the 1980s and the early 1990s. And the third problem is describing work-force characteristics, the LFSs and somehow the ILO (contrary to UNDP) have drastically reduced the 'estimates' of participation, in particular for women (the current official rate is 14% only), and for work in agriculture.

The last documented ILO participation rates were used to estimate labour force supply for the study. But this, rather low estimate, led to 219,000 yearly increases in labour force supply for resident citizens (around 30% of whom were women), and which might be as high as 311,000 if non-citizens and/or a slight increase in female participation are considered.

Employment data is considered to be more reliable. It shows a yearly rate of job creation at only 36,000. This corresponds to a yearly average loss of 69,000 jobs in agriculture (which can be correlated with drought, internal migrations and macro-economic policies), and the average annual creation of 104,000 jobs in non-agricultural sectors. Mostly in services, as industry is estimated to have created only 6,500 jobs annually. Men gained jobs (56,000 yearly), while women lost jobs (25,000 yearly, mostly in agriculture but also in industry, particularly among less educated women). Indeed, female employment was only bolstered by the government and state-owned sector: a yearly

10,000 jobs (and almost the same for men) for the highly educated. This does not mean that men were generally favored, as 69% of the new jobs created were in the informal sector: the year 2005 was characteristic in that respect.

Given this situation the government stated its intention, in its present five year plan, to achieve an 8% unemployment rate by 2010. This is unrealistic (if the participation rates are kept credible) when it is considered that the present rate is over 20%. A simulation, based on ILO assumptions for the evolution of the labour force and the last available data on employment, suggests that, **in order to reach an unemployment ratio of 11% in 2015 (that of the early years of the present century, 7.9% for men and 22.4% for women), it would be necessary to create 257,000 jobs annually (only citizen population, with no improvement in women participation), 295,000 if women participation increases slightly, and 353,000 jobs** if jobs were also provided for non-citizens, Kurds, Palestinians and Iraqis. And if the agricultural sector continues to lose jobs, the needs will certainly be higher.

Despite the government's calls for more flexibility, the labour market in Syria is flexible, even in comparison to regional averages according to World Bank assessments. In addition, the size of the informal market is increasing more and more. The labour laws are old, not enforced by authorities, and circumvented by employers. Wages are driven by those in the public sector, where there have been real improvements in the last few years. The 2007 average monthly wage in industry was 146 € for men and 112 € for women, below **the country average monthly salary of around 150 €, for a minimum wage of 83 €**; i.e. respectively around 300 € and 166 € ppp. Most of the salaried get more than 116 €, except in agriculture, tourism and women in trade. However, with inflation and the new macro-economic policies, poverty is growing, even among workers, and wealth distribution is becoming more unequal: the Gini index has increased quickly from 0.33 to 0.37 (0.4 by some more recent estimates). In 2008, the minimum wage increased to around 100 €, finally passing, in US\$ terms, its value in the mid 1980s.

Unemployment is then a major problem in Syria. Correcting the size of the labour force to that of the recent ILO model, **the unemployment rate in 2007 was estimated at 22.6%** (14.5% for men, and 53% for women). The rate increases to 30.3%, if non-citizens are accounted for. And the analysis indicates that recent events have led to a stabilization of male unemployment rates, while female unemployment has deteriorated significantly. In support of these high estimations, comparative to the official unemployment figure of 8.6%, the exploitable share of unemployment data shows that, except for the illiterate, more than 80% of the unemployed have never worked before. The more the potential worker is educated, the worse their unemployment situation is; and women are widely more disadvantaged than men.

In 2007, **41% of the working had informal jobs**: 42% for men, and 28% for women. The low share of informal jobs for women is related to their relatively high share in government employment and to the 'decrease' in the agricultural labour force.

The yearly rate of outward migration from Syria has been, in the last hundred years, at around 0.5% of citizen resident population, going down to 0.3% in normal periods and accelerating to around 1% in 3 major 'migration' periods. From 68,000 yearly in the first part of the present century, the annual **number of outward migrants has now increased to 128,000 (0.72% of population)**. This figure is sustained by UNPP estimates, and consistent with labour market pressures. Most migrants are qualified, which creates a serious 'brain drain'. More so than Europe, the Gulf countries and the Americas are the major destinations. It is expected that the current economic crisis will also affect these trends.

The absence of social and work rights adds significantly to migratory pressures, even if the society

‘safety networks’ are still active. And, as stated in an earlier report, ‘the continuation of the migration flows towards Europe are mostly due to the attraction exerted on the other side of the Mediterranean sea, by the ‘the European Social Model’; even if such a model is presently regressing; and this attraction is much stronger than the real job opportunities’. The reforms of the labour market institutions, the generalization of social protection and the freeing of the right of association for independent unions, should be a condition of European assistance programs, and an integral part of the Euro-Mediterranean partnership.

The author is grateful to Dr. Chafik Arbash (General Manager), Dr. Ali Rustom, head of population censuses, and the teams of the Central Bureau of Statistics, Syria, for providing the labour force surveys data, and for many fruitful discussions. He is also grateful to Dr. Jamal Barout, Mr. Rabi Nasr and Mr. Imaddedine AL Musbeh.

1. Labour Supply in Syria: Situation and Prospects

1.1. Demographic Dynamics

Population and Resident Population

Syria's population has recently reached 20 million. However, population counting in itself, as in many other Arab Mediterranean countries, is a complex matter. In fact, the country has experienced, through its history, large inward and outward migration flows, as well as significant internal migration, which complicate population censuses¹⁴.

Syrian official statistics¹⁵ recorded (1/1/2008) a total Syrian resident population of 19.4 million, and a total population of civil registries of 22.3 million: 2.9 million (15% of the resident population) are then, it must be assumed, living outside the country. The UNPP¹⁶ statistics correspond to those of the resident Syrian population at mid-year (1/7/2008): 19.7 million. In addition, official statistics record (1/1/2008) 460,000 resident Palestinian refugees (2.3% of total)¹⁷, who have fled their country, particularly since 1948, and who can be considered permanent residents. These Palestinian emigrants have the same work rights as Syrian nationals, and are active in the labour market. Syria also has a Kurdish population in its North-Eastern region with no clear citizenship¹⁸; their number was estimated in 1996 at 250,000 thousand¹⁹. They are also accounted for in the labour market statistics²⁰, like the Palestinians, but not in the population censuses; which again adds to the complexity of the situation.

In addition, since the US-led invasion of Iraq, an estimated 1.5 million Iraqis have immigrated to Syria, and only a negligible share of them returned to their country even after the recent stabilization of the security situation there²¹. These Iraqis in Syria are now active in the labour market²², but not included in the statistics (population and labour force surveys).

Finally, Syria has experienced in these last years, inward migration of tens of thousands of foreign workers (from Sri Lanka, Ethiopia, Somalia, etc.), for home-work assistance: there are no official statistics available for them.

¹⁴ See Jamal Barout 2008, who estimated the total number of Syrian migrants living abroad at 9.84 millions, and who showed the difficulty of measuring old inward migrations from the twentieth century (Sircassians, Armenians, Kurds, Assyriacs, etc.) now integrated in the Syrian population, while keeping their own culture.

¹⁵ Central Bureau of Statistics, Syria, Statistical Abstracts, 2008.

¹⁶ United Nations, Department of Economic and Social Affairs, Population Division. <http://esa.un.org/unpp>

¹⁷ Another UNPP source puts their number in 2000 at 903,000 (4.6%), see esa.un.org/migration/, and while only 460,000 for UNRWA in 2005.

¹⁸ A complex issue. The region has a native Kurdish population, who were refused citizenship in the 1960s, and others who have fled from Turkey and Iraq due to the civil wars there; some are now circular or permanent migrants in the Iraqi Kurdistan.

¹⁹ Figure declared by the Syrian government to Human Rights Watch on September 1996. No official figures have been published since. However, a small share (10,000?) is believed to have immigrated to Iraq (Kurdistan). See Rustom Mahmoud 2008.

²⁰ Interviews with the managers at the Central Bureau of Statistics.

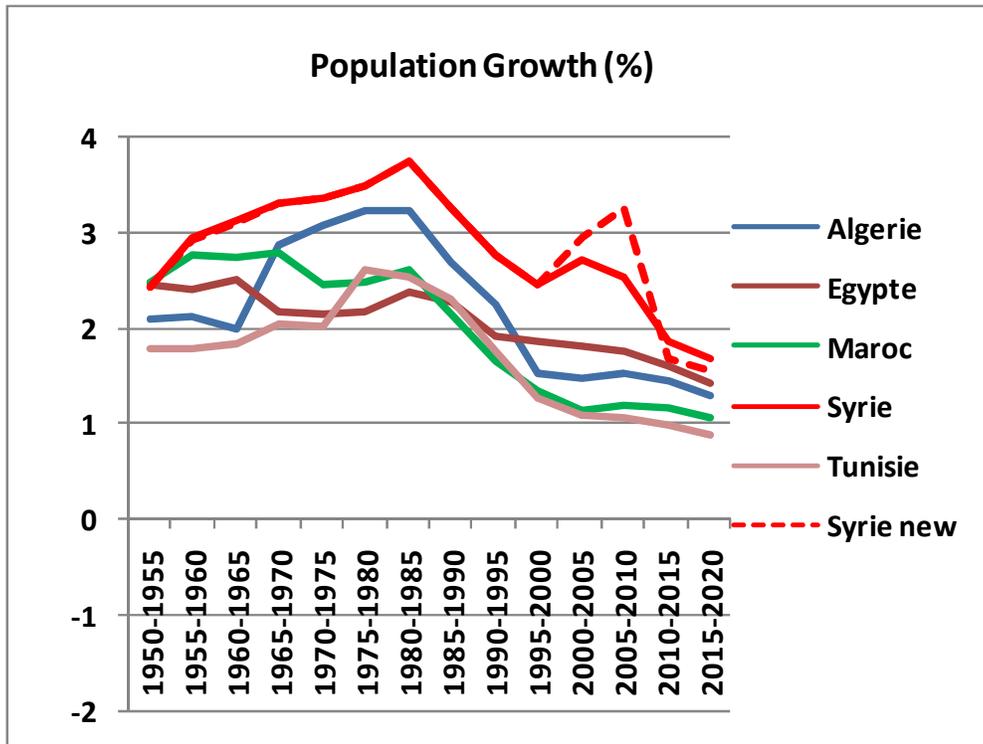
²¹ The figure of 1.5 million is consistently reported by the Syrian authorities, the IMF (see Article IV consultation reports) and UNHCR; for a discussion of such numbers, see ICG: Failed Responsibility; 2008.

²² See Al Khalidi 2007.

Thus, the effective resident population of Syria does not just include Syrian resident nationals: 4% are Palestinian refugees and non-citizen Kurds, and an additional 7%²³ are Iraqis. This is the case for official and ILO²⁴ population statistics, but only partially for UNPP data (see below).

Population Growth

The assessment of population size is made through general censuses, performed approximately every ten years (1960, 1970, 1981, 1994, and 2004). In the last census of 2004, the (resident) population growth rate has been in decline from its high levels (above 3% per year) for the 1960s to the mid 1990s, falling towards 2.45% with the new century. This still makes Syria the first Arab Mediterranean country in terms of population growth (see figure²⁵) and the country is presently experiencing the arrival of the ‘baby boom’ children to the labour market: working-age population growth rates are still higher than 3% yearly.



UNPP reports an increase in the Syrian population growth rate for the period 2000-2010, which has been updated recently to show an increase to a 3.25% average for the period 2005-2010. Most probably, this takes, at least partially, Iraqi refugees into account. Also, the IMF report mentions Iraqi

²³ The 2005 revision of UNPP migration gives the percentage at 5.2%, similar to that before the Iraqi refugees’ problem.

²⁴ See laborsta.ilo.org

²⁵ This data is derived from UNPP statistics (<http://esa.un.org/unpp/>), and seem to take – partly – into account the jump in the 2000-2005 period due to the arrival of Iraqi immigrants, who may return gradually after 2010. How this was taken into account (in the population growth table) is unclear. However, two extractions of the data made at 2 years interval are shown in the figure.

refugees in their Article IV assessment, but assumes that their number is fixed at 1.5 million.

Here, it is worth noting the difference in the statistics of population and population growth rates in the different sources. This clearly shows the difficulty of the issue.

Base year 2007	UNPP	Official Resident	Official Registry	ILO	IMF Syrians	IMF with Iraqis
Population (,000)	20,504	19,405	22,331	19,929	19,300	20,800
Population growth (%)	3.26%	2.45%	3.10%	2.68%	2.12%	1.96%
	1-Jul	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec

The notion of population growth has also to be examined at a sub-country level. In fact, some Syrian governorates²⁶ still experience higher than 3% population growth rates among Syrian nationals. The country is in demographic transition, as the share of the urban population is at 50% (2007), a share which is expected to increase towards 59% in 2020. This will have significant consequences on population growth in cities. These local aspects significantly affect the labour market, in particular in the urban areas.

The Palestinians, non-citizen Kurds and the Iraqis might be assumed to have the same growth rate as the Syrian population. However, care should be taken when population growth is estimated for 2003 to 2006, for the Iraqi refugees.

Syria has then the highest population growth amongst Arab Mediterranean countries (+2.45% yearly). Iraqi refugees have added significantly to this growth; and internal rural-urban migration makes the growth rate even higher in urban areas.

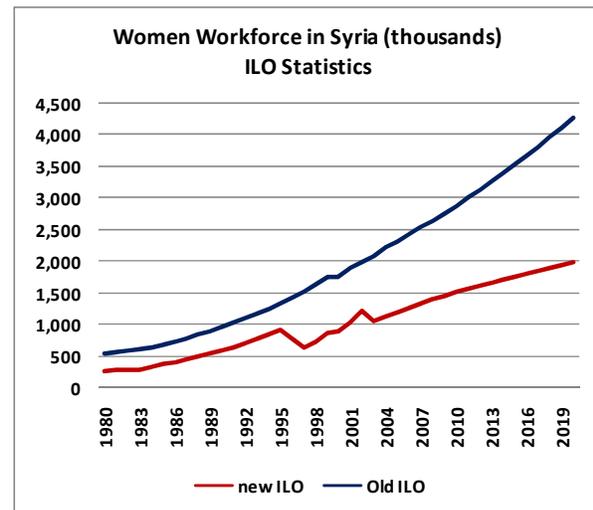
Population sex ratio

UNPP reports a sex population ratio²⁷ for Syria of 102.0: it was as high as 108.0 in the 1950s. Official Syrian statistics report this ratio as 101.0 in the civil registries for 2007, and 104.5 for the resident population. The ILO reports the number at 102.0.

Participation and Activity Ratio

The measurement of participation in the Labour force seems also to be a difficult issue in Syria. The data is usually collected through labour force surveys (LFS), which are performed yearly by the Central Bureau of Statistics²⁸. And the ILO updates its statistics regularly in function of survey results.

The analysis of the data presents some difficulties. Progressively, the Labour force surveys and the ILO database excluded the reporting on children (defined as younger than 15) work/participation, and changed the



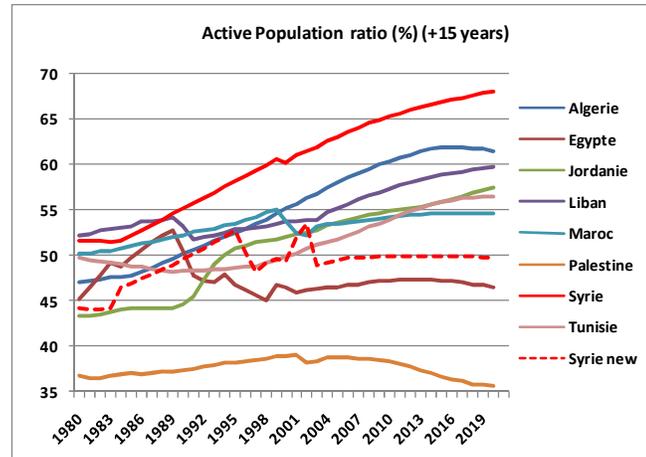
²⁶ Syria is divided into 13 governorates (Mouhafazat). Damascus is the only case where a governorate corresponds to a city alone without the surrounding countryside.

²⁷ Defined as the number of males for 100 females.

²⁸ Recently, these surveys have been performed quarterly. But no thorough analysis has been made of the data and the change of methods in surveying.

methods for accounting female participation, in particular in agricultural activities in the countryside. Measurement of female participation has the most significant impact on the assessment of the size of the labour force, both in terms of absolute value and trends²⁹ (see in the figure above the drastic changes in ILO statistics on the female workforce).

The differences are explained by the Central Bureau of Statistics as due to 3 factors: *a real reduction of female participation in agriculture* – the changes seem significant, and may be due to the fact that the last published measures were made in 2007, a year of drought with significant consequences on female paid and non-paid work in agriculture; *the change in survey methods* – without further explanation; and *the change in the seasonability of the surveys* – but this should change employment data and not the workforce.



As a consequence, the total (Net) Activity ratio in Syria which was earlier assessed at between 56.6% and 63% for the year 2005, has diminished in recent ILO statistics, which place it at only 50% for 2005, and then have it constant (see figure). Some authors³⁰ have depicted, in their assessment of the employment issue, these changes in female participation (sudden major decrease) and trends (slower), and noted that these changes run against reality. Other authors³¹ have noted some heterogeneity in the data provided by the Central Bureau of statistics, but then obtained even lower participation ratios, after applying mathematical correction models. The differences in the assessment and functioning of the source, can be shown in the following table (+15)³².

	2001			2007			
	ILO old	ILO New	Official	ILO old	ILO New	Official	UNDP
Men	86.00%	83.3%	81.3%	88.30%	78.3%	74.00%	89%
Women	36.0%	20.3%	21.3%	39.7%	20.9%	14.40%	40%
Total	61.0%	51.9%	52.3%	64.0%	49.8%	44.90%	65%

A recent report of the World Bank on MENA countries shows average participation rates at the beginning of the present century as follows: 57-61% for the total, and 32% plus for women. Such inconsistencies in data will remain until we have further detailed investigations of the details of the national labour force surveys (LFS). And it is worth noting in this respect, that the LFSs account not only for the Syrian resident national population, but also for Palestinian refugees and non-citizen Kurds: i.e.

²⁹ The author of the report performed a detailed analysis of the ILO database in 2007 for the preparation of the regional employment report (see Aita and Al Musbeh 2006) and in March 2009 for the preparation of this report. The comparison of the data extracted shows the changes clearly.

³⁰ See Nabil Marzouk, 2008.

³¹ See Somaya Sadeldine, 2008.

³² The 10-14 years old constituted in the 2001 official statistics 2.6% (men) and 6.3% (women) of the corresponding gender total labour force. Also, the share of who 'never worked before' in the labour force evolved from 5.8% (men) and 20.3% (women) in 2001, to 4.1% (men) and 24.8% (women) in 2007.

adding 4% to the Syrian nationals. It is also interesting to note that the activity statistics do not cover the armed forces, in a country where military service is mandatory (2.5 years), and where changes have occurred in the early years of the present century for the university-educated young (engineers, physicians), who were no longer expected to perform civil service (formerly another 2.5 years).

The most recent official Labour force surveys and ILO reporting show inconsistent reduction in participation ratios, in particular for women in agriculture, which has led to a comparatively abnormally low female participation ratio for the region.

The Size of the Labour Force

Because of inconsistencies in the participation ratios (which will be discussed further below), the first reasonable approach, for assessing the evolution of the size of the labour force (of Syrian resident Syrians), is to use the most recent ILO time series for male and female participation (see table). In these time series male participation rates are slowly decreasing from 80.1% to 76.6%, and the female participation ratio is increasing from 18.4% to 22.6%.

The assessment shows that in the last years, labour force is increasing yearly by 219,000: with an average growth rate of 4.49% in 2005 declining to 2.9% in 2010. It will fall to 186,000 in 2020. 25 to 30% of the increase is coming from female participation. This constitutes a minimal estimation.

Citizens Only		2000	2005	2010	2015	2020
Total Population*	Number, 000	16,511	18,894	21,428	23,510	25,573
	Change t, t+5, 000	1,901	2,383	2,534	2,082	2,063
Working age population (15-64, 000)*		10,197	11,980	14,041	15,742	17,696
Labour Force Participation Rate (%)**		49.3%	49.5%	50.0%	50.0%	49.8%
	Male	80.1%	78.8%	77.9%	77.3%	76.6%
	Female	18.4%	20.1%	21.8%	22.5%	22.6%
Labour Force**	Number, 000	4,838	5,931	7,014	7,876	8,805
	Change t, t+5, 000	598	1,093	1,083	862	929
	Male	3,935	4,734	5,491	6,115	6,813
	Female	902	1,198	1,523	1,761	1,992

* as for ILO, not including refugees, Palestinian and others

** ILO most recent data

*** Net ratios (15+), ILO most recent data

However, non-citizen Kurds and resident Palestinians and Iraqis refugees also need to be considered in labour force calculations. A simple model could take into account their number: +4% before 2005 with only Palestinians and Kurds; +11% afterwards, thus including Iraqis, to be applied in total and working age population; assuming participation ratios similar to those of Syrians resident. With non-citizens, the increase in labour force supply would have been around 311,000 yearly; around 240,000 in 2010, and around 206,000 in 2020.

Citizens + Kurds + Palestinians + Iraqis		2000	2005	2010	2015	2020
Total Population*	Number, 000	17,171	20,972	23,785	26,096	28,386
	Change t, t+5, 000	1,977	3,801	2,813	2,311	2,290
Working age population (15-64, 000)*		10,605	13,298	15,586	17,474	19,643
Labour Force Participation Rate (%)**		49.3%	49.5%	50.0%	50.0%	49.8%
	Male	80.1%	78.8%	77.9%	77.3%	76.6%
	Female	18.4%	20.1%	21.8%	22.5%	22.6%
Labour Force**	Number, 000	5,030	6,585	7,786	8,742	9,774
	Change t, t+5, 000	622	1,554	1,201	957	1,031
	Male	4,092	5,255	6,095	6,788	7,562
	Female	938	1,330	1,691	1,955	2,211

* including Palestinians and kurds (<2005) and Iraqis after 2005

** including Palestinians and kurds (<2005) and Iraqis after 2005

*** Net ratios (15+), ILO most recent data

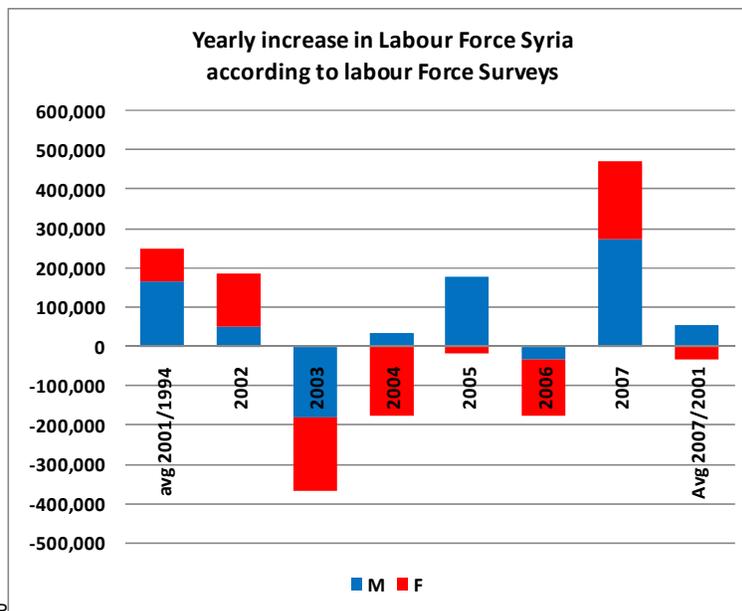
If real participation rates were those of old the ILO data (86% for men and 36% for women), even without the Iraqis, the average increase in labour force supply would have been around 277,000 in 2005, decreasing to 249,000 in 2020.

Thus, if refugees and non-citizens are included or are not included (and as participants they should be included), and depending on how participation is accounted for (especially for women in agriculture), the present labour force supply in Syria varies between 219,000 and 311,000 yearly (growing more than 4% each year). This significant rate of supply will not diminish significantly before 2020 (only by 15 to 20%).

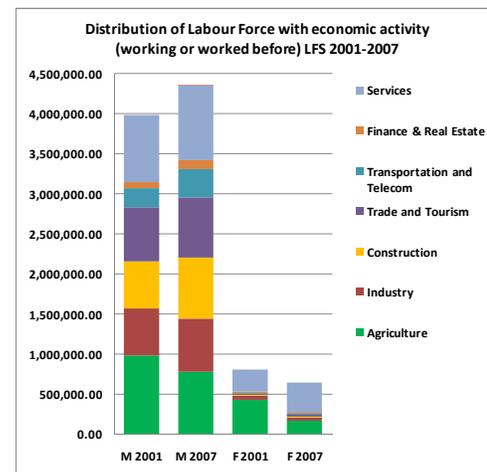
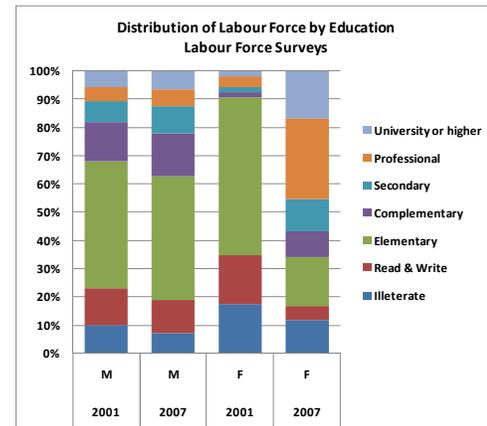
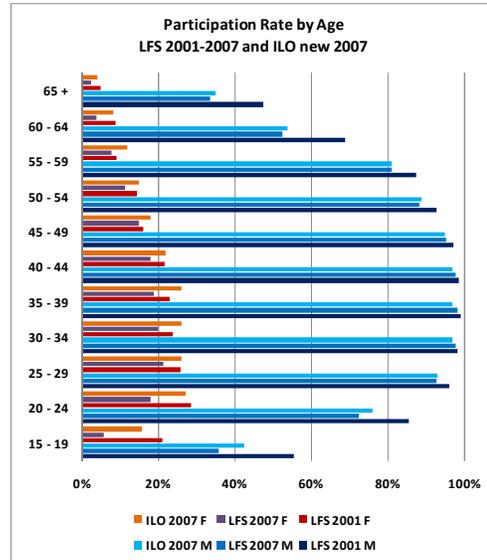
1.2. Characteristics and Composition of the Labour Force and Employment

Characteristics of the Labour Force

The above mentioned inconsistencies make it difficult to rely on the LFSs for any analysis of the characteristics of the labour force. However, a few remarks could be made at this stage:



- The average yearly increase in labour force supply (+15) for the period 1997-2001 was measured at around 250,000; but for the whole period between 2001 and 2007, LFS data shows an average yearly increase of only 20,850³³ (+52,700 for men and -31,800 for women). This is inconsistent with the range of yearly labour force supply discussed above, which is also the range considered by the authorities and by different scholars. The year by year analysis shows strong illogical decreases in the labour force for the years 2003, 2004 and 2007.
- The differences in assessing the labour force affects all age categories. But the most concerned are the 15-19, 20-24 and above 60 age categories where participations is diminishing drastically. The 15-19 age-category has the most significant impact on the size of the labour force. This leads to falls, comparing LFS's 2007 and 2001, of: -383,000 for the 15-19 work force, -62,000, for the 20-24, -27,000 for the 60-64 and -30,000 for the +65. In general, women are more affected than men. Young men (15-25) accounted for 38% of male working age population in 2001, and represented 32% of men work force (+15); in 2007, they represented 35% of men WAP and their share of the work force dropped to 25%. In 2001, young women (15-25) represented 37% of the female WAP, with a share of 42% in the female LF, have seen their share dropping to 27% of the female LF in 2007, while they constituted 33% of the female WAP.
- The ILO generally followed these drops in participation for young men, but not for young women where it kept an assessment for all age categories with higher participations. The share of highly-educated women in the labor force appears higher than reality.
- The last reported LFS data for the 10-14 year age group (2001) measured child participation at around 182,000 (3.4% of the +15; among them 38% females). The evolution of children's work is not known for the subsequent years, as children's work was not reported in LFSs. However, a special survey performed in 2006 in partnership with UNICEF³⁴, suggested that 6.7% of the 11-14



³³ While they are assumed to include the resident Palestinians and non-citizens Kurds.

³⁴ See CBS and UNICEF, 2008.

age group were working in Syria and that 2.9% of the 5-11 age group. Most of this work is outside family living activities. Also, the rate for 5-14 age group work reaches 12.5% in the Hama governorate and 8.9% in that of Dier-Ez-Zor. Children's work remains then, more than ever, an important issue in the country; but, because of the lack of data, the analyses below can only consider those aged fifteen and older.

- The discrepancies in measurements greatly affect the education distribution of the work force (+15), mainly as regards the share of women with elementary education and the illiterate.
- More importantly, it drastically reduces the size of agriculture in the work force, especially the female share. The share of Agriculture and Fisheries in the labor force (+15, working or have already worked), has decreased from 25% to 18% for men, and from 53% to 28% for women. Thus, a large part of the work force in agriculture has been taken away by the LFS. This is notwithstanding the fact that around 50% of the population still live in rural areas.

For the purposes of this study, with the inconsistencies observed in the LFSs, the only reasonable assumption is to consider the new ILO data as the basis for participation, but with the details of the distribution of the work force taken from LFS 2001 (+15), where participation data are close to the new ILO. This gives the following table of characteristics:

		LFS 2001		
		Male	Female	TOTAL
Labour Force (by age, %)*				
	15-19	15.4%	21.4%	16.5%
	20-24	16.7%	21.4%	17.6%
	25-29	13.4%	15.2%	13.7%
	30-34	11.1%	12.0%	11.3%
	35-39	11.0%	10.2%	10.8%
	40-44	8.8%	7.9%	8.6%
	45-49	6.8%	4.5%	6.4%
	50-54	6.2%	3.6%	5.7%
	54-60	3.7%	1.5%	3.2%
	60-64	3.2%	1.3%	2.8%
	65+	3.8%	1.0%	3.3%
Labour Force (by level of education, %)**				
	None	21.9%	30.9%	23.7%
	Primary	58.3%	30.6%	53.5%
	Secondary	13.0%	24.0%	14.9%
	University	5.8%	7.7%	6.1%

* As per LFS 2001

** As per LFS 2001, primary education are reported "primary and less"

Very large variations are shown in the official labour force statistics in Syria from 2001 to 2007, with an illogical decrease in total labour force for some years. The average yearly work force supply is given as more than 10 times below normal. The major inconsistencies concern mostly: the youngest, that is men and women between 15 and 25; the less-well educated (especially amongst women); and those working in agriculture. All these are assumed to have decreased participation. These inconsistencies affect the assessment of the

size and the characteristics of the labour force, and do not permit us to analyze the sociological effects of several major events (such as Iraq, Lebanon...), as well as the impact of the new Syrian economic policies, or even the exceptional last years of drought in a country where agriculture still contributes more than 20% of GDP. All the above could have a significant effect on the labour market and on migration trends.

The last LFS data of 2007 cannot then be considered for the remainder of the study, but assumptions are needed to make analyses. The 2001 LFS labour force characteristics seem to constitute a better basis for the study, and they are consistent with the most recent ILO data.

Characteristics of Employment

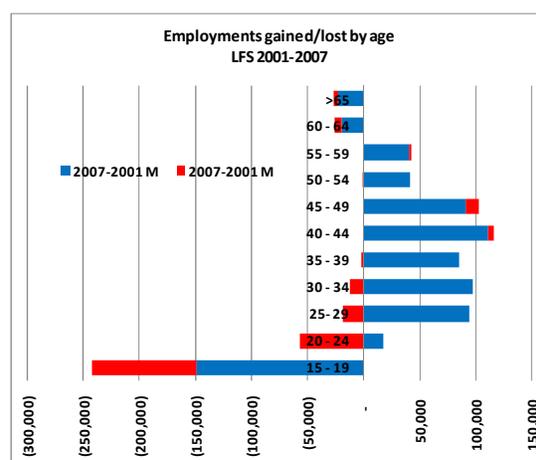
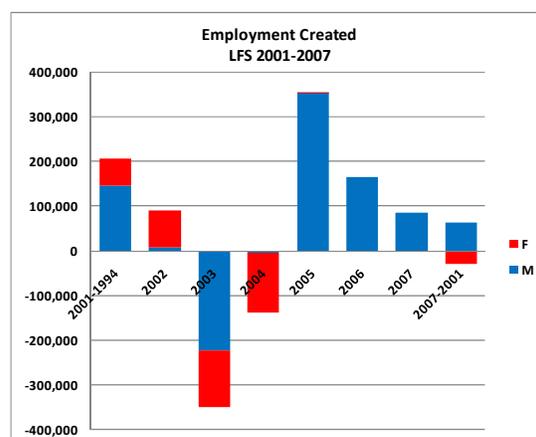
Normally, measuring employment in the LFSs should be less subjective than measuring participation. The characteristics of employment will be analyzed hereafter in detail.

The 2007 LFS reports 4,945,978 persons with employment in Syria (only 12.7% of them women). Comparatively, the 2001 LFS had reported 4,844,020 employed (17.4% of them women), among which 2.4% were younger than 15 years old (4.5% of the women employed). The country is then assumed to have only created around 216,000 jobs for the +15 in 6 years: An average of 36,000 yearly, 17% of the lowest estimate of the yearly newcomers to the labour force.

A careful analysis shows that men would have gained 390,000 jobs between 2001 and 2007: 65,000 as a yearly average, to be compared with 148,000 from 1994 to 2001. But, women would have lost jobs: -175,000, a yearly average of -29,000, while the 1994-2001 period has seen around 59,000 new jobs for women annually.

2003 (the year of the US invasion of Iraq) would have been the worst in terms of job losses for both men and women; and 2005 (the year of the withdrawal of Syrian forces from Lebanon) the best for men; but with no serious benefits in job creation for women. These statistical observations could correlate with the sociological and economic transformations, or have been caused by important regional events: the arrival of 1.5 million Iraqis and the return of hundreds of thousands of circular Syrian migrant workers from Lebanon in 2005 and afterwards.

In any case, if the labour force increase would not have been reduced in the statistics between 2001 and 2007, the country would have seen a major increase in unemployment, and not a decrease as reported by official sources.



	2007 LFS		
	Male	Female	TOTAL
Employment (by age, 000)	4,316,066	629,570	4,945,636
15 - 19	8.6%	5.2%	8.1%
20 - 24	14.2%	13.0%	14.0%
25 - 29	14.5%	17.3%	14.9%
30 - 34	13.0%	15.9%	13.3%
35 - 39	12.6%	15.1%	13.0%
40 - 44	11.1%	13.7%	11.5%
45 - 49	8.8%	9.2%	8.8%
50 - 54	7.0%	5.7%	6.8%
55 - 59	4.5%	2.7%	4.3%
60 - 64	2.6%	1.1%	2.4%
65 +	3.1%	1.1%	2.9%

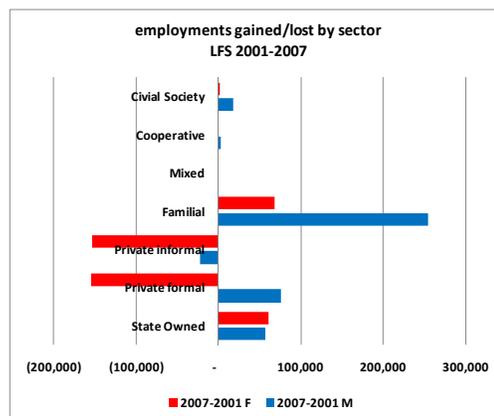
Age distribution by employment age for 2007 is illustrated above. The youngest and oldest have been the hardest hit in terms of male job losses. But for women, the losses concerned almost all age categories, as there were few gains in the middle of the table. Hence, the total number of lost jobs is assumed to be around 280,000 among the 15-25 year olds, and around 52,000 for those older than 60. And, taking into account only the core of the working population (25-50 years), the total number of employed is said to have increased by 550,000 in 6 years (an average of around 92,000 yearly), while the total number of women employed in this 'core' period is shown as diminishing by -15,000 or -2,500 yearly.

These observations demonstrate that unemployment has dramatically increased for the young and among women. But in which sector have the jobs disappeared? The state-owned sector (government and state-owned companies) created 119,000 jobs between 2001 and 2007 (52% of which were for women); while the private formal sector lost 77,000 new jobs; men gained 77,000, but women lost 154,000. A new sector was introduced in the 2007 statistics (familial jobs) displayed independently from the private informal sector. But for these two informal sectors together, 149,000 jobs were created (69% of total job creation for the +15): Men had gained 232,000 jobs (60% of all job creation); while women had lost 84,000 jobs. The other sectors (mixed public-private, cooperative and civil society) had created 25,000 jobs (only 8% of which were for women).

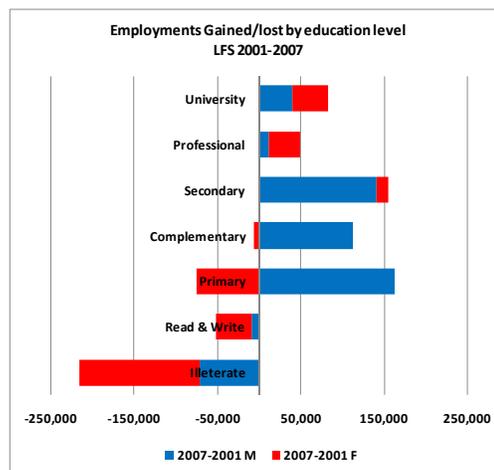
The informal sector has then created most male jobs in the core age category, followed by the government. The formal private sector had lost a significant share of its jobs, especially for women who had lost 60% of their jobs there.

Were these jobs given to Iraqi immigrants? Or are we, instead, to understand that most private employers do not formally register their new employees, and in particular female employees? Or did men move women out of the informal sector, especially those returning from Lebanon? And might someone say that it is hopeful that there is some employment in the state-owned sector, to save female employment? And, likewise, that any reduction in state-owned employment would be particularly detrimental for women?

In 2001, 32% of working children (<15) were illiterate, and 35% knew how to read and write. For the +15, the less well educated men and women were the worst hit by job losses; while of those with university or professional education, women gained even more new jobs than men: mostly in the state-owned sector as discussed above. It was men with intermediate education



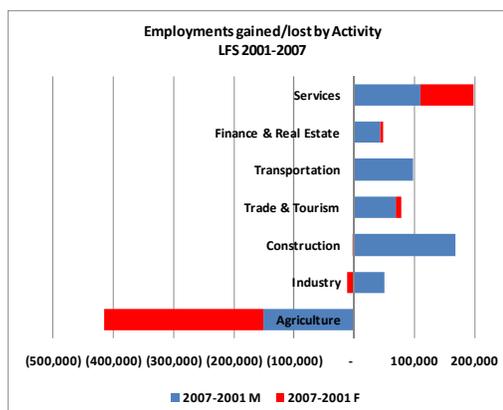
	2007 LFS		
	Male	Female	TOTAL
Employment (by sector 000)	4,316,066	629,570	4,945,636
State Owned	23.9%	55.6%	27.9%
Private formal	33.4%	15.9%	31.2%
Private informal	36.1%	16.9%	33.7%
Familial	5.9%	10.9%	6.5%
Mixed	0.1%	0.1%	0.1%
Cooperative	0.1%	0.1%	0.1%
Civil Society	0.4%	0.4%	0.4%



	2007 LFS		
	Male	Female	TOTAL
Employment (by education, 000)			
Illiterate	7.1%	11.8%	7.7%
Read & Write	11.7%	5.1%	10.8%
Primary	43.8%	16.8%	40.4%
Complementary	15.4%	9.1%	14.6%
Secondary	9.7%	11.1%	9.5%
Professional	6.0%	29.1%	8.9%
University	6.4%	17.0%	7.7%

who gained most jobs, while women lost a significant share of their jobs. Such results could correlate well with observations on the ground concerning employment and education. For example, state-owned jobs created for women were mostly for the university educated.

Another result which might well correlate with reality is the distribution of gained/lost jobs by activity. Most of the jobs lost (+15) were in Agriculture (more than 400,000 jobs, 63% of them female jobs). The industry offered a few additional jobs for men (39,000), but women lost 11,000 jobs there. Most of the jobs created were in Services (around 200,000, 44% for women), and in construction (around 170,000; for men only). For Trade and Tourism the jobs created were: +79,000 (13,000 a year; only 11% for women); In Transportation +97,000 (16,000 a year; mostly men); and in Finance & Real Estate +49,000 (8,200 yearly; 11% for women). But most of these creations were in the informal sector.



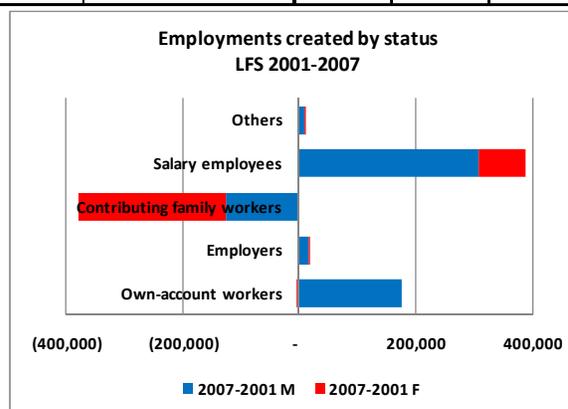
The distribution of the employed by activity, as given by the 2007 LFS, shows that Agriculture still offers 19% of all jobs (26% of female jobs), while the Services provide 26% (57% of women jobs). The comparison with 2001 LFS shows that in 6 years -527,000 jobs disappeared from Agriculture (-301,000 for women; around half of these jobs for the 10-14).

Employment (by Status)		2007 LFS		
		Male	Female	TOTAL
Own-account workers		32%	10%	29%
Employers		9%	2%	8%
Contributing family		7%	19%	9%
Salary employees		52%	69%	54%

Even when Agriculture is eliminated, +628,000 jobs were created (104,000 yearly; 14% for women); at least two times less than the numbers necessary to maintain unemployment at current levels. Such results of the FLS seem much more consistent with the liberalization of the economy carried out in 2005, in particular with the Services share increasing slightly, especially for women.

Employment (by activity)		2007 LFS		
		Male	Female	TOTAL
Agriculture		18%	26%	19%
Industry		15%	7%	14%
Construction		17%	1%	15%
Trade & Tourism		17%	5%	16%
Transportation		8%	1%	7%
Finance & Real Estate		3%	2%	3%
Services		22%	57%	26%

When employment status is accounted for, the 2007 LFS shows that 54% of the working population is constituted of salaried employees (52% of men and 69% of women). And the new salaried jobs created for women were, for the most part, those created in the state sector. The category most hit by job losses were the 'contributing family workers'.



It is also worth noting that the number of the new jobs created as 'own-account workers' for men is similar to that of new jobs in the informal sectors. 18,000 new employers have emerged amongst men, and only 1,000 amongst women.

While labour force supply in Syria is a controversial issue, and estimations vary yearly from 216,000 to more than 330,000, the economy of the country only created around 37,000 jobs between 2001 and 2007. Non-agriculture job creation rates were much higher – 104,000 yearly, only 14% for women while they constitute around 30% of labour force supply; while agriculture is assumed to have lost 67,000 jobs annually. The job creation rhythm in the formal private sector was very low, despite liberalization in the economy. Most (69%) of the jobs created were in the informal private (and

family-work) sector. Job creations in government and state-owned enterprises played a significant role (55%); especially when they contributed significantly to the employment of women, mostly among the educated. The formal private sector has globally lost jobs, namely -36%.

It is believed that the arrival of 1.5 million Iraqis after 2003 and the return of hundreds of thousands of Syrian circular workers from Lebanon, as well as the new economic policies and the years of drought all had a considerable effect on labour supply as well as on the characteristics of the labour market in Syria.

1.3 Estimation of national job creation needs to absorb projected labour force growth

Official discourse and the debate in the country

The elaboration of the 10th five year plan³⁵ constituted a major effort for developing new macro-economic policies in the country, towards a '*Social market Economy*'. The voluminous documents do not set out the needs for job creation during the concerned period (2006-2010). It only states that '*the labour force has increased to more than 5 million in 2004, with a current yearly growth rate of 3.9%; and the share of female participation has increased from 12.8% to 16.3%*' (2004)³⁶. It also indicates that '*unemployment has increased in these last years because of the gap between job demands and offer. The Syrian economy created on average 200,000 jobs in the 1990-1995 period; which has decreased to 160,000 jobs in 1999-2003*'. As a target for 2010, the plan sets the objective '*to reduce unemployment rate from 12% in 2005 to 8% in 2010, knowing that such rate could rise up to 17% if current policies are continued*'. '*The share of who has finished basic education (9 years, complementary education) should increase towards 50% of the total labour force*'³⁷; and '*the share of women in the labour force should increase from 17.3% in 2004 to 21.3%³⁸ in 2010, and 25% in 2020*'³⁹.

The recent UNDP reports were much more explicit. Its Poverty Report states, following a specific survey run with the participation of the Central Bureau of Statistics: '*Each year about 382,000 people, with varying degrees of education and skills, enter the labour market. This constitutes a considerable increase in the size of the labour force, particularly of the young age group who also constitutes the bulk of the new job seekers in the labour market*'⁴⁰. And its earlier Human Development Report of 2005, considering only the 2001 statistics, estimated the labour force in 2002 at 5.46 million increasing yearly '*at a rate higher than 4%*', then with more than '*300,000 newcomers each year to the work force, according to the Central Bureau of Statistics*'⁴¹. Later in 2007, it insists, in a report on female economic activities in Syria, that Labour force participation was '*40% for women and 89% for men*'⁴² (instead of 21% and 78% as in the LFSs). And the same statistics were repeated in the 2008 Report⁴³.

³⁵ State Planning Commission, Syria, the 10th Five Year Plan, 2005: Cross sectoral Issues.

³⁶ It is worth noting that the year 2003 saw an unexplained and significant decrease in the labour force; with another decrease in 2004; see section 1.2 characteristics of the labour force.

³⁷ Compare labour force education characteristics in 2001.

³⁸ Which was the official level in 2001.

³⁹ State Planning Commission, Syria, the 10th Five Year Plan, 2005: *Women empowerment*.

⁴⁰ See UNDP: *Poverty Report*, 2005.

⁴¹ UNDP: *National Human Development Report*, 2005.

⁴² UNDP: *Information Map ... on Women Economic Activities*, 2007.

⁴³ UNDP, 2008.

The problem of erroneous and misleading statistics has also been noted by some authors⁴⁴: ‘*The Agency for Combating Unemployment has stated the number of unemployed in 2003 at 16%, the Central Bureau of Statistics estimated it at 11.6%, the World Bank at 37% and the Arab Economic Unity Council at 30%. The former director of the Central Bureau of Statistics (...) gives it in 2006 between 8 and 8.5% (...); this is when this unemployment rate was given for 2003 and 2004 between 10 and 11% (...). In the Statistical Abstracts, it was mentioned that the unemployment rate in 2006 is equal to 8.1%, when it was 12.3% in 2004. And the Deputy Prime Minister for Economic Affairs estimated the unemployment rate in 2007 at 8.5%, after it was 11.2% in 2001 (...). Which of these figures should we consider? And how we can study how to create jobs to combat unemployment when we don’t know how many are unemployed?*’.

Job creation needs and unemployment figures seem then to be ‘politicised’ data in Syria; which can only make the task of the Central Bureau of Statistics more difficult in its independent assessments.

Job creation needs

Owing to the inconsistencies in the data, assumptions need to be made.

We assume that the ILO data for the work force is the best available, and the employment data we use is that given by the LFS. When one takes the labour force in 2007 (ILO recent data), the total labour force in Syria stands at 6,390,000, 18% higher than that of the 2007 LFS. With the 2007 LFS employment data, this means that unemployment had reached (without non-citizen Kurds, the Palestinians and the Iraqis) 22.6% in 2007; 14.5% for men and 53.0% for women. Comparatively, if we use the same ILO labour force recent data and LFS employment statistics for the year 2001, this leads to a global unemployment rate of 10.8% (7.9% for men and 22.4% for women), a rate consistent with official reporting on unemployment.

Also, the growth rate of the working age population will decrease significantly in the coming years with the end of the ‘baby boom’, moving from its 2000-2006 levels >4% to around 2.3% in the 2010-2020 period. This will help to alleviate the burden concerning the size of yearly newcomers to the labour market. And the ILO estimates, in its simulations of future evolutions, that the male participation level will decrease from 79% to around 77%, while for women it will increase from 20% to 23%.

To estimate job creation needs other assumptions are required: what is an acceptable level for unemployment in 2015? Should the answer be around 23%, as it was in 2007, or 11% as in 2001, or 8% as in the present official declarations? For this study, we shall be conservative and state that the target should get back to the unemployment level of 2001: 7.9% for men and 22.4% for women.

⁴⁴ See Deeb 2008.

SYRIA ILO last data citizens resident	Total Labour Force 2007	Current Employment 2007	Needed Jobs 2007-2015	Jobs to be created each year	Needed Jobs 2007-2020	Jobs to be created each year
,000	6,390	4,946	2,052	257	2,875	221
Male	5,050	4,316	1,316	164	1,959	151
Female	1,340	630	737	92	916	70
Male	79%	87%	64%	64%	68%	68%
Female	21%	13%	36%	36%	32%	32%
,000 (+5% Activity Rate of Women)	6,390	4,946	2,356	295	3,216	247
Male	5,050	4,316	1,316	164	1,959	151
Female	1,340	630	1,040	130	1,257	97

Then, in order to obtain an unemployment rate of 11% in 2015, when the participation of men and women would have been respectively 77.3% and 22.5%, 257,000 jobs will need to be created annually⁴⁵; 64% for men and 36% for women. And if this target of 11% unemployment is only to be achieved in 2020, the yearly needs will be 243,000 jobs.

Also, if female participation increases by 5% in 2015 (i.e. from 22.5% to 27.5%), the needs for job creation, with the same unemployment target, would be 295,000 yearly, with 44% new jobs for women⁴⁶. And if this 5% increase in participation is only reached in 2020, the needs decrease to 247,000.

However, the above does not take into account the real resident population: the share of non-citizen Kurds, Palestinian and Iraqi refugees⁴⁷. We can assume that these 'additional resident populations' shall remain until 2020, and that they have the same growth rates and participation characteristics as the resident Syrian population. And it is to be noted that this additional population means that the unemployment rate in 2007 really was much higher: 30.3% in total, 23.0% for men and 57.6% for women. Hence, the needs for job creation transforms as follows: 353,000 jobs will be needed yearly if the 11% is to be reached in 2015; and 287,000 if it is to be reached in 2020.

⁴⁵ Note that the size of the labour force in 2007 has no influence on this result.

⁴⁶ The calculation shows total unemployment would reach 11.7% in this case.

⁴⁷ Al Khalidi 2007 reports that 55% of Iraqi men and 80% of Iraqi women are unemployed. The others have different jobs in the informal sector.

Labour Markets Performance and Migration Flows in Syria

SYRIA ILO last data including Palestinians, Kurds and Iraqis		Total Labour Force 2007	Current Employment 2007	Needed Jobs 2007-2015	Jobs to be created each year	Needed Jobs 2007-2020	Jobs to be created each year
,000		7,093	4,946	2,822	353	3,735	287
	Male	5,606	4,316	1,935	242	2,649	204
	Female	1,487	630	887	111	1,086	84
	Male	79%	87%	69%	69%	71%	71%
	Female	21%	13%	31%	31%	29%	29%

SYRIA ILO last data only Palestinians and Kurds		Total Labour Force 2007	Current Employment 2007	Needed Jobs 2007-2015	Jobs to be created each year	Needed Jobs 2007-2020	Jobs to be created each year
,000		6,646	4,946	2,589	324	3,475	267
	Male	5,252	4,316	1,662	208	2,344	180
	Female	1,394	630	927	116	1,131	87
	Male	79%	87%	64%	64%	67%	67%
	Female	21%	13%	36%	36%	33%	33%
,000 (+5% Activity Rate of Women)		6,646	4,946	2,935	367	3,864	297
	Male	5,252	4,316	1,662	208	2,344	180
	Female	1,394	630	1,273	159	1,520	117

Even if Iraqi refugees were all to leave for their home country before 2015 leaving only Palestinians and non-citizen Kurds, who are permanent residents, then, if the target is to reach the 8% unemployment rate (6% for men 15% for women) claimed by the government by 2015, the number of jobs needed yearly stands at 324,000; 267,000 is the target if unemployment is only reached in 2020. And the figure would rise to 367,000 and 297,000 yearly if female participation were to increase by 5% in respectively 2015 or in 2020.

The government 10th five year plan is to reach 8% unemployment in 2010 and to increase female participation in the labour force. Even without taking Iraqi refugees into account the needs for job creation stands at 324,000 if this target is only reached in 2015, and 367,000 if female participation is to reach 27% by then.

These needs are to be compared with the 37,000 created yearly in the period 2001-2007 (+104,000 non agriculture; -67,000 in agriculture), and also with the 95,000 yearly for those of age 25-65, the 48,000 for those with better than complementary education, the 20,000 created yearly by state-owned enterprises and the government, the losses of jobs in the formal private sector and the 4,000 created yearly by industry.

Employment is then a very serious issue in Syria.

2. The Labour Market Performance in Syria

2.1 Regulation of the Labour Market

Legal Regulation of work

The Syrian constitution guarantees the rights of and to work⁴⁸, as well as the rights of association. It stipulates that:

- Article 36 (1) 'Work is the right and duty of every citizen. The State undertakes to provide work for all citizens'.
- Article 36 (2) 'Every citizen has the right to earn his wage according to the nature and yield of the work. The State must guarantee this.'
- Article 36 (3) 'The State fixes working hours, guarantees social security, and regulates rest and leave rights and various compensations and rewards for workers.'
- Article 16 'The law defines the maximum of agricultural ownership in a manner that guarantees the protection of the farmer and of the agricultural worker against exploitation and insures increase in production.'
- Article 45 'The State guarantees women all opportunities enabling them to fully and effectively participate in the political, social, cultural, and economic life. The State shall remove all restrictions that prevent women's development and participation in building the socialist Arab society.'
- Article 48 'The popular sectors have the right to establish unionist, social, professional organizations, and production cooperatives. The framework of the organizations, their relations, and the scope of their activities is defined by a specific law.'
- Article 49 'The legally constituted popular organizations shall effectively participate in the various activities and State organizations to realize the following: (1) Building the socialist Arab society and defending the governing system of the country. (2) The planning and guiding of the socialist economy. (3) The development of work conditions, safety, health, culture, and all other affairs pertaining to the lives of the organization members. (4) The achievement of scientific and technical progress and the development of production means. (5) The popular supervision of the functioning of government.'

Not many of these constitutional provisions and rights are effectively implemented. And in fact, Syria is now in a constitutional transition stage. The liberalization measures initiated in 2005, were made in the name of a transition towards a '*Social Market Economy*', agreed by the Congress of the Baath Party, constitutionally '*leader of society and the State*'; while the same constitution stipulates the Syrian State as '*democratic, popular and socialist*'⁴⁹, with a '*socialist economy*'.

Several laws regulate the labour market⁵⁰. But in practice, the current laws are not properly enforced. Free trade unions and strikes are forbidden. And, with the current 'reforms', the Ministry of Social Affairs and Labour (MOLSA) initiated, in 2004, a new labour code for private-sector

⁴⁸ The Syrian Constitution was adopted in 1973, see http://www.oefre.unibe.ch/law/icl/sy00000_.html.

⁴⁹ See Aita 2007.

⁵⁰ For an exhaustive list, see: <http://www.barasy.com/forum/forumdisplay.php?s=&daysprune=&f=114>

employees. The initial project led to a major controversy⁵¹, especially concerning its principles where it stipulates ‘a work contract is to be considered as a ‘free’ contract between two parties’, including its dismissal provisions (where the present governing Decree 49 of 1962, stipulates in particular that ‘no employer can end the contract of an employee, without his knowledge and without prior authorization from the Commission for Dismissal Affairs’). The controversy also concerns questions of freedom of association and the contradictions between the project and signed ILO conventions. The project is still pending in 2009.

For public-sector employees, a new law has been promulgated also after some controversy and debates. For example, on the issue of dismissal, this can now be authorized by the Prime Minister without any justification (law no 50 of 2004 regulating work in state institutions).

ILO conventions

Syria has ratified many of the essential conventions of the ILO. Continuous dialogue is maintained between the government and the ILO concerning non-conformities to the ratified conventions, and the ratification of others. The last ILO recommendations to the Syrian authorities states: ‘The Committee recalls the information supplied by the Government (of Syria) in August 2007, indicating that the National Committee for Consultation and Social Dialogue periodically conducts a legal review of the Conventions which have not yet been submitted to the competent authorities for ratification. It noted previously that the Conventions thus examined with a view to their ratification include Conventions Nos 97 (migration), 150 (labour administration), 173 (protection of workers claims) and 181 (private employment agencies), and that, moreover, the tripartite committee had endorsed the proposal to ratify Convention No. 187 (occupational safety and Health). The Committee recalls that 40 of the instruments adopted by the Conference are still waiting to be submitted to the People’s Council.’ The MOLSA only envisages the ratification of conventions 102 (social security minimum standards) and 159 (vocational rehabilitation and employment of the disabled)⁵². Very little of this debate appears before the public, as unions are under the control of the Baath party and the Syrian ‘power system’⁵³.

Legal hiring modalities

A new employer need simply declare the work contract to the MOLSA and to the Social Security Establishment (GSSE)⁵⁴. But, given the size of the informal sector, it is clear that this procedure is not necessarily respected. And when contracts are declared the real salary is not always declared so as to minimize social duties to be paid to the SSF. The MOLSA has a very weak organization to be able to check hiring conditions and relative contracts.

Regulation of working conditions

Work relations in Syria are organized by several laws, related to each economic sector.

- Private sector employees are governed by law no 91 of 1959⁵⁵, as amended by Legislative

⁵¹ For an insight into the relevant debates, see in particular: “Al Hewan Al Motamadden” (the modern debate), www.ahewan.org; especially issue 1579, June 12, 2006; and “Al Badil” (The Alternative), www.albadil.net.

⁵² See: <http://www.molsa.gov.sy/index.php?m=202>

⁵³ See Samir Aita: “Reform, State and Politics in Syria”, Samir Radwan & al. Ed. 2007.

⁵⁴ <http://www.taminat.gov.sy/en/>

⁵⁵ Available at www.arablaw.org in Arabic, see also the ILO legal database Natlex

Decree no 132 of 1960, Decision no 124 of 1981, and, more recently, by Law no 24 of 2000. Also, the dismissal of employees is regulated by Decree no 49 of 1962. These regulations are often not respected in Syria, even in the formal private sector. In particular, as ending contract conditions are stringent, most employees sign an undated resignation letter, simultaneously with their hiring contract, if there is one. Over the last decades, the MOLSA has made no serious efforts to enforce the various stipulations of the law.

- Government and public-sector employees are governed by Law no 50 of 2004 (which replaces Law no 1 of 1985, called the ‘Unified Law for Employees’), except for professors at public universities, employees of research institutions, judges, military personnel, customs officials, the employees in the public airline and maritime companies, and local employees in embassies, all of whom are governed by special laws.
- Law no 92 of 1959 regulates the social security issues for both government and private-sector employees. It has permitted the founding of the Social Security Establishment (GSSE), which provides retirement pensions, and in which 2.8 million employees are registered: 86% of government employees and only 22% of formal private-sector employees⁵⁶. The employee subscribes with 7% of his monthly salary, while the employer pays 14%⁵⁷. Private-sector employers complain about these ‘costs’, arguing against the charges and the bad management of the GSSE. Several years of subscriptions have not been paid even by government companies, and the MOLSA has been lax in imposing social security regulations. However, the GSSE was known to manage surpluses of up to US\$600 millions in 2004. Another fund, the Insurance and Pension Fund, protects the retirement insurance of the remaining employees in the government sector which has not been covered by the ‘Unified Law for Employees’. Most of its subscribers are now in retirement. In 2004, it had 135,000 subscribers and 156,000 retired employees. And it had a yearly deficit of up to US\$ 140 millions, well above the yearly surplus of the GSSE. Each professional association (physicists, engineers, etc.) also has its own complementary fund for retirement. For years, calls have been made for a global reform of the health and retirement system in Syria, including better enforcement and better management of the funds. Recently, new private insurance companies have been allowed to enter the Syrian market, and are offering health and retirement insurance schemes. And the government is considering the creation of a mixed public-private sector institution for health and retirement insurance⁵⁸.
- The Syrian constitution grants employees and workers the right to form unions. However, in practice, only two major unions exist in the country: the General Federation of Workers Unions (GFWU) and the General Union of Peasants (GUP). These unions are controlled by the Baath party (*‘leader of State and society’*) and by the authorities. GFWU groups several regional unions, as well as those organized by industrial sector, e.g the Union of Construction Workers, the Professional Union of the Textile Sector, etc. In addition, other professional unions exist in Syria for teachers, doctors, engineers, lawyers, etc., as well as a General Union for Women, which specifically fights for women’s rights. The Baath party and security services control the elections and the functioning of these unions. No strikes (forbidden) or negotiation processes (except recently for the new labour law, under strong pressure from the bases) were organised by these unions. The last major social movement dates from the 1970s. Some professional unions have called for the end of the state of emergency⁵⁹ in the country

(Contd.) _____

http://www.ilo.org/dyn/natlex/natlex_browse.country?p_lang=en&p_country=SYR.

⁵⁶ See Samir Aita (coordinator): Country Profile Syria, 2005.

⁵⁷ See AITA 2005-1.

⁵⁸ See <http://www.moi.gov.sy/ar/pid4764.html>.

⁵⁹ A state of emergency was declared in Syria in 1962, before the 1963 revolution/coup which brought the Baath party to power. The new Constitution approved by plebiscite in 1973 did not end the state of emergency.

and a return to the rights of association. The leaders of the movement were condemned by exception courts⁶⁰ and jailed for several years. The state of emergency is still in force. The adhesion to these controlled unions is in practice mandatory, as no one outside a union can exercise his or her professional activities in a normal fashion.

- Agricultural workers are a special case. They are governed by the recently amended Agricultural Relations Law⁶¹. Its article 6 defines the workers in this category and creates some confusion by considering the employees of state agricultural establishments⁶² as 'workers' having to adhere to GFWU, while those organized in cooperatives or working for a private owner are considered 'peasants' and should adhere to the General Union of Peasants (GUP). The GUP has a different status than GFWU, as it includes both employees and employers (owners), while GWU is only a Union of employees and the owners are organized in the Federation of Chambers of Commerce and Industry.

It should, in any case, be clear that labour laws are very far removed from the 'dreams' of the 1960s, where there were major calls to protect the most socially-disadvantaged workers: the seasonal workers in agriculture, for example, who can be counted in the hundreds of thousands⁶³.

On these issues, it is worth noting that the 'Doing Business' index⁶⁴ published by the World Bank and IFC ranks Syria favourably by its employing workers criteria, comparatively to the region and OECD countries, except for the difficulty and cost of firing⁶⁵. The index shows a substantial improvement in the ranking of the country in the last years.

Intermediary institutions in the labour market

The old public agencies for employment in Syria have mostly lost their role. Private employment agencies have only recently been legalized, as have agencies for the employment of foreign workers and family assistants. Conscious of the challenges presented by unemployment, the government created, in 2001, an Agency for Combating Unemployment⁶⁶ (ACU). ACU was, from the beginning, conceived as a micro-credit agency to boost small and medium-size projects, especially in rural areas. It took almost 2 years after its creation for its financing schemes to be clarified, while it received funds from the government and different donors. Around 5 billion Syrian pounds (around 83 million €) were budgeted in 2005 to help finance 25,000 family projects and 15,000 small projects. It also established private-public partnerships for training employees with promises of employment⁶⁷.

ACU, it was hoped, would create 450,000 job opportunities within 5 years. It claims though that it only achieved between 175,000⁶⁸ and 196,000⁶⁹ jobs: figures that would mean 81% or 91% of all jobs created between 2001 and 2007. A lot of criticisms were addressed to the ACU, and major controversies were kicked up concerning unemployment and poverty figures, the necessary action

⁶⁰ As for the State Security Court.

⁶¹ Law no 56 of 29/12/2004.

⁶² Similarly to those working in the agriculture industrial establishments, who belong to the Union of Agricultural Development and Agro-Industries in the different governorates.

⁶³ See Samir AITA: "L'économie Syrienne peut-elle être sociale? », 2007.

⁶⁴ See: www.doingbusiness.org

⁶⁵ See Aita and Al Musbeh 2006.

⁶⁶ Law no 71 of 2001.

⁶⁷ http://www.syria-news.com/readnews.php?sy_seq=3306

⁶⁸ http://www.an-nour.com/index.php?option=com_content&task=view&id=166&Itemid=58

⁶⁹ http://syrianelector.com/index.php?option=com_content&task=view&id=3096

plans, and many other issues, including the confusion between the ACU's role and that of classical banks (which also started micro-credit activities, especially state-owned banks) and other 'welfare' associations: for example, the Syria Trust for Development⁷⁰ created and managed by Syria's First Lady or the Agha Khan Fund for Economic Development⁷¹.

Finally, the General Manager of ACU had criticized government policies in an official newspaper,⁷² after the reduction of ACU's budget by a third. He was dismissed and ACU was dismantled and replaced, in 2006, by the General Organization for Employment and Projects Development (GOEPD)⁷³, which also focused on micro-credits. But here, like NGOs acting in Syria, the number of credits and training programs are to be counted in their hundreds.

Wage formation and labour cost

There is no formal process for the negotiation of the level of wages in the country. The level of salaries is driven by those in the public sector, which have remained almost fixed for decades, while inflation was significant. In the first years of the present century, several general increases in salaries were given as Presidential 'gifts' (25% in 2000, then 20% in 2002 and 2004, then 25% in 2008); later, in 2006, a bonus of 50% of a month salary was granted. Usually, when the salaries of state-owned institution employees increase, this is followed by pressures for a similar increase in the formal private sector. With the recent liberalization of the economy, the salaries of the most qualified personnel (especially those with foreign language skills or having banking knowledge) have increased especially as there were strong incentives for such personnel to immigrate (mainly to the Gulf countries).

Regulation and compliance with minimum wage

The minimum wage in Syria increased in 2008 from 5000 Syrian pounds (SYP) (83 €) a month to 6250 Syrian pounds (103 €), following a general increase in salaries granted by presidential decree⁷⁴. However it has lately become a more complex tool. The MOLSA has differentiated minimum wages for the different working categories in the private sector. For example, in March 2009, MOLSA fixed the minimum monthly salary for movie theatre operators at 6500 SYP, and for his assistant at 6496 SYP, for the general sweet manufacturer 7440 SYP, while the *Kenafe*⁷⁵ oven operator receives 7290 SYP, the sales person 7084, and the handler and server 6500 SYP⁷⁶. This minimum salary can also be a function of residency.

It is worth noting that a monthly salary of 6250 SYP is equivalent to US\$ 134, i.e. US\$ 4.5 per day. This means that such a monthly salary cannot sustain a typical Syrian family (on average 5.6 persons) above the poverty line. An economist has recently⁷⁷ calculated the minimum monthly family salary for assuring food subsistence above poverty line at 13,580 SYP (224 €), and, if other needs are taken into account, 22,063 SYP (364 €).

Here it is worth noting that the formal private sector complies with the minimum wage only for employees registered at the Social Security Establishment (22% of total). As mentioned earlier,

⁷⁰ <http://www.syriatrust.org/>

⁷¹ http://www.akdn.org/syria_microfinance.asp

⁷² http://www.tishreen.info/__archives.asp?FileName=244919044200501112222301

⁷³ Law no 39 of 2006; <http://www.molsa.gov.sy/index.php?d=253>

⁷⁴ Laws no 24 and 25 of 2008.

⁷⁵ A sweet speciality found in Damascus.

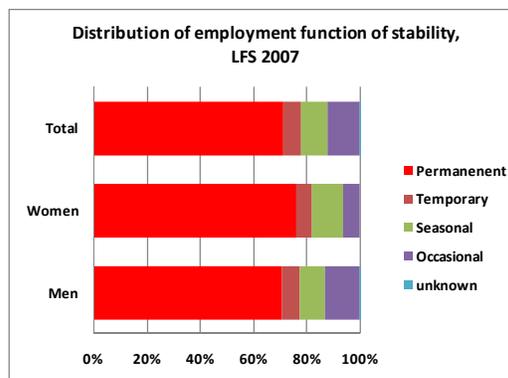
⁷⁶ See: http://www.aksalser.com/?page=view_news&id=012b101b7c63003e849335e5fb35c498&ar=909714936

⁷⁷ See Kadri Jamil, Syrian Economic Sciences Society, April 22, 2008: http://www.mafhoum.com/syr/articles_08/jamil.pdf

employers tend to register most employees at this minimum wage so as to reduce social-security charges. Salaries in the informal sector are mostly below the minimum wage level.

Job stability and trends

The 2007 labour force survey shows that more than 70% of the employed have permanent jobs. Female jobs seem even more permanent than those of men; but this result should be taken cautiously, as female work in agriculture is seasonal, and the data may reflect the exceptional drought year of 2007.



Overall assessment of labour market flexibility

The World Bank has established, on the basis of surveys, an index on rigidity of employment⁷⁸, based on an average of 3 sub-indices: difficulty of hiring, rigidity of hours, and difficulty of firing. In the last update, Syria stands at 34 in this index (100 = completely rigid), while Algeria scores 48, Egypt 27, Lebanon 25, Morocco 63 and Tunisia 49.

In fact, effective rigidity is much less than that reported by the World Bank, because of non-compliance with the legal provisions of the labour market: there is a generalized practice of signing undated resignation letters at the same time that the labour contract, a lack of effective inspection organized by the Ministry of Labour (MOLSA); the MOLSA does not many aspects of labour laws; etc. And if the assumed high index for the ‘difficulty of firing’ were adjusted to reality, the Syrian labour market would be even more flexible than that of Lebanon.

The labour market in Syria is one of the most flexible amongst Arab Mediterranean countries, because of the pressures of labour force supply and high unemployment and systemic non-compliance with existing regulations.

2.2 Wage and National Income Analysis

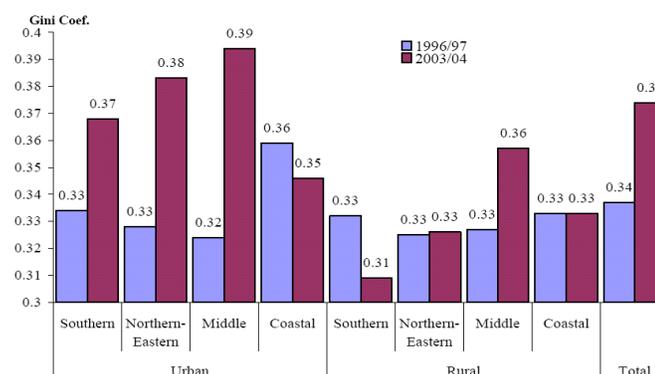
GDP and National Income

Syrian GDP stood, in 2007, at between € 29⁷⁹ and 34 billion according to sources (IMF, WB, Syria CBS and CIA World Fact book). The PPP value is given between € 67 and 69 billion. This gives a *per capita* GDP ranging from between € 1,450 and 1,700 (depending on whether Iraqi refugees are considered or not), and for PPP € 3,100 and 3,500. This is 10 times less than the European average.

National Income Distribution

According to a UNDP survey⁸⁰, ‘Between the years 1997-2004, inequality in Syria, as a whole, rose (the

Figure 2.7: Changes in the Gini Coefficient by Region



⁷⁸ <http://www.doingbusiness.org/>

⁷⁹ The Syrian pound is mostly pegged to the US\$: 50 SYP before 2005, and 46.5 since then. To simplify, we take here a fixed euro/US\$ exchange rate of 1.3.

⁸⁰ UNDP, June 2005

Gini index rising from 0.33 to 0.37, and the coefficient of variation also increased from 82 to 88%). In 2003-2004, the bottom 20 per cent of the population consumed only 7 per cent of all expenditures in Syria, and the richest 20 per cent consumed 45 per cent. Once again, regional variations were significant: in the rural areas of the Southern region, inequality improved whereas it worsened in the rural areas of the North Eastern region. However, the rural-urban variations were equally noticeable as inequality in urban areas increased significantly, but it did not change in rural areas.’

Other sources have the Gini index evolving towards 0.42 in 2008⁸¹. While the deputy Prime Minister for economic affairs has recently claimed⁸² that it has decreased from 0.37 in 2004 to 0.36 in 2007.

Proportion of wages in national income

The ‘Statistical Abstracts’ of Syria do not clearly give the distribution between salaries and benefits in income from domestic factors. It is also worth noting that the contribution of compensation from abroad is small and negative for the years 2006-2007.

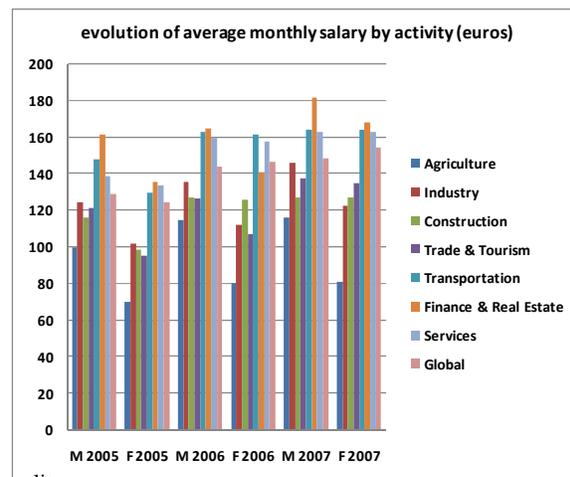
A Syrian economist⁸³ recently estimated this distribution as follows:

- 19.8% salaries for an average monthly salary of 8,693 SYP (€ 144);
- 32.3% mixed salaries and profits for own employers (including 2.1% for self production of agriculture; 8.1% revenues from housing rentals; and 22.1% for the self-employed);
- 57.7% profits (including 22.4% oil revenues; 4.9% profits in the financial sector; 30.5% profits in the formal private sector; and -9.9% net taxes).

Another economist⁸⁴ has nevertheless shown using different surveys that the average salary in Syria has increased by only 22%, while the national income increased by 26%, indicating that distribution is becoming more favourable to profits rather than to wages. Depending on the method of calculation, the share of salaries for 2005 ranged from 14% to 23%⁸⁵.

Average wages

After the 1986 crisis, the levels of salaries in Syria declined sharply in terms of purchasing power. Despite the high levels of inflation, salary levels in the government sector were almost fixed in their nominal value until the first years of the present century. And, these government salaries, as well as the increase in unemployment drove down the general salary level in the country. Several bulk salary increases have been made in the last years, and the average monthly level stands in 2007 (in the LFS) at around 150 € (148 € for men, and 154 € for women, as the informal



⁸¹ http://en.wikipedia.org/wiki/List_of_countries_by_income_equality

⁸² See <http://www.souria.tv/ar/em/hl/article.asp?at=25758>

⁸³ Seifan, 2008

⁸⁴ Jamil 2007.

⁸⁵ Jamil, 2008.

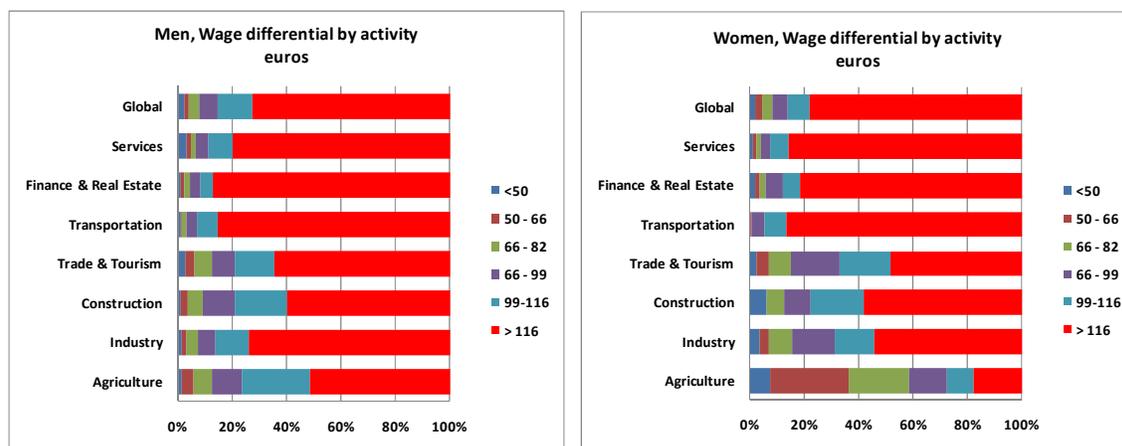
sector share of women is much lower). Despite the major ‘presidential’ increase of 2006, the salaries still do not follow inflation.

The lowest monthly average salaries (81 €) are for women in agriculture, and the highest are for men in finance (181 €). And the average salary in industry stands at 146 € for men and 123€ for women.

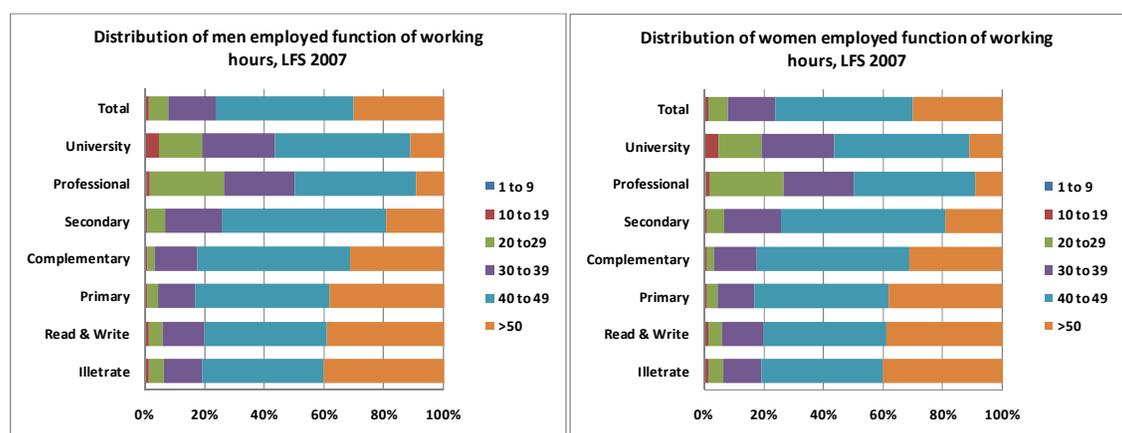
Wage Structure and Wage Differential

The 2007 LFS differentiates the levels of salaries at 7,000 Syrian pounds (116 €). Globally, the share of women with salaries (>116 €) is higher than the share of men, mostly because this is the case in services where women have around 60% of their total jobs, notwithstanding their very low salaries in agriculture. And it is worth noting that, if their activities were as in LFS 2001, when 55% of the jobs were in agriculture, their average salary levels would be much lower, and the differential much wider.

As in agriculture, the spectrum of female wage distribution in industry is much wider than for men: half of the salaries are below the 116 € threshold.



Working hours



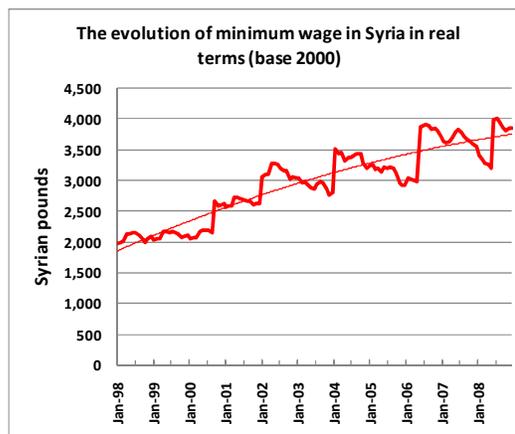
The 2007 LFS data on employment shows that around 78% of the employed work for more than 40 hours per week, and around 30% work more than 50 hours. Except for those with professional education, the number of hours seems to decrease with education; the university educated working less hours.

Wage Trend index, convergence with EU

As discussed above, the minimum wage has seen increases in the 1980s. In 1985⁸⁶, it was set at 625 SYP (i.e. US\$ 104, by the then exchange rate). In 1986, Syria experienced a major financial crisis, stopping the payment of its international debts. Quickly the Syrian pound devalued (US\$ 1 from 6 to 22, evolving to around 50 in the ‘free market’ in the early 1990s), and inflation rose in Syria. Several increases in the exchange rates were carried out in 1987, 1989 and 1999 (globally +163%), but these increases never compensated for the loss in purchasing power.

In the first years of this century, the minimum wage was set at 2645 SYP (US\$ 53), and as the exchange rate remained globally fixed (pegged to the US\$) the subsequent increases only recently led the minimum wage to its 1980s value in US\$. In 2008, it reached 6000 SYP (US\$ 129 = around 100 €). This wage is comparable with that in Bulgaria (112 €) and Romania (141 €) in the EU, but is far below that of Turkey (254 €), Greece (681 €) or France (1280 €).

In terms of real value in the country and taking inflation into account, the minimum wage has seen improvement; but such improvements have decelerated with the increase in inflation: the official inflation rate in 2008 was 15%.



Syria *per capita* GDP, even in ppp terms, is around 10 times lower than the average *per capita* GDP in Europe. The Gini index is above 0.36, and is expected to have increased in recent years with the liberalization of the economy. The proportion of wages to national income is low, less than 23% in the best estimates. But the large size of the informal sector means that another similar share constituted by the revenues of the self-employed could also be considered as quasi-salaries.

Even with the efforts made by the authorities to increase the reference state-owned sector salaries and the minimum wage in the last decade, salaries in Syria are low compared to neighbouring countries, including Lebanon and the Gulf countries, and far below European levels. The high level of unemployment, especially after the return of Syrian circular workers in Lebanon and after the arrival of a large number of Iraqi refugees, has pushed the value of salaries downward. A larger share of salaried workers is oriented then towards the private informal sector, and private industry has been known to call for the importing of labour from Asian countries. The current average salary is assumed to be around 150 € (1.8 times the minimum salary), i.e. 300 € ppp.

⁸⁶ Law no 1, February 1985.

3. Main Labour Market Performance Issues and Challenges

3.1 Unemployment Situation and Trends

Unemployment Situation and Trends

The question of the unemployment level is one of the most controversial issues in Syria. Inward and outward migration, permanent and circular, internal migration, participation in the work force and informal economy all significantly influence unemployment.

As seen above, the official LFSs show that only 36,000 annual jobs were created in the period 2001-2007; while this rate was 223,000 for the period 1994-2001, and the yearly rate for labour force supply is above 250,000. The details show that 52,000 jobs were created annually for men (2001-2007), whereas female jobs experienced an average reduction of 35,000, mostly in the agriculture sector. In the 1994-2001 period, the corresponding yearly average creations were 159,000 jobs for men and 64,000 for women. Accordingly one can question how the official total evolved from 7.0% in 1994 towards 11.2% in 2001 and then declined down to 8.4% in 2007.

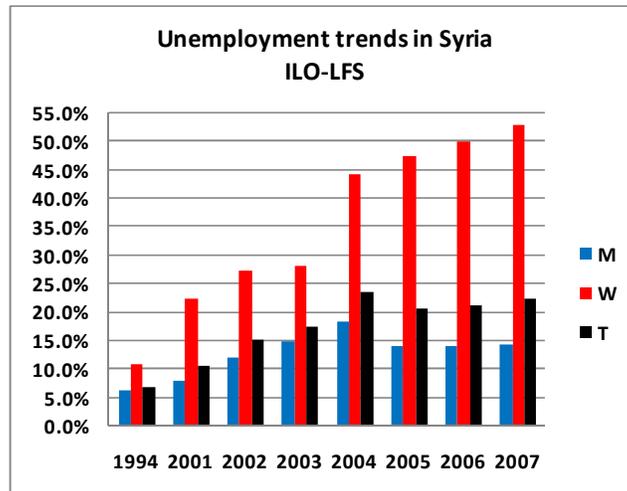
It is worth noting, that even with these official figures (where the work force increased only by around 125,000 between 2001 and 2007), female unemployment stood at 11.1% for 1994, 23.9% for 2001 and 25.7% for 2007; and that the share of those 'who had never worked before' stood at 71% (86% for women) for 1994, 89% (97% for women) for 2001 and 85% (93% for women) for 2007.

Thus it is reasonable to consider the most recent ILO model of the Syrian work force that does not take non citizens and refugees into account, with 219,000 additional yearly supplies to the labour market, see chapter 1. With this basic work force, and the employment data of the LFSs, the unemployment rate would have been 10.8% in 2001 (excluding those younger than 15⁸⁷, with 7.9% for men and 22.5% for women) and 22.6% in 2007 (14.5% for men and 53.0% for women).

So the ILO labour force data will be taken for 2001⁸⁸ and the years following: and the LFS employment data for assessing unemployment. This leads to the following trends of unemployment, even without taking non-citizens and refugees into account. Global unemployment would have increased gradually from 1994 to 2004, when it would have reached a peak of 23.6%; then it suddenly decreased to 20.9% in 2005; and increased to 22.6% in 2007.

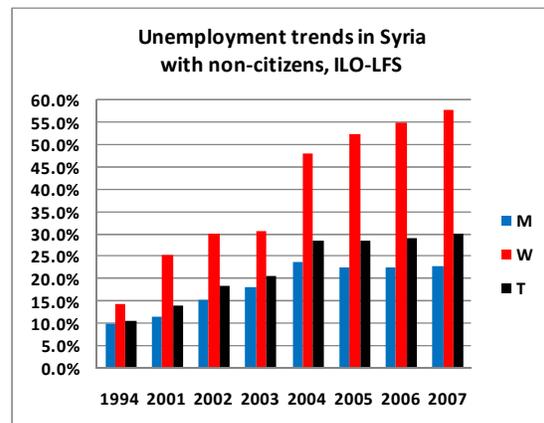
⁸⁷ After 2001, the LFSs excluded the reporting on the <15 for the labour force and for employment; note that the unemployment rate using ILO work force data (10.8%) is close to the official figure of 11.1% (which include the <15 in the labour force and employment).

⁸⁸ As there is no reason for a major decrease in participation as in the accounting of the work forces in the LFSs after this date.



The sudden decrease in 2005 was due to male unemployment: from 18.4% in 2004 to 14.2% in 2005, precisely the year that Syria withdrew from Lebanon and Iraqi refugees arrived. One plausible explanation of this sudden decrease is that the workers returning from Lebanon sought jobs in Syria. Another sudden change in unemployment numbers was for women between 2003 and 2004: from 28.1% in 2003 to 44.2% in 2004. Had the Syrians returning from Lebanon or the refugees effectively taken jobs from women?

Now, if non-citizen Kurds, and Palestinians and Iraqi⁸⁹ refugees are taken into account unemployment would have been 10.6% in 1994 (14.5% for women), evolving to 14.2% in 2001 (25.4% for women). While the trend was increasing smoothly (the macro-economic policies failing to produce new jobs), a jump occurred in 2004 (with the arrival of the Iraqis) towards 28.7% (and to 48% for women). After 2005, the male unemployment rate stood at around 23%, at the expense of women more of whom became unemployed. Such an assessment leads then to a global unemployment rate in 2007 of 30.3% (23.0% for men and 57.7% for women).



Composition of unemployment

It is difficult to assess the characteristics of unemployment owing to the large variations in labour force size as discussed above. The composition of the labour force certainly changed during the period 2001-2007, taking in a larger share of younger Syrians, with lower shares for agriculture, higher shares in the informal sector, and probably also higher shares for the educated.

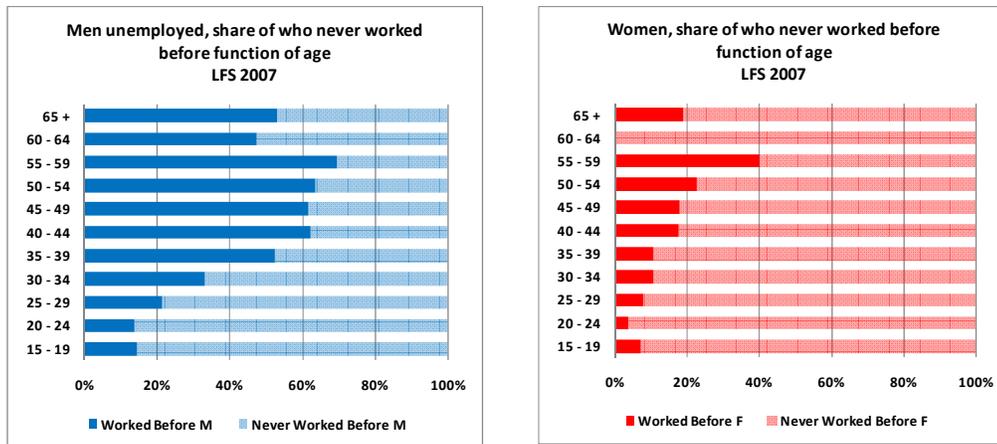
But even with this major difficulty, it is interesting at this stage to look at some of the

⁸⁹ A partial survey showed that unemployment amongst Iraqis in Syria reached 52.9% for men and 80.7% for women; 3.4% of young boys (<15) and 2.1% of young girls are active. See Aita and Al Musbeh 2006.

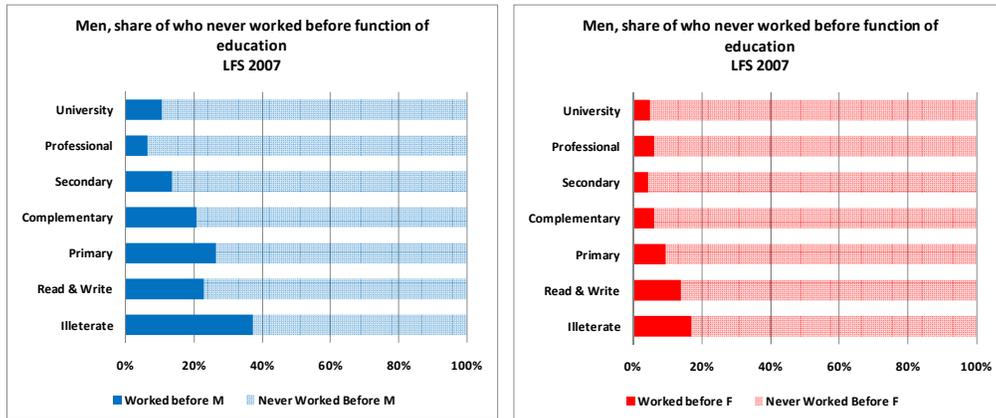
characteristics found in the 2007 LFS.

Share of those who have never worked before

The LFS breaks down numbers by age of the unemployed between ‘those who have worked before’ and those ‘who have never worked before’. And it is interesting to note that the second category is dominant for the young and for women. But for all ages, the share of those ‘who never worked before’ is astonishingly high. One would have expected this share to be much lower than 35 to 40% for men in middle age. Such features imply then that there is endemic high unemployment in Syria.



The same observation can be also made when these unemployment categories concern education. The share of those ‘who have never worked before’ is high for all education categories; and it generally gets higher with education.

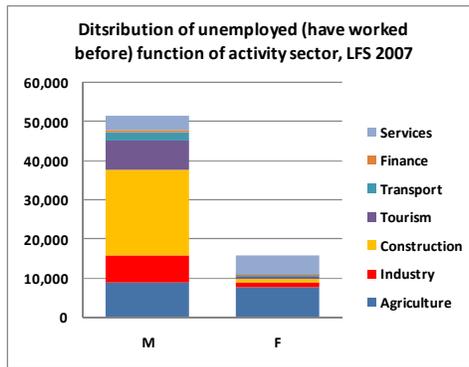
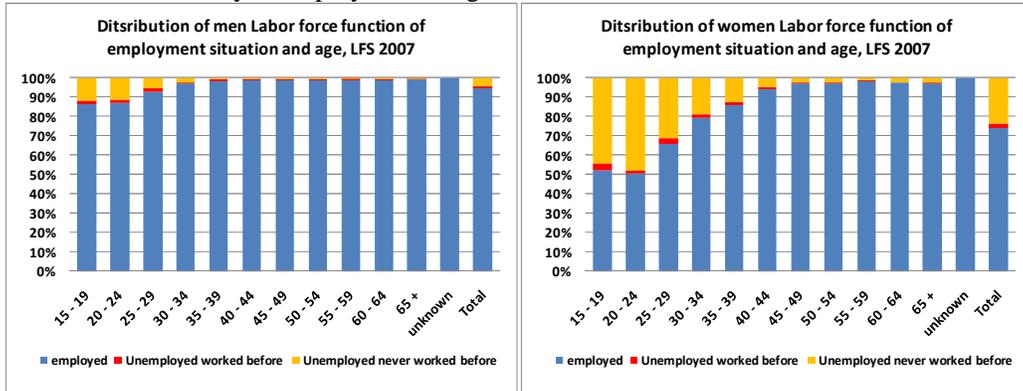


Composition of unemployment

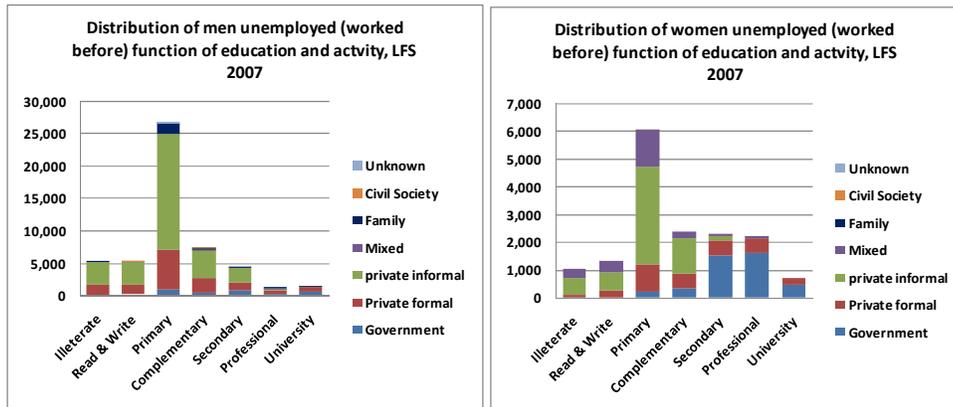
Even if the labour force data of the official LFSs are questionable, it is interesting to report some of the features reported on the unemployed in 2007 LFS qualitatively.

As far as the age and sex distribution of the unemployed are concerned one can observe that the youngest are qualitatively by far the worst hit by unemployment – women more severely than men, and also that (as discussed above) most of the unemployed have never worked before. The 2007 LFS also reports the relevant activities among the unemployed who had worked before. Besides the absolute numbers being astonishingly low, men are mostly hit by unemployment in construction and

agriculture, and women by unemployment in agriculture and services.



Finally, the distribution of the unemployed who have worked before is given in the 2007 LFS. Most unemployed males in this category have only primary education, and were working before in the private informal sector. In the case of women, besides the informal sector, what is striking is the



number of unemployed women who have worked for the government.

Unemployment benefits

There is no unemployment benefits in Syria.

Correcting the labour data to those of the recent ILO model, unemployment in Syria stood in 2007 at between 22.6% and 30.3% (if non citizens are accounted for). A sudden change in unemployment occurred in 2004 and 2005, due to the return of a large number of Syrian circular migrants from Lebanon, and due too to the arrival of Iraqi refugees in Syria.

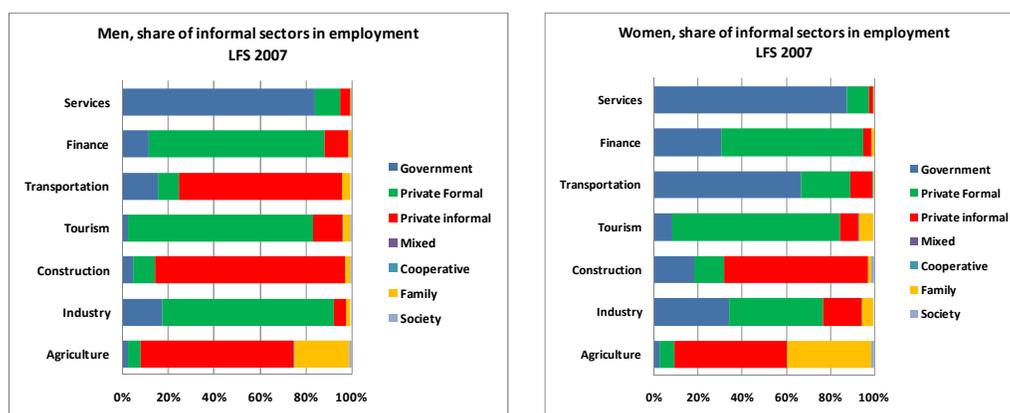
3.2 The Informal Economy

In an earlier report⁹⁰, light was shed on the question of the definition of an informal economy and informal employment, and the ideological manipulations behind these definitions. Whereas it used to be a concept applied to describe the traditional (non modern capitalist) sectors of the economy, it moved to designate (*informal employment*) working activities that were not regulated by the State, and then became a “*permanent and subordinated characteristic of new capitalist economies*”, even in developed countries, a characteristic which increases in times of crises⁹¹.

The share of the *informal economy* was estimated at around 35% in the Arab Mediterranean countries in the first years of this century. But estimates for Syria varied between 19% and 59%⁹², the share rising in periods of economic growth, because of outdated regulations.

In the analyses here above, it was shown that most of the employment created between 2001 and 2007 in Syria was *informal employment*. In 2007, their share reached 41% (42% for men and 28% for women).

Here also, it is interesting to analyze the characteristics of the informal economy as a function of economic activity, as in LFS 2007. The data there shows that informal employment (informal private sector and family) constitutes more than 90% of agriculture employment. Its share is also high in transportation and construction. But, it is believed to have only a low share of other economic activities. However, the low share in services and industry are questionable. The generally lower share for women is also questionable. Excluding agriculture, informal employment is assumed to constitute about 31% of male jobs, and only 5.8% of female jobs.



Besides informal employment, government and private sectors shares in the service sectors seem inconsistent, especially in 2007, after the liberalization of the economy and development in trade and services in the economy.

The size of informal employment (and the informal labour force), even outside agriculture, is

⁹⁰ See Aita and Al Musbeh 2006.

⁹¹ See ILO 2002.

⁹² See also Aita & Al Musbeh 2006.

expected to be much higher than that reported in the LFS. But this does not lower the estimation of job creation needs. On the contrary, they make them higher, as the notion of the job to be created is that of a *decent formal job*.

3.3 Inward and International Migrations in the National Labour Market

As noted in chapter 1, the question of inward migration is a central and yet difficult issue in the national labour market, which has barely been addressed in either the scientific literature or by civil society or, indeed, by the Syrian authorities.

Regulation of inward migration

Arab nationals do not need visas to enter and stay in Syria. Normally, non-citizens need a work permit (except Palestinians who, in Syria, contrary to the policy of Lebanon, have the right to work formally) and a special visa. But the size of the informal sector and non-citizens makes this regulation relatively unimportant. Only on some political occasions were work permits required for some Lebanese migrants, in particular during the tensions between the two countries in 2005-2006. Also, the many Iraqis now based in Syria were asked to renew their visas following an agreement with the new Iraqi authorities. But these regulations are not assumed to have a major influence on the labour market or on inward migration.

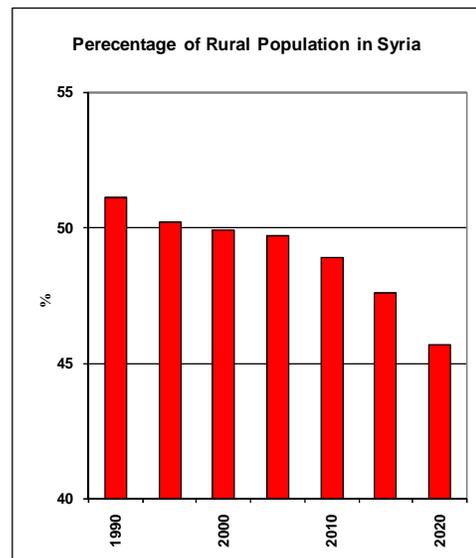
Syria has also recently brought in Asian and African foreign labour for home assistance. The numbers are likely to be now in the tens of thousands, though there are no reliable statistics. And the government issued a decree in 2006 to regulate the operations of their private employment companies⁹³, in a new step to liberalize foreign employment.

Public policies are now more open to foreign Asiatic employment than a decade ago. But there is no official data or discourse or declared policies on the issue of Arab workers (Iraqi, Palestinians, etc.), now in large numbers in Syria, mostly working in informal employment (industry, services, etc.).

Internal migrations

In addition, the UNPP has suggested that Syria will experience an acceleration of migration from rural to urban areas in the next years. This is certainly consistent with the job losses in agriculture set out above. These job losses and migrations will have a serious impact on the labour market in urban areas and the labour market for non-agricultural jobs. Normally, it would only be measured in the next general census around 2014; but the Central Bureau of Statistics has recently launched a survey focused specially on this subject. The LFS and population statistics constitute the only interpolations in the last census in 2004.

This demographic transition also suggests that the labour market in agriculture is saturated, and



⁹³ Prime Minister Decree no 81, 2006.

even poses the problem of productivity improvement in this sector.

Most of the jobs needed are urban jobs. This calls into question the macro-economic, social and development policies of the authorities for the development of rural areas and small cities.

3.4 Major Challenges

The analyses above pose several challenges for the Syrian labour market:

- job offers in the labour market are far below supply; the current economic policies (sudden liberalization) have had a negative impact on net jobs creation;
- the deregulation of the labour market and the very large size of informal employment (less than 41% of the total); current policies tend towards further liberalization and deregulation, without liberalizing the rights of unions and association, and without the enforcement of labour rights;
- the authorities did not address the impact of recent events (Lebanon, Iraqi refugees) that have had an important impact on labour market supply;
- And, most importantly, children in work seem to be growing, a result of the increase in poverty, with lack of effective active government policies to mitigate it.

Female employment

- Female participation in the work force and effective employment seem to be controversial issues in official data and discourses. It will be important then to assess these issues more carefully in coming labour-force surveys, with more insights on women and work.
- Between 2001 and 2007, women seem to have gained jobs only in the state-owned and family sectors: they are assumed to have lost jobs in both the formal and the informal private sector. It is important then that the authorities establish an active program for fostering female employment in the private sector.
- Unemployment hits young women and especially those with low education and those in rural areas. It is important then that the authorities establish a clear policy for creating jobs, targeting those categories.
- Informal employment is generally precarious; and the situation is worse for women. It is important then that authorities establish an active policy to reduce informal work, impose regulations, after clarifying them, in order to foster and protect female employment.
- Like men, women have no right to form independent unions to defend their working rights and to help them with any problems that they are facing. It is important that the authorities liberalize the right of association, in conformity with the constitution and international conventions.

Youth employment

- Syria is facing its largest growth rates of labour supply as a result of its former 'baby boom' and the arrival of Iraqi refugees. The unemployment rates are highest among the youngest, and new government policies have not led to the creation of sufficient jobs. It is important that the authorities establish training and occupational activities for the young, until the wave of labour force supply has passed.
- The main government policy for employment was the creation of the Agency for Combating Unemployment, which later became the General Organization for Employment and Projects Development. Both were focused on micro-credits. The same has been done by different NGOs now active. Not all have been organized to meet the size of the problem: more than

257,000 new comers every year. It is important that the authorities modernize and activate the employment offices, and establish a clear information system in the economic sector, and design employment policies which can meet the size of job creation needs.

Education, training and employment

- Syria's education system has seen a significant percentage of children in primary schools leaving education to seek employment, to help with family subsistence. Instead of reforming public education at the secondary level and at university to adapt it to the labour market, the government allowed the creation of private universities reserved for wealthy families. It is important that the authorities establish a program to reform the education system, a program with more vocational training centers and university specializations, better adapted to the needs of the labour market.
- A significant share of the unemployed in all age categories has never worked before: this is especially true for women. And even if employment is a priority for the young, it is important that the authorities establish a clear active program to address the needs of training and qualification for the unemployed of all ages.

4. Employment Policies and Labour Market Reform

4.1 Institutional setting

There is no formal employment policy in Syria with a clear implementation plan from the Ministry of Labour and Social Affairs. Employment is one of the issues of the 10th five year plan (2006-2010), prepared by the State Planning Commission, and adopted by the government. Its overall execution is the responsibility of the Deputy Prime Minister for Economic Affairs. The General Organization for Employment and Projects Development, formerly the Agency for Combating Unemployment is also in charge of specific implementation tasks.

4.2 National Employment Strategy: formulation and guidelines

The only formulation of national policy for employment is that made in the 10th five year plan. In its chapter 6, 'cross sector issues', four sub-chapters are of interest with respect to employment: 6-1, 'the creation of jobs opportunities and the eradication of poverty'; 6-2, 'the employment policies and the activation of the labour market'; 6-6, 'equilibrated regional development and urban development'; and 6-7, 'the development of the Eastern region'. Chapter 23 is also completely devoted to 'female empowerment'.

After noting that agriculture and industry have lost respectively -0.2% and -2.1% of those employed there in the period 1996-2003 (while they gained +5.3% and 8.9% between 1991 and 1996), and highlighting too the global decrease in productivity, the 10th five year plan sets the following objectives, with the corresponding indicators:

- The dynamization and organization of the labour market with the aim of lowering unemployment, and the adaptation of the work supply to labour market demand in a way consistent with the transition towards the 'social market economy'; the unemployment rate should decrease from 12% in 2005 to 8% in 2010, knowing that this rate will increase to 17% if current policies are continued;
- The reform of labour and social security laws consistent with the 10th five year plan; no quantitative commitments;
- The development of vocational and retraining policies and tools, and the reform of the education system; 100,000 more achieving complementary education yearly and 200,000 more trained or retrained yearly⁹⁴;
- An increase in labour productivity and quality through improvement in the expertise and the injection of newly qualified workers; increasing the labour force by an additional 1,500,000 qualified persons⁹⁵;
- The promotion of small and very small and medium-size projects, helping to create adapted environments for them; no quantitative commitments;
- The enhancement of the informal economy so it can contribute to development; no quantitative commitments.

Several other issues are mentioned in the text of the plan: the reform of employment offices; the

⁹⁴ These numbers correspond roughly to the yearly increase in population in the education system.

⁹⁵ The normal rate of increase of the labour force between 2006 and 2010;

application of laws forbidding children's work; the enlargement and deepening of private sector organization, to increase its capacities of negotiations (with whom? as the right of organization was not mentioned as a target), etc.

And in the female empowerment chapter, one of the quantitative objectives was to increase the female participation ratio from 9.2% in 2004, to 25% in 2020 and on towards 30% in 2025.

At this stage, it is worth noting that MEDA, one of the EU projects in Syria has addressed the labour market: the Institutional & Sector Modernization Facility (ISMF) devoted to government sector institutional reforms. This rare intervention of the EU in Syria has led to a report and a workshop⁹⁶, based on a survey.

The survey focused on excess employment in state-owned enterprises and the public administration. The surplus was estimated at 96,600 for state enterprises (28.5% of total employment in the sectors covered by the survey), and at 225,000 in the civil service. A 'macro-economic model' has led to a higher estimation of excess workers at 498,200, including the private sector. With the new entrants, the study concludes that the authorities will have to deal, in 2006-2015, with a total of 3,466,100 excess labour supply (so on average, 346,000 jobs yearly, excluding non citizens). These will have to be covered by the expansion of the economy (with a growth of 9.6%), early retirements and assisted lay-offs, and migration.

For a solution to the present excess in employment in the state-owned sector, the ISMF study concludes '*that the layoff method is the most suitable, if coupled with the following measures*':

- a) the adoption of a proper system of unemployment benefits;
- b) the case-by-case approach is preferable: each company should be treated separately;
- c) political consensus is crucial;
- d) managers must not be given full authority to lay off workers, in order to avoid abuses, favouritism, and nepotistic behaviour;
- e) training, retraining and re-qualification should accompany the layoffs;
- f) urgent policy measures are necessary in stimulating job creation, especially the elimination of bureaucratic barriers in the creation of new activities and businesses.

4.3 Active labour market policies

The active labour employment policies are the responsibility of the General Organization for Employment and Projects Development (GOEPD), formerly the Agency for Combating Unemployment (ACU). But three years after its creation, it was severely criticized by official newspapers⁹⁷. For example, it has only organized two training sessions in Homs governorate, one of the largest, with 30 trainees in each, and it has only sponsored 30 projects.

4.4 Assessment of the impact of labour market reforms on labour productivity and relative wages

The absence of labor market reforms and the high excess of labor force supply has had mixed results. On the one hand, it has led to the deterioration of work conditions, an increase in working hours, and a tendency to keep wages below the level of inflation. One might expect that labour productivity would have increased in the formal private sector. On the other hand, the size of the informal sector has increased.

⁹⁶ See: Constantine Zaman: 2007-1 and 2007-2.

⁹⁷ See: http://ouruba.alwehda.gov.sy/_View_news2.asp?FileName=8126588320090411224403

4.5 Alternative strategies and options available for sound management of excess labour supply

One of the defining characteristic of the socio-economic debate in Syria is the absence of alternative proposals to current government policies from political and social forces. In fact, the new policies, named 'towards a social market economy', came after a period of economic stagnation (1997-2003, 'the lost years for Syria' according to an official report of the State Planning Commission), and after decades of state-ruled ('socialist') economy with disappointing results. The liberalization of imports and the pegging of Syria's currency to the US dollar, despite the country's high inflation, have created some new dynamics in the economy and a feeling that deprivation is coming to an end: cheap cars, mobile phones, etc. Like in the Soviet block in the 1980s, Syrian public opinion wants change.

The new policies were also the result of foreign pressure on the country: the US invasion of Iraq and threats against Syria; the continuance of US sanctions; the crisis with Lebanon and the withdrawal of troops; high tensions after assassinations in Lebanon; the Israeli war against Lebanon in 2006; and others. This has allowed the current policies in without major criticisms.

Finally, the repression of the 'Damascus spring' in 2002-2003 has postponed any serious will for social organization or socio-economic criticisms.

However, since mid 2008, with the easing of international tensions against the country and with the international economic crisis and its impact or potential impact on Syria, critics of government policies are growing.

Several issues concerning policy options are worth mentioning:

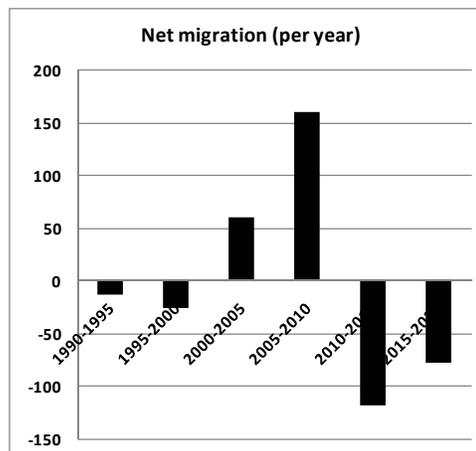
- Creating awareness of its labour market situation and of the additional pressures made by inward migration. This awareness should include the government's present efforts for providing basic services (education, health, etc.) and the necessity of improving these services.
- With the size of the unemployment problem in the country, of the number of jobs needed, and the lackluster growth rates quite incapable of insuring employment for all, an active policy needs to be created by the national authorities to enhance labour market institutions: this should include, in particular, major reform of the employment offices, and large-scale programs to create jobs opportunities outside major cities. The experience of the Agency for Combating Unemployment should be studied thoroughly and its perceived failure should not discourage the launching of such reforms programs.
- The efforts to promote foreign and local private investments and to liberalize the economy should be made in conjunction, and as a counterpart, with incentives to regulate the labour market, generalize social protection and reduce informal work. The social security and retirement systems should be reformed in order to generalize it, as a national system. Clear targets should be made to reduce informal work, and to protect social rights: children's work, health system, unemployment compensation and decent retirement.
- And most importantly, the rights of free association and strikes should be given space in order to enable workers to be independent partners in negotiations with employers, as well as with government.

5. The Impact of outward labour migration flows on the Syrian labour market

5.1 Estimation and characteristics of outward migrations

Migration flows

The UNPP estimated outward migration from Syria in the early 1990s at a rate of 0.1%, around 14,000 persons per year. The rate is estimated to have accelerated to around 26,000 for 1995-2000 (0.17%). Then UNPP accounts there are Iraqi refugees coming into Syria over the 2000-2010 period. With a total of 1.5 million Iraqis, this suggests that outward migration during this decade reached an average 64,000 yearly. UNPP expects that the rate will accelerate to reach 119,000 yearly during 2010-2015 (at a rate of 0.51%), reducing afterwards to 78,000 (0.31%).



These levels are not surprising, a^on. In fact, a well documented study⁹⁸ has shown three Syrian migration waves:

The first major wave: 1880-1914, mainly to the Americas, for economic reasons; more than one quarter of the then Syrian population emigrated;

The second major wave: 1960-1981, mainly to the Arab oil producing countries, the migration rate reaching an average of 1.08% yearly in 1970-1981, after being around 0.31% in the 1960s. It stopped afterwards because of the implementation of policies in the target countries limiting Arab migrants.

The third major wave: 1990-2004, is different in nature, as it was a circular non-permanent migration mainly to Lebanon and Jordan (non-qualified workers), but also to the Gulf countries (mostly qualified). The size of this migration is controversial: 250,000 to 700,000 workers in Lebanon and even 1 million by some estimates. However, it explains the relatively low (permanent) migration rates observed in the 1990s by UNPP.

Accordingly, a rate of 0.5% yearly migration for Syria had been the average for the last century, lowering to 0.3% in normal periods, and even to 0.1% if there is the possibility of circular migration; but also increasing to 1% in periods of economic difficulty. This places Syria second, after Lebanon, in terms of percentage of migrants to resident population (between 15.7 and 18%), leading to a total migrant population, including descendants, of around 10 million (almost half of the present Syrian population).

The above mentioned study has estimated outward migration rate in the early years of the present century at 0.43% (around 82,000 yearly); slightly higher than the estimates of UNPP. But another estimate could be made by comparing the civil registry and tying resident national population data to the official 'Statistical Abstracts'. Between 2001 and 2008, the latter had seen a much lower growth rate than the former. The difference leads to an estimate of 128,000 outward migrants per year, a rate of 0.72%.

⁹⁸ Jamal Barout: Syrian external migration..., 2008.

There is no precise data on the distribution of outward migration and destination. A small survey⁹⁹ (in the city of Damascus) shows that: 9.6% of the resident population have emigrated; among whom 15% permanently to the US, 8% long term to the US, 23% permanently to Europe, 21% long term to Europe, 33% long term to the Gulf countries. However, this may not be characteristic of the whole country, as urban (educated) migration destinations are different from rural destinations. Another estimate gives Saudi Arabia as a main destination (of recent migrations, not including circular) with 25.7%, followed by the USA 13.2%¹⁰⁰. The first European country is Sweden with 2.7%.

There are no precise statistics either on the educational attainments of the outward migration. However, circular migrants typically have low education, while the share of the highly educated in permanent migrations is high. Thus, a UN study estimated the share of university educated Syrian migrants to OECD countries at 35.1% of all migrants until 2000 and those above secondary education at 31.2%¹⁰¹. The World Bank indicates that 9.5% of doctors educated in Syria emigrate. But the 'brain drain' seems much higher, as Germany counts around 18,000 Syrian doctors and the USA 6,000. Similar numbers could be found in the Gulf countries. The Arab League estimates that 50% of doctors, 23% of engineers and 15% of the scientifically educated in Arab countries emigrates, mostly to OECD countries; and that 54% of the Arab university students abroad do not return to their country¹⁰².

Migration patterns

There is little inward and outward illegal migration in Syria. Until 2005, part of the circular migration with Lebanon was illegal. Also, illegal migration probably occurred from Iraq, especially in the Kurdish area, after the invasion of that country. But, the figures are comparatively low given the large size of inward legal and outward migration.

Besides the major reduction of circular migration with Lebanon after 2005, which, in fact, has slowed down since 2000 because of difficulties in the Lebanese economy, and the return of a part of the permanent migration, there is no major pattern of permanent return of Syrian immigrants to the country. The summer season sees, however, hundreds of thousands Syrian immigrants coming home to spend their vacation in their homeland. It constitutes, as in Lebanon, an important economic revenue for the country. Indeed, the 'free market' of the Syrian pound typically over-evaluated by around 10% during the summer. Tourism revenues get mixed up with workers' remittances and are difficult to separate.

The recent economic crisis could however have an impact in that respect, and there are signs of permanent returns on the part of Syrian immigrants to the Gulf (especially Dubai) at all levels of education. The government recently signed an agreement with its UAE counterpart, to make such returns as smooth as possible.

Syria has experienced in the last years a high rate of outward migration, between 0.51% and 0.72% of its resident citizen population. This rate is not surprising given the high rates of unemployment at home and the lack of sufficient job creation, in addition to inward migration competing in the labour market. Outward migration may be sustainable until the wave of high

⁹⁹ Jamal Barout, 2008, op. Cit.

¹⁰⁰ See www.migrationdrc.org and Aita and Al Musbeh 2006.

¹⁰¹ See Jean-Christophe Dumont, 2006. The World Bank gives a much lower estimation of the university educated; see Barout, 2008.

¹⁰² Note of the Arab League, dated December 2001, quoted by Barout, 2001.

rates of supply in the labour market slows down in or around 2015 or even later if internal rural-urban migration continues along present lines.

5.2 Impact of migration flows on the national labour market

Employment

As noted above, Syria currently suffers from a high unemployment rate, a wide informal sector, in addition to an influx of 1.5 million Iraqi refugees. This has coincided with the peak of the coming of age of the children of the 1980s baby boom and their consequent arrival in the job market. The country has also experienced major economic transformations, with a major reduction in the rate of job creation by state-owned enterprises and government, and a still low rate of *decent and formal* employment in the formal private sector.

A gap exists between the yearly increase in the size of the labour market (i.e. 200,000 to 300,000) and the number of jobs created, especially in the formal sector. The agriculture sector, which used to absorb a large share of employees, seems to be saturated, leading to an acceleration of rural to urban migration.

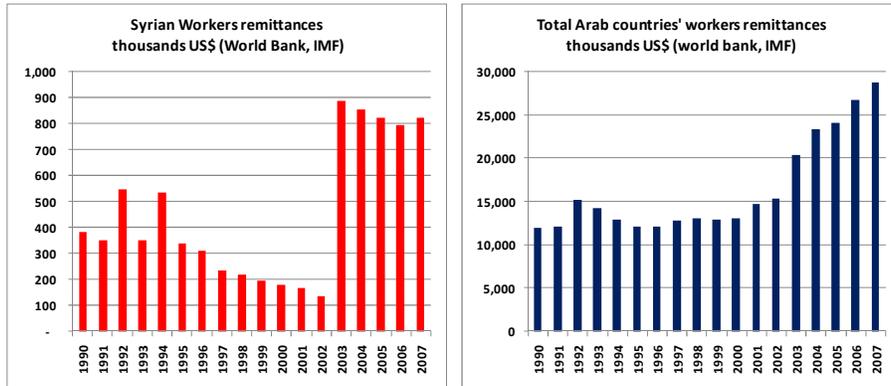
The government advocates the need for a minimum GDP growth rate of 7% to create sufficient jobs for newcomers. However, the estimated 173,000 new jobs *per annum* corresponding to this growth rate, seems well below what is really needed, even without taking Iraqi refugees into account. And the real GDP growth has been around 5% in the last years (IMF article IV estimates). In early 2009, the country also started to feel the effects of the world economic crisis, transmitted through a decrease in exports (in value and in volume, in particularly oil) and the slowdown of immigrant remittances. The forecasts for 2009 point to a slowdown in GDP growth (2.5% for 2009 compared to 6% for 2005-2006)¹⁰³.

Emigrant workers' remittances played a significant role in the country's economy, but they are not measured with any precision. The data reported by the Syrian authorities, the World Bank and the IMF, shows a decline in remittances until 2003, which is not consistent with the general trends for Arab workers. A correction of the reported data was made in 2003, but the trends afterwards do not follow the rapidly increasing levels experienced by other Arab workers¹⁰⁴ before the recent crisis. In addition, a significant share of remittances to Arab countries are made by the informal sector and are not measured. An estimate established by a FEMIP study¹⁰⁵ claims that the total Arab workers' remittances in 2007 were at least US\$50 billion, instead of the circa US\$29 billion reported officially. According to this method, Syria seems to have experienced the highest ratio of informal transfers of remittances among Arab countries: 79%. This means that remittances could be of the order of around US\$4 billion yearly. And the Central Bank of Syria has recently reevaluated its estimate of the total remittances in 2007 to US\$1.15 billion.

¹⁰³ World Bank 2009.

¹⁰⁴ Aita 2008.

¹⁰⁵ Femip 2005 and Aita and Al Musbeh 2006.



Migrations and Working Conditions

Wages have recently improved in Syria, when compared with the 1990s, even taking rising inflation into account. However, prices are converging more rapidly than salaries to European levels. This constitutes a major drive to migrate.

But what constitutes an even stronger drive are working conditions. Social protection was always weak in Syria, but it is getting even weaker. Health services were free in the country, provided by major public hospitals. But, the health sector is slowly being privatized, as are health insurance schemes. Even, the major public hospitals have started to charge their services. Retirement pensions have not seen the same levels of increase as salaries. The oldest retirement fund is having difficulties, and there is no major reform in progress for retirement funds, besides new private insurance companies (and more recently a stock market). Also, both employers and employees have lowered the level of wages declared to the Social Security Establishment; but this is done at the expense of future retirement salaries. The free education provided from base to university levels has declined in quality, while, at the same time, students are charged both formal and informal fees. The rights of work are not enforced, and the work contract has no real value as it is signed (in cases of formal employment) in parallel with an undated resignation letter is included. In the meantime, the government advocates the need to drive for higher flexibility in the labour market, and even to liberalize it completely, when it is already flexible, even by international standards.

Hence, as concluded in an earlier study, on Syria, as in other Mediterranean countries *'the continuation of the migration flows towards Europe are mostly due to the attraction exerted on the other side of the Mediterranean sea, by the 'the European Social Model'; even if such a model is presently regressing; and this attraction is much stronger than the real job opportunities'*.

National policies towards migrations

As with inward migration, outward migration is not recognized as a major issue by the Syrian authorities so there are no government regulations or programs despite the 'brain drain' it creates and the relatively high numbers involved. The authorities have recently created a Ministry of Migrants (*"Mughtaribin"*), which aims at (re)-creating links with Syrian migrants abroad and easing their return for visits or permanent residence.

In fact, one of the major issues for Syrian migrants have been that of military service, which is due even for Syrians born abroad, and which is still set at 2.5 years. In the 1990s, a law enabled those emigrating to the Gulf countries or to the Americas to pay a 'compensation' to be freed from this

obligation, but those in Europe were not given this possibility. In 2005, the ‘compensation’ law was reformed¹⁰⁶ and now includes Europe with the price of ‘compensation’ being lowered to 5,000 US\$ in most cases. But this measure aimed mainly at easing tourist visits by Syrian expatriates and their descendants and at bringing in hard currency to the treasury, has had another important effect: it has transformed some permanent migrants into circular migrants.

With the economic crisis hitting world economies, in particular in the Gulf, several agreements were signed between Syria and Gulf countries, to regulate the laying off of Syrian employees and their return conditions, as well as the conditions for any new emigrants.

¹⁰⁶ Presidential Decree no 63 of 2005.

5.3 Policy Options

With the present high-supply rates in the labour market and high unemployment, migration pressures will continue strongly for the next decade. The fact that, like Syrian foreign trade, migration destinations are distributed around the world, and do not pose a specific issue for the EU, does not mean that it is not, like the absorption of inward migration, a major issue for the Syrian authorities and for its partnership arrangements with Europe.

As far as migrations to Arab countries are concerned Syria applies a no visa requirement for Arab citizens so the Syrian authorities should pressure its Arab neighbours to allow the free circulation of citizens (and workers) between Arab countries, in parallel with the freeing of the movement of capital and goods. At least, the acceptance of a significant number of migrants should be the condition for freeing up trade and investments. The Arab Development summit in Kuwait last January was a missed opportunity in that respect.

The same could be said of other free trade agreements, including any partnership with Europe, the acceptance of some Syrian migration should be the condition for freeing trade and investments. On the other hand, the **EU could demand the reform of labour market institutions, and the generalization of social protection, as a condition of EU assistance programs.**

Finally, the EU and other countries, including the USA, should recognize their responsibilities and the burden created on Syria by the unresolved Israeli-Palestinian conflict, and, more recently, by the invasion of Iraq. Solving the migration problems in Syria, as in other Arab Mediterranean countries should be made not in the spirit of the Barcelona conference, but rather through a return to the spirit of the Madrid conference.

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Statistical sources and issues for Syrian Labour and Migration Studies

NATIONAL SOURCES

Central Bureau of Statistics

The CBS is a public organization depending on the Prime Minister's Office. It is the main source for the provision of data and statistics on Syria.

For labor force and migration the following information could be collected regularly:

- **The Statistical Abstracts** (yearly, with around a year delay): a section is devoted to Population and demographic indicators and another to manpower and labour force; other information on the labour force can also be found in the sectorial chapters (agriculture, industry, etc.).
 - The demographics are mostly extrapolations from general censuses and do not contain data on migration: Syrian outward circular and permanent migration; Palestinian, Iraqi and other non-nationals inward and outward migrations;
 - The information on labour force and employment are realistic for the state-owned sector; detailed information on the private formal and informal sector, the economy, work conditions and foreign workers are less well documented and assessed.
- **General Censuses** (approximately every 10 years, the last performed in 2004).
 - The General Census gives little information on migrations and their characteristics.
- **Labour Force Surveys** (every year, some years every quarter):
 - The LFSs do not report children's work anymore, that makes it difficult to measure any progress made by Syria in stopping children's work.
- **Household Survey**
- **Other surveys:**
 - The CBS has recently launched a survey to assess internal migration, and the situation in the countryside.

The Ministry of Social Affairs and Labour (MOLSA):

Little direct information is available from the MOLSA for labour data or conditions.

- Systemic information should be published to assess the situation of the social protection instruments (social security, reduction of informal sector, etc.).

The Ministry of Migration

Little direct information is available from this new ministry on labour data or conditions.

- Systemic information should be produced to assess migrations.

The State Planning Commission (SPC)

This organization depends on the Prime Minister's Office. It gathers economic and labour data for

planning purposes, but rarely issues independent publications.

- Progress reports should be published to assess achievements and success in respecting targets.

The Syrian Economic Sciences Society

This relatively independent association, gathering most Syria economists, organizes yearly conference and debates on Syria's economic and social challenges, including employment.

INTERNATIONAL SOURCES

UNDP-Syria

This UNDP office has initiated several major surveys and studies looking at Syria's progress towards the millennium goals. Some of these studies were supported by specific surveys, sometimes on a large scale, which contained valuable information. They have also the merit of using local organizations, including many scholars on the ground or from Syria itself.

EU MEDA Projects

Some of the MEDA programs in Syria addressed, if only marginally, questions of employment and migration.

ESCWA

The United Nations Economic and Social Commission for Western Asia is based in Beirut, and conducts studies and seminars concerning several major regional issues in the region. Some such projects have addressed employment.

ILO

The ILO has a regional office in Beirut. It collects data on Syria from the Central Bureau of Statistics, regularly publishes its own assessment on its database. It also has permanent contacts with the Syrian authorities on issues related to the ratification and implementation of ILO conventions.

IMF

The IMF conducts a yearly mission (article IV) assessing the country's economic and financial situation. The reports contain valuable information, in particular on public policy and spending that is not otherwise available from other sources.

World Bank

The World Bank regularly conducts studies on major issues in the Middle East and North African (MENA) countries. These studies are not sustained by specific surveys or data collection. They have the merit of raising some regional problems, even if some of the conclusions and methodologies are debatable.