



INFORMAL LABOR IN THE ARAB COUNTRIES

FACTS AND RIGHTS

(Bahrain, Algeria, Morocco, Mauritania, Tunisia, Egypt, Sudan, Iraq, Jordan, Palestine, Lebanon, Syria, Yemen)

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INTRODUCTION

The decision of the Arab NGO Network for Development (ANND) to make a "Watch report on economic and social rights in the Arab countries" centered on informal labor was a major challenge. However, it was a challenge that had to be faced after the events of the "Arab Spring". Tarek Mohamed Bouazizi, who ignited it, was not an unemployed. He was a 27-years-old informal worker in a peripheral region of Tunisia. He did not benefit from any form of development that could guaranteed his human dignity. He was not a waged agricultural employee like his father, but worked for his own account. This means that he was a kind of entrepreneur from the private sector; the role of which and of the youth are praised by the current literature on economic growth. His desperation and suicide burning himself resulted precisely from the repression he experienced because he was "informal", and that he should be bound by the legislations in force, what ended with the confiscation of his means of subsistence. It is thus clear that addressing this challenge is at the heart of tackling development issues in the Arab countries.

From the outset, it has also been clear that addressing the challenge will encounter difficulties at different levels. There is first a knowledge and conceptual issue, related to the proper meaning of "informal employment". How is it defined? And whom does it exactly include in the labor force? These questions being asked while "informal employment" is absent as a fundamental conceptual, statistical, political and struggle issue in the Arab countries, despite the fact that this type of labor represents today a large share of total employment and continues to increase.

Official statistics do not comply with International Labor Organization (ILO) standards to monitor it, neither in labor force surveys (LFS) nor in household income surveys (HIS). The efforts of social and economic researchers rarely address the characteristics and diversity of its types, or the dependencies and power relations it implicates. Moreover, most of the trade union struggles are not based on securing "dignity" and basic rights of those involved in informal employment, but are more focused on formal workers, especially in the government sector, as they are easier to organize in trade unions. In addition, Arab governments do not consider it as a main subject of their policies, as it is an embarrassing subject illustrating the gap between the existing reality and the role of the State set forth in regulations on labor, on social protection of citizens and on redistribution. It also points out the inability of Arab governments for decades to implement a sustainable development that can provide decent living and prosperity. Therefore, informal employment is only a generic title in social struggles and in some government policies, with no specific content, adapted from ILO literature on "decent work". In front of every attempt to study it in depth, and while informal employment is an essential part of the division of labor in the postmodern and globalization era, especially in developing countries, emerges its confusion with smuggling, law evasion and "informal" criminality; what increases the inferior perception of this type of work.

Civic and economic rights are the core issues of informal labor, i.e. the rights to a health insurance, medical services and medicines; the rights to a pension when workers are aged and unable to work; the rights to an income that provides a decent life, whether it is a wage

or a profit on a simple trade; the rights to housing, clean drinking water, sanitation, social services and infrastructure, and the rights to education and vocational training to adapt to economic and technical developments. All these rights are guaranteed in the International Covenant on Economic, Social and Cultural Rights that is inherent and complementary to the International Bill of Human Rights, and are guaranteed by the Constitutions of the majority of the Arab countries. However, only decreasing few workers enjoy these rights.

Securing these rights for all citizens through workers is the primary role in redistribution and social justice of the State. The other main role is the organization of social relations, especially labor relations, between employers and employees, regardless of the nature of these relations and their changes with the technological developments. This organization role comprises ensuring the freedom of association, including the right to strike, in addition to the right to collective bargaining in which the State has no role other than mediation. The role of the legislature is to enact legislations protecting these rights, and that of the judiciary to enforce the International Law, Constitutions and laws. Of course, these roles cannot be truly fulfilled without the State promoting economic and social development, protecting the countries against the effects of internal and global crises. Such challenges have become more acute since the beginning of the “Arab Spring” which turned in some Arab countries into civil wars with catastrophic consequences for the country itself and its neighbors, including consequences on informal labor.

This Arab watch report addresses the issue of informal labor primarily in terms of rights, what creates another challenge in monitoring the status of these generally absent rights, the prospects of struggles for their attainment, and the State's key role in securing them.

EXECUTIVE SUMMARY

The present report highlights the factors that have led to the expansion of informal labor in Arab countries outside the agricultural labor. It puts the causes in the context of the "openness", neo-liberal and rent-seeking policies that began in the 1970s, coinciding with many phenomena; the most important of which was a "youth tsunami" resulting from the "baby boom" generations reaching working age, from accelerating rural-urban migrations, from massive incoming migration waves to many Arab countries; be it labor migration or asylum migration. Therefore, the growth rates of the urban labor force were very high, despite the fact that the overall population growth rates have declined significantly. In many countries, this "youth tsunami" requires conscious voluntary policies to create "decent" jobs, deeply linked to labor rights, but also development policies, especially in matters of urban planning of "informal" suburbs and cities, and regional planning of peripheral zones of the country where informal labor is widespread.

First, the report monitors some of the global data as published by the United Nations organizations. The population of the Arab countries exceeded 380 million in 2015, and demographic growth rates have declined significantly in recent years. However, the population of Gulf countries has multiplied exponentially, thanks to migrant labor; hence, GCC population represents now 14% of the total population of the Arab countries against 6% in 1950. In addition, not all Arab countries have experienced the "youth wave" during the same period. Lebanon reached the peak of the youth wave in 1975 during its civil war, while countries such as Yemen, Syria and Jordan are currently witnessing it. Residents of many countries have also completed their urban location in cities (Gulf States, Lebanon), while rural exodus to cities accelerates in other countries (Tunisia, Algeria, Syria, Yemen and Mauritania) and is starting to accelerate in Egypt and Sudan. In all these latter cases, the urban population is growing at a much higher rate than the general demographic growth rate.

In spite of the general low economic participation of women in labor, the total Arab labor force is increasing annually by 3 million, down from a peak of 4 million in 2010 due to the current crises. Most of this increase is not due to higher economic participation. The largest increase is observed in Gulf countries, whose labor force now accounts for 19% of total Arab labor force, compared to only 12% in 1990. Of course, this increase is mainly composed of migrant labor. In contrast, some countries are experiencing a decline in economic participation, especially for women, because of rural-urban migration. Here, attention must be drawn to the impact of migrant refugees on reducing the participation rate, especially for women, and on the contrary to the impact of migrant workers, as in Gulf countries, on increasing the measure of participation. This report did not rely heavily on unemployment data, but instead on comparing the number of annual new comers to the labor force (the 3 million indicated above) with the number and quality of yearly-created jobs.

The data provided by the International Labor Organization (ILO) showed that the proportion of own-account workers out of total employment is low (less than 15%) in the Gulf countries,

as well as in Jordan and Egypt, while it rises in Sudan and Mauritania to about 40%. The general trend seems to be towards a decline in this percentage, especially as agricultural labor is declining in many countries. However, the trend has risen again in Syria and Yemen; both countries plunged into civil war. On the other hand, Morocco, Egypt and Iraq are witnessing significant proportions (35 to 50%) of contributing family workers. In all cases, many Arab countries are experiencing high rates of poverty among workers (e.g. 75% in Yemen and 44% in Egypt). Therefore, the report relies on the absence of social coverage, particularly health insurance, as a criterion for categorizing labor as informal. This is while international data on this coverage remain fragmented and non-periodic, requiring special efforts in this report. Attention is also drawn to child labor, with UNICEF monitoring significant rates in many Arab countries (between 2% and 7% in most of these countries, 15% in Mauritania, 23% in Yemen and 25% in Sudan for the population between 5 and 14 years).

Based on national and regional reports, the report examines informal working situations in 13 Arab countries, showing their individual characteristics as well as their differences, which seemed significant even among countries of the same sub-region (Gulf countries, Maghreb, Nile Valley and the Levant).

The Bahrain case study thus shed the lights on the characteristics of labor and employment in Gulf countries. These countries host about one million newcomers to the labor force annually; most of them are migrant workers. Therefore, it is mainly the size of the employment (and of the labor force) that adapts to the labor market, not the other way around; since 87% of the total labor force in Bahrain for example is constituted of migrant workers, whose residency is terminated when jobs are no more available. However, 37% of Bahraini workers are also informal, mostly own-account or employers, with informal Bahraini waged workers, even in the public sector, such as for the case of kindergarten female workers whose status is documented in the Bahrain watch report. 73% of migrant workers remain informal while being paid workers in the formal sector or in households. Therefore, the total percentage of informal employment to the total employment in Bahrain reaches 65%, the majority of which is waged. Moreover, since Bahraini women work mainly in the government sector, they have little chances to be informal (29%) comparatively to migrant women (84%). Although Bahrain is making efforts to comply with international labor standards, and to cover migrant workers with social security, more than 60% of migrant workers are present since less than one year and have no access to health social security. More generally, the concepts of participation to the labor force, especially for women, unemployment and informal labor, have special meanings in Gulf countries, while the rights are common human and labor rights to all.

For their part, all Arab Maghreb countries have experienced the "youth wave" and Mauritania continues to witness it. The urbanization of the population has also achieved a large degree, except in Morocco and Mauritania, which are still living accelerated rural-urban migration. The waves of labor migration to Europe (except for Libya), which reached a level of 0.5% of the population annually, played a key role in the past to absorb the newcomers into the labor force. Nevertheless, these migrations have almost ceased, except

from Morocco. Thus, the Maghreb countries receive now about 500 thousand newcomers annually to the labor force; most of them are in Algeria (48% of the total for Maghreb). Otherwise, the Libyan war will weigh heavily on the working conditions in Tunisia, more than the repercussions of the 2010 revolution itself.

Employment characteristics vary widely among the studied Maghreb countries. Algeria has a public sector share in total employment of more than 40% (including for women). Tunisia is characterized by a formal employment in formal private sector reaching around 50% of total, especially for women. This is while Morocco has high proportions of contributing family workers, and Mauritania has high shares of informal employers (especially women). Thus, with significant variations in the quality of employment, the share of informal employment, not covered by social security, is 35% in Tunisia, 39% in Algeria, 80% in Morocco and 86% in Mauritania. However, the share of informal employment in Algeria rises to 66% if one excludes public employment (and to 85% for females), while it is worth noting that part of the waged workers in the government and the public sector are non-permanent and informal. In Algeria, informal workers are almost equally distributed between wage labor and own-account, as in Tunisia. In Morocco, prevalence is for waged informal labor and contributing family work that affects women in particular. On the contrary, own-account work and entrepreneurship constitute the majority of informal labor (and labor in general) in Mauritania.

Overall, the situation of women remains more precarious. The percentage of informal female workers is 49% in Algeria, 83% in Morocco and 87% in Mauritania. Only in Tunisia, the percentage of female informal workers (20%) is less than that of male informal workers, thanks to the social security system of the country, which covers even agricultural workers; so if public sector employees are excluded, the percentage of informality drops only to 42% (and to 28% for women).

The countries of the Nile Valley are still predominantly rural (like Morocco, but with higher percentages), and their "youth wave" has lasted for decades. These countries receive some 900,000 newcomers to the labor force each year. The report estimates the percentage of informal labor in Egypt at 59% of total employment, predominantly constituted of waged work, especially precarious and non-permanent waged labor. This is despite the fact that 30% of employment is in the government public sector, but part of it is informal. The proportion of informal labor in Sudan is 77%, with the predominance of own-account and contributing family. It is worth noting that in the case of Egypt, the proportion of informal female workers drops to 38%, while there is a significant share (18%) of informal contributing family labor. With increasing informality, women are exiting the labor force. In Sudan, the proportion of informal female workers (79%) is slightly higher than that of men. Overall, it seems that informality is steadily increasing in both countries; in Egypt due to the economic developments following its revolution and in Sudan as a result of the civil war and the heavy migration from Southern Sudan. This deterioration would worsen with the accelerated pace of rural-urban migration.

For their part, Arab Levant (Mashriq) countries are experiencing severe situations due to the invasion of Iraq, to the ongoing wars in Syria and Yemen, and to the massive internal and

external migratory waves. This is at a time when most of these countries are living the peak of the "youth bulge" and the accelerated rural-urban migration. Thus, the number of their newcomers to the labor force reaches about 800 thousand per year.

In Iraq, the share of informal employment is 52% of total (48% for women), the majority of which is waged work in the informal sector. With the expansion of employment in the public sector after the war to more than 41% (50% for women), the proportion of informal labor outside the public sector rises to 88% (96% for women). In Jordan, the proportion of informal Jordanians workers is 50%. The majority of whom are waged workers in the formal sector. With the migrant workers, Palestinians and Syrians, informally employed in their majority and mostly waged employees, the share of informal labor rises to 57% (27% for women). Outside public sector employment (30% overall and 52% for women), the share of informal labor rises to 81% (55% for women).

The overall informality rate in Palestine (60% in total) is not different from that of Jordan. However, the gap between the West Bank (66%) and the Gaza Strip (43%) is particularly significant, with government employment reaching 37% in the Gaza Strip and only 16% in the West Bank. The percentage of women's informality is similar to that of men; although the share of women in government labor is greater (30%) than that of men (21%), but women suffer more from unpaid contributing family labor, especially in the West Bank.

The situation is more complicated in Lebanon, where the share of Palestinian refugees' workers is 6% of total employment, of Syrian refugees 18% and of other migrants (mainly domestic workers) 13%. The overall informality in employment is 73%, with more than 90% for migrants and 59% for Lebanese. The share of Lebanese women in terms of informality (44%) is lower than that of men (63%), as they work mostly in the formal sector, whether governmental or private. The case of Lebanon as a Middle-income country is striking, with a high rate of own-account employment, affecting 36% of Lebanese male workers. In addition, poverty and child labor rates are significant.

Informal employment was monitored in Syria and Yemen prior to their civil wars. In Syria, the proportion of the informally employed reached 66% of total (39% for women), almost evenly distributed between own-account and waged labor in the informal sector. With 27% of the employed working in the public sector (56% for women), the percentage of informality excluding the public sector reached 89% (94% for women), while the number of yearly newcomers to the labor force was nearly 300,000. The ongoing conflict has resulted in the loss of half of the jobs opportunities between 2011 and 2015. In Yemen, the proportion of informal labor reached 81% in 2013-2014, also evenly distributed between own-account and waged labor, with a significant share of contributing family workers. Informality among women is greater (83%), with a more significant proportion for contributing family labor and own-account. Yemen is also witnessing annual numbers of newcomers to the labor force between 250,000 and 280,000.

Moreover, the report documents various cases of informal labor. Concerning own-account workers, the situation of street vendors in several countries (symbolized by the Bouazizi case) highlights complex labor relations, involving local administrations (the question of workplace). Small-scale workshops, often used by many to earn their living, are also

highlighted, as for the case of migrants without residence permits. Some traditional industries and craftworks point on the situation of own-account family labor, including craftworks that represent intangible cultural heritage and activities reflecting a lot of innovation. The report describes also cases of waged informal labor in the government sector in Lebanon, Egypt, Bahrain, as well as cases of informal employment in the formal private sector in Mauritania. It also points on issues of domestic female workers (as well as male domestic workers), waged family labor and child labor. The report documented some struggles of trade unions and civil society organizations to defend the rights of such cases of informal employment.

The report-documented analysis concludes that the percentages of informal labor in the studied Arab countries are significantly higher than those mentioned in the literature. This contradicts one of the stereotypes about informal labor, i.e. that it results from strict laws and bureaucracy. The highest levels of informality are observed in countries that are less strict in their laws and bureaucracy, and vice versa. Moreover, informality has expanded in all the studied Arab countries; this is while these countries have applied "economic openness", easing of bureaucracy, engagement in globalization and "structural adjustments" policies led by the International Monetary Fund (IMF), in the past two decades.

Waged labor dominates informal labor in the Arab countries, except in rare cases. This also contradicts the idea that informal labor is essentially a personal choice. Many young people have no choice but to engage in any type of labor that provides for living, even if it is precarious or temporary. Employers also benefit from this overcrowding in the urban labor market to evade formality. Thus, all reference studies monitor higher ratios of informal employment among young people. The "choice" theory has also no meaning in countries where migrants, as imported labor, as in Gulf countries, or as refugees, as in Lebanon and Jordan, constitute a core share of informal employment. Waged informal labor prevails also for females, what sheds a special light on the cultural interpretation of women's low participation to the labor force. Do women refrain from such participation for cultural reasons or because their waged labor is unprotected? Or on the hand because the labor market is overwhelmed with male workers and is mostly characterized by precarious and temporary labor?

Consequently, most of the "formalization" issue consists on covering the waged labor by social security, and on how to establish a collection system for its contributions. And the report asks wonders regarding government policies: what prevents the establishment of a balanced system of social redistribution through social security, which collection of revenues includes the informal labor that affects in particular young people, and which expenses cover especially aged groups suffering from higher rates of illness or impossibility of work? Why the opportunity of the "youth wave" is not leveraged these years before that the society "ages", as in some developed countries, making more difficult the possibility of achieving a financial balance for such a system? Tunisia has been a pioneer in such matter. The strong trade union federation that strived to expand the horizontal coverage of social security has played a major role for this.

As for own-account employment, the report distinguishes between policies for reducing poverty and those stimulating economic activities and entrepreneurship. It asks why these and those are focused only on microfinance. Poverty cannot be addressed through these loans alone, while subsidies on basic commodities are lifted and indirect taxes are imposed. Incentives' policies have a much larger scope, not only through the provision of immaterial services, such as legal assistance and technical expertise, including market research and support, and access to incubators, training and qualification, against the “formalization” of entrepreneurship, even partial. There are also other major issues related to urban and regional development. As in fact, the workplace is a fundamental issue in own-account labor relations. The problems of street vendors depend on the organization of urban space as a public right and good. The promotion of private investment is deeply linked with regional development schemes and with the economic policies that address crises resulting from "economic openness", technological jumps and the large economic and social gaps between urban centers and peripheries, including “informal” slums.

The report concludes with a set of recommendations for Arab civil society organizations for development in terms of data and surveys on informal labor, on social and health security, on government policies to combat poverty and to stimulate entrepreneurship, and on the struggles for social and economic rights.

1. IS INFORMAL LABOR AN INEVITABLE DESTINY?

Arab societies did not witness the industrial revolution that Europe witnessed in the nineteenth century, which had laid down the working relations between the "employers" who own the means of production and the workers who only had to sell their "labor force" for a wage. Then, labor struggles came to gain these workers the rights of association, strike, health, pensions, and so on.

However, Arab societies have known this type of labor relations since ancient times, especially in the commercial field that was historically rooted in cities and in rural areas through forced labor, without clear rights for workers. Then the independence period emerged in the middle of the 20th century. There was a great rush to create State institutions and to engage in the industrial economy, often through government investment, as well as to regulate agricultural relations (agrarian reform). This went hand in hand with a widespread dissemination of education and public services throughout the countries, even in peripheral areas. In line with all this, legal frameworks have evolved to regulate labor relations and to grant workers, especially in the government services or production sector, benefits and rights. Especially that the International Labor Organization (ILO), which had emerged after the First World War, had set up rules, conventions and recommendations to be observed by States and introduced in their own laws.

However, none of the Arab countries had been able to create an industrial development revolution. This is until the era of globalization and information and communication technologies. The 1970s launched the policies of trade opening. The Arab States reduced the role of the government in investing in the productive sector and privatized many government enterprises, even those that provide public services. They committed themselves to the so-called "structural adjustments" recommended by the International Monetary Fund (IMF), i.e. reducing investment and current government budgets. Contrary to the slogans behind "openness", the domestic and foreign private sector did not make sufficient levels of investments to offset the contraction of government investment. Arab economies have turned into rentier economies, especially around natural resources and real estate.

These policies were accompanied by policies that researchers call the policies of "the oil era"¹, or the "neoliberal"² and "rentier"³ era, with the presence of two phenomena. The first phenomenon was demographic. The population growth witnessed by Arab countries in the previous period, with the great improvement in reproductive health, led to a "youth wave". In other words, the proportion of young people at university-age or entering the labor force has become a significant proportion of the total population. The same has happened in the 1960s in Europe after a baby boom took place following World War II. It has led to May 1968 in France and to the "Prague Spring" in Czechoslovakia.

¹ In relation to the increase of oil prices after the 1973 war and the significant increase of Arab countries' oil resources.

² In relation to theories considering that markets (goods, funds, and labor) self-regulates with no necessary rules or incentives, nor a regulatory role for the State.

³ That is the economy based primarily on the exploitation of natural resources instead of real added-value production resulting from labor, investment and creativity; see, for example, George Corm: *Taking Arab countries out of the rentier economy?* (in Arabic), Le Monde Diplomatique, Arabic editions, April 2010, http://www.georgescorm.com/personal/download.php?file=al_kabass.pdf

Gulf countries have not really experienced this "youth wave" as much as they have seen a recruitment of migrant workers on demand; most of them stay for only a short time. However, these workers became gradually the majority of the population.

The second phenomenon was socio-economic, with the acceleration of rural–urban migration in most Arab countries. Small farms holdings were no longer able to secure the livelihood of the second or third generation of the descendants of early owners. The agricultural sector as a whole has entered the world of the market, agricultural industries and modern technologies, with a great neglect of the development of rural and peripheral areas, unlike the period of independence. Thus, the "youth wave" has become a "youth tsunami," with urban population growth rates well above overall demographic growth rates.

This urban "youth tsunami" was not met by suitable policies with a significant size to create "decent" employment opportunities, neither in the public sector nor in the private sector, in accordance with the legal frameworks established since independence. The majority of young people, and many older people, engaged in waged or own-account employment outside the frameworks of formal labor relations. This is precisely the urban "informal employment", which represents now an absolute majority of employment in the Arab countries, especially if we exclude public and agricultural labor (the latter being also traditional and informal). This is what shall be demonstrated in details in the following chapters.

The so-called "labor market" has been divided into two parts, sometimes separated by an abyss: formal and informal employment. The main reason resides in the gap between the annual numbers of jobs opportunities needed for the "youth tsunami" and the number of "decent" employments effectively created, including, even minimal, access to social and economic rights. However, this is not the only reason. Modern technologies reduce the need for labor, especially the unskilled ones, and have destructive effects on "decent" jobs; effects often absent from the literature on modernization, development and innovation.

On the other hand, informal workers are concentrated in urban environments that have also grown rapidly and informally, in slums that surpassed the capacities of States and local authorities in terms of urban and regional development. Therefore, "informal employment" cannot be addressed without regional and urban planning that also have to deal with the "informal urbanization"⁴, i.e. slums, and with the gaps that have increased significantly between urban centers and peripheries.

It is worth noting that the uprisings of the "Arab Spring" have largely to do with the explosion of informalities. The Peruvian economist Hernando De Soto pointed out that *"what you've got in the Middle East is an informal revolution. People who were outside the legal system and who would like to work in a legal system that supports them, that they can integrate. But it hasn't been designed yet"*⁵. De Soto had a role in making some Arab policies on informal labor before the "Arab Spring", and major economic research centers in the

⁴ Roy & Alsayyad 2004.

⁵ Stan Alcorn: *Hernando De Soto on the Middle East's "informal" revolution*; Marketplace, June 20, 2011, <https://www.marketplace.org/2011/06/20/business/economy-40/hernando-de-soto-middle-east-s-informal-revolution>.

Arab countries, as well as the International Monetary Fund and the World Bank, did not all expect this explosion. The situation even got worse after it.

Thus, one questions if informal labor is an evitable destiny in the Arab countries.

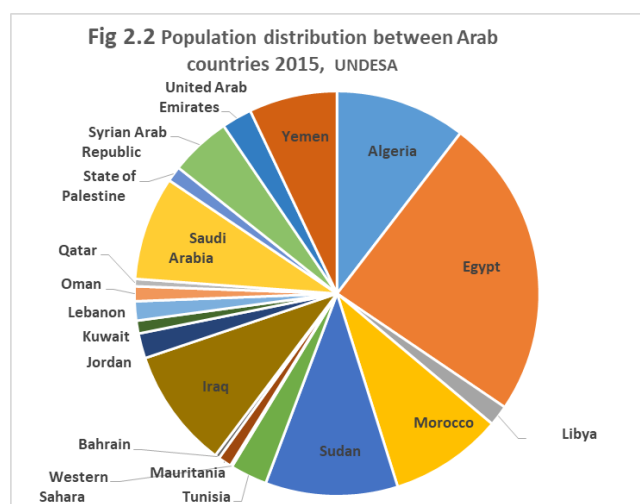
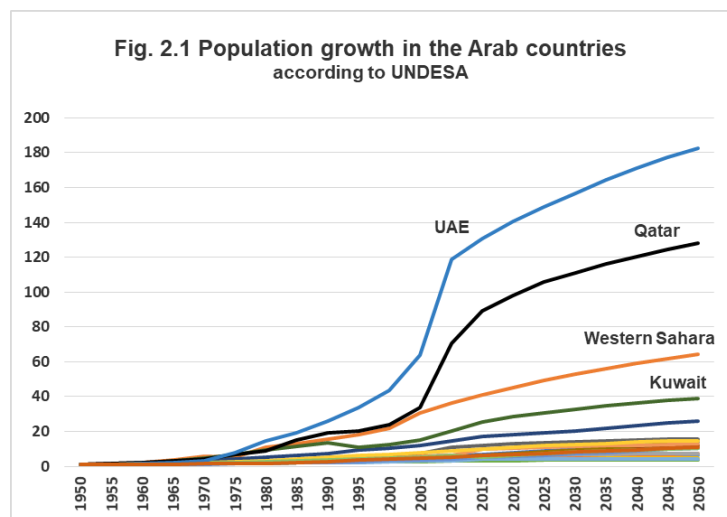
2. INFORMAL EMPLOYMENT IN THE ARAB COUNTRIES AS MONITORED BY THE UNITED NATIONS

The United Nations has raised the issue of informal labor, particularly through the ILO, and it has included it in the Sustainable Development Goals⁶. The eighth objective is to "*promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*". The tenth objective is to "*reduce inequality within and among countries*". The United Nations organizations rely on statistical data, provided by most countries, to measure the trend towards Sustainable Development Goals. In this chapter, we will review informal labor in the Arab countries.

2.1 Population and demographic growth

In 1950, the total population of the Arab countries was of 70 million⁷ (i.e. 2.8% of the world population). It reached 380 million in 2015 (2.5%), and the United Nations expects this number to exceed 630 million in 2050 (6.5% of the world's population)⁸, almost equivalent to the entire population of the European continent.⁹

Between 1950 and 2015, the population of some Arab countries grew considerably. In particular, this growth accelerated exponentially in the Gulf countries (Figure 2.1). The UAE population has been multiplied 130 times, Qatar 89 times, Kuwait 25 times, Bahrain 12 times and Saudi Arabia and Oman 10 times. Thus, the distribution of population among the Arab countries changed (Figure 2.2). Most of this population increase resulted from incoming migration, from other Arab



⁶ <http://www.un.org/sustainabledevelopment/ar/sustainable-development-goals/>

⁷ The Arab countries for which statistics were collected are Algeria, Egypt, Morocco, Mauritania, Sudan, Tunisia, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, KSA, Palestine, Syria, UAE, and Yemen.

⁸ <https://esa.un.org/unpd/wpp/DataQuery/>

⁹ Aita 2015.

countries, but predominantly from non-Arab countries after the 1970s, especially from Asia.

It is worth noting that the concept of "population" includes not only residing nationals, but also all residents. The outgoing migrations of citizens abroad, as well as the waves of incoming migration to the concerned country are taken into account, whether being refugee seeking or work migrations.

Thus, one cannot easily conduct demographic and social comparisons between Gulf States and Mashriq, Nile Valley and Maghreb countries. Only Jordan witnessed a demographic acceleration similar to that of Gulf countries with the influx of large numbers of Palestinian refugees (population grew 17 times between 1950 and 2015) who represent now a major part of the population.

Accordingly, the present report will make a distinction in the analysis between the Mashriq, Nile Valley and Maghreb countries on one hand, and Gulf States on the other hand.

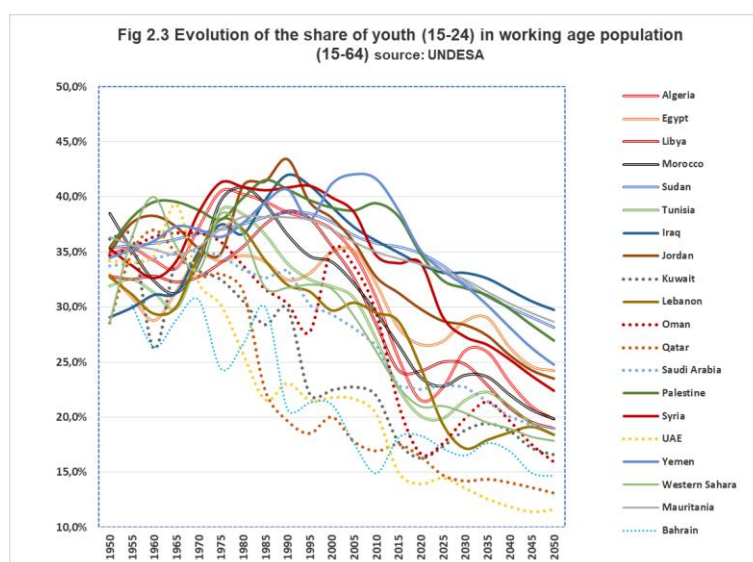
2.2 The youth bulge

The demographic growth came in the form of "baby booms" that later turned into "youth waves"¹⁰. However, not all Arab countries experienced such "youth wave" in the same circumstances and periods.

Gulf States witnessed it early in the 1950s and its effects disappeared in recent decades, with the exception of Oman that has observed a second wave at the beginning of the third millennium.

Morocco, Algeria and Tunisia experienced the peak of this wave in the late 1970s, when the proportion of youth aged 15-24 years out of the working age population (15-64 years) reached more than 40%. Sudan and Libya saw the peak only in the early 1990s with levels reaching 39%. Between them, the peak of Egypt in the early 1980s was only of 35% (figure 2.3).

The wave of youth in Mashriq countries¹¹ was more acute and came late: Palestine 42% (1985), Iraq 42% (1990), Jordan 43% (1990), and Syria 41% (1975-1995; the longest period). Only Lebanon peaked earlier (1975 at the beginning of its civil war) with a slightly weaker peak of 38%. Yemen has reached a peak of 42% in the period 2005-2010.



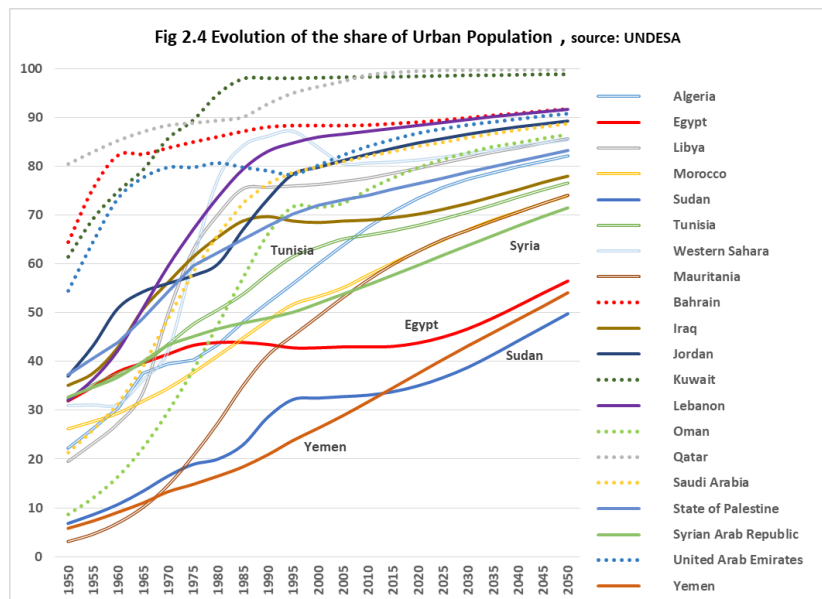
¹⁰ Aita 2015.

¹¹ This expression will be used in the report to refer to non-GCC Arab Asian countries.

This means that since 1990, the Arab countries are experiencing an increase in the number of young people (15-24 years) exceeding one million per year (140,000 for Gulf States and 890,000 for Mashriq and Maghreb countries). If well educated, trained and integrated into the labor force, they could have constituted a considerable asset for these countries, before that this yearly increase drops significantly after 2030.

2.3 Rural-urban migration and urban population growth

Gulf States have had the fastest growing population in cities (figure 2.4). Only Oman, the country with the largest agricultural sector among them, is currently witnessing rural-urban migration. In the Maghreb¹², Libya and Western Sahara witnessed developments similar to the Gulf, while other countries are now experiencing accelerated rural-urban migration as a result of social and economic changes.



Lebanon and Jordan were unique among Mashriq countries in terms of early population concentration in cities. The first ended its transformations during its civil war, and the second saw the concentration of Palestinian refugees in camps that turned into urban cities. Iraq has stopped its urban evolution with the wars it has lived since the 1980s, while rural-urban migration continued to accelerate in Syria and Yemen. In contrast, Egypt and Sudan are expected to see again an accelerated internal migration to cities in the coming decades.

Thus, most of the Arab cities experienced between 2005 and 2015 high urban population growth, way surpassing in many cases overall population growth rates.

2.4 Evolution of the Labor force

According to the ILO data and its future estimates¹³, the labor force¹⁴ of the Arab countries reached 127 million in 2015 (figure 2.5) and is expected to reach 141 million in 2020. The total annual increase was of 3.9 million in 2010, but dropped to 2.9 million in 2015 and this rate is expected to remain the same in the next decade.

¹² Maghreb countries include Algeria, Morocco, Western Sahara, Tunisia, Mauritania, and Libya.

¹³ The recent estimations are for 2015 and 2016, go to <http://www.ilo.org/ilostat/>

¹⁴ ILO does not include seasonal and circular labor migration, in the labor force calculations of the sending and receiving country; for example, for Syrian workers in Lebanon prior to the crisis.

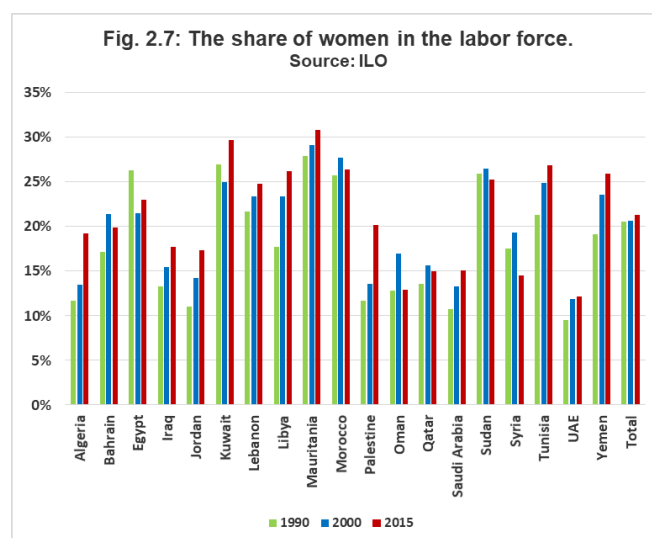
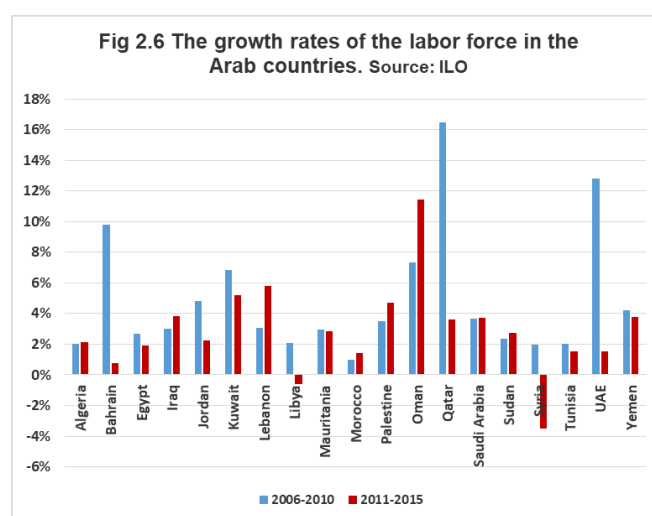
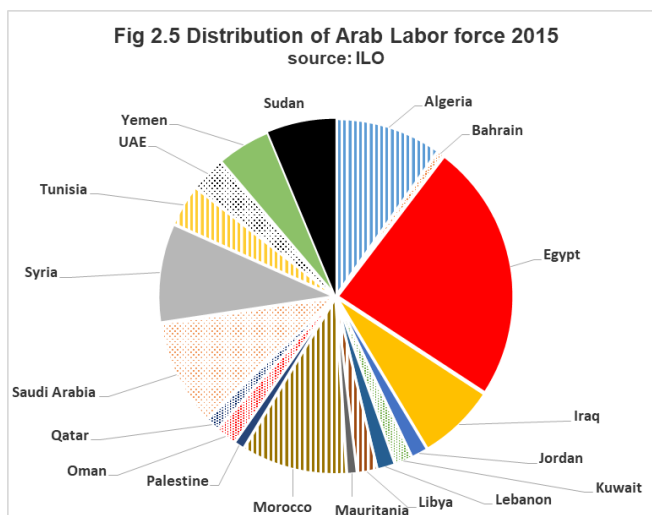
The largest increase in the labor force is witnessed in the Gulf countries, the same as for the population. Their labor force use to represent 12% of the total Arab labor force in 1990, but reached 17% in 2010 and 19% in 2015. This is while the Maghreb's share of the total labor force declined from 29% to 24% between 1990 and 2015 (figure 2.6).

Therefore, Arab countries witnessed an average annual increase in the labor force of 3.4 million between 2006 and 2010 (figure 2.6), including a share of 22% for women. However, this annual average increase fell to 2.9 million between 2011 and 2015, including a share of 24% for women, especially that Syria and Libya have lost a significant part of their labor force, and the growth rate has diminished in countries like Bahrain, Egypt, Jordan and Tunisia, what can clearly be linked to the consequences of the "Arab Spring".

Even Gulf countries, which account for one-third of the overall growth of the Arab labor force, due to the incoming foreign work force, have experienced relatively slow growth of their labor force, from 16.5% in 2006-2010 to 3.6% in 2011-2015 for Qatar, and from 12.8% to 1.5% for the UAE, and from 9.8% to 0.8% for Bahrain...

It is worth noting that the share of women in the labor force has improved since 1990s in many Arab countries. However, some countries (such as Egypt, Sudan, Syria and Oman) have experienced recently a drop in this share, what makes the overall share of women in the Arab labor force almost constant for more than two decades (figure 2.7).

It should also be noted that the growth of the labor force follows many variables. Rural-urban migration, if accelerated, may reduce the overall labor force of a country, as a part of the agricultural labor force moves to the cities and remains away from economic



participation. This phenomenon affects women more significantly. Internal conflicts, sieges and wars can take out large parts of the population from the labor force, because of reduced opportunities of economic participation or displacement and migration. Noting that in the latter case, migrants would be excluded from the population accounting of the country of origin and appear within the population of the host country. Otherwise, it must be stressed that the high rate of participation of women in the labor force in some Arab countries results from the employment of migrant women. The majority of non-refugee migrant women is in the working age and is effectively working.

Thus, despite the slowdown in the growth of the labor force in the recent years as a result of the outcomes of the "Arab Spring", Arab countries still need today to create about 3 million jobs annually to keep unemployment at existing levels. These include nearly one million jobs in the Gulf countries (!) and 500 thousand in Maghreb.

2.5 Employment and unemployment in the Arab countries

Total employment in the Arab countries has reached 101 million in 2010, then 112 million in 2015 (including a share of 19% for women). In other words, the average unemployment rate increased globally from 10.1% to 11.7% between these two years (figure 2.8), while it declined for women from 20.5% to 18.8%, although they already had high unemployment rates (figure 2.9).

However, the situation varies widely between countries. The average unemployment rate in Gulf countries rose only from 5.5% to 5.9% (while it remained almost constant for women¹⁵). Only Oman was characterized by high and slightly diminishing unemployment rates, 18.3% and 17.3%, respectively (35.4% and 32.3% for women).

In the Arab Maghreb countries, unemployment increased from 10.7% to 11.6%. Of course, Libya and Tunisia

Fig. 2.8: Unemployment in the Arab countries.
Source : ILO

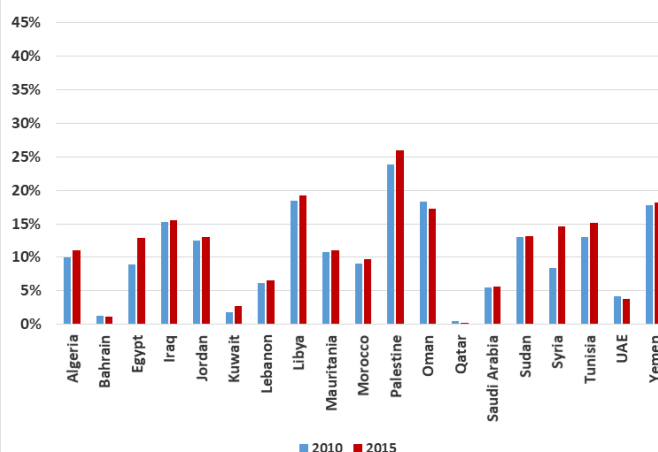
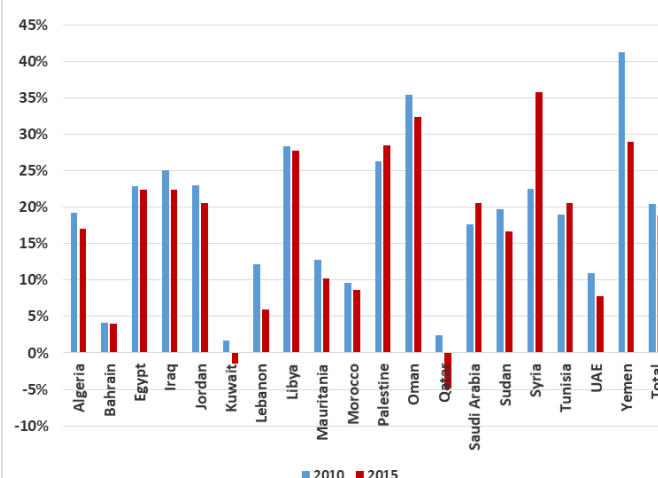


Fig. 2.9 Women unemployment in the Arab countries. Source: ILO



¹⁵ In Kuwait and Qatar, the estimation of women employment is higher than the estimation of women labor force!

experienced the largest increase. However, unemployment for Maghreb women fell from 15.6% to 14.6%. The other Arab countries experienced higher levels of unemployment and larger increases, from 11.3% in 2010 to 13.9% in 2015, particularly Palestine. Nevertheless, these rates declined for women from 24.3% to 22.0%.

Reading these data and their developments does not mean that the concept of unemployment has a real meaning in the Arab countries. Job seekers rarely receive unemployment benefits in the developed countries¹⁶ (as in Algeria, for example) and rarely get the unemployed got a new job. The statistics indicate that most of the unemployment is long term. Therefore, it is preferable in this report to compare the number of newcomers to the labor force with the number of newly created jobs, rather than dealing with unemployment rates, especially according to its current definition¹⁷.

ILO estimates that the number of job opportunities available in the Arab countries increased by 3.4 million between 2005 and 2010, a figure comparable to the number of new entrants to the labor force. However, most of this increase was in favor of men, as new employment opportunities for women were 17% less than the growth of their labor force. Then, the years 2010-2015 brought only 2.2 million new opportunities, i.e. 700,000 less than the number of newcomers. In the Gulf, new job opportunities were almost equivalent to the newcomers, with the exception of Saudi Arabia and Oman. It is worth mentioning that the majority of newcomers in the Gulf countries are workers recruited from abroad. The other Arab countries are in their case experiencing the large gap between the numbers of newcomers and created jobs.

2.6 Informal labor and own-account employment

ILO does not provide accurate statistics and estimates on informal employment in Arab countries, especially since many of these countries do not conduct surveys and do not publish data in this regard¹⁸. However, ILO documents the distribution of workers by labor relations¹⁹ between waged workers, employers, own-account, cooperative workers, and contributing family workers (figure 2.10). Thus, the measurement of the size of own-account workers is assumed to give an initial idea of informal employment (as in developing countries, it constitutes about half of the informal labor; the second half being for informal waged labor).

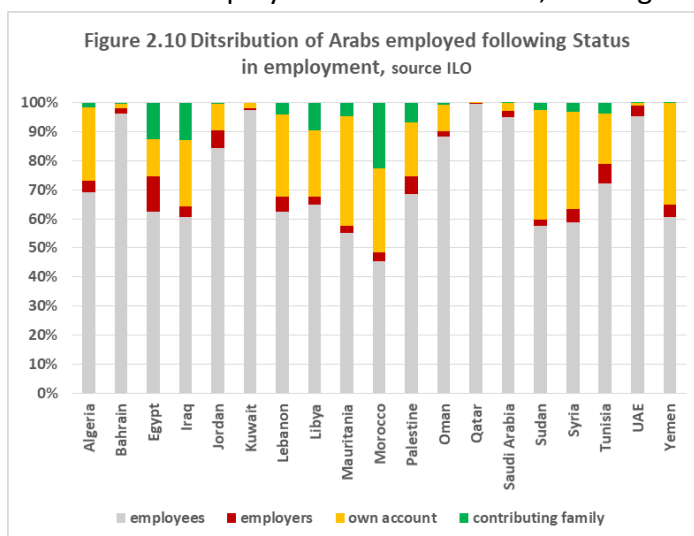
¹⁶ Samir Aita: *Has unemployment rate has a meaning in our societies* (in Arabic), Le Monde Diplomatique, Arabic editions, February 2010, in Samir Aita, *Irreverance is a duty*, 2017

¹⁷ ILO statistically defines unemployment for a person who did not work even for one hour during the week that preceded the survey.

¹⁸ The Economic Research Forum (<http://erf.org.eg/oamdi/>) launched an initiative to open partially data including the details of labor force surveys, in addition to the income and expenses household surveys and others. However, making these data available to the public is unclear, and not all surveys are managed periodically and according to international standards.

¹⁹ ICSE-93

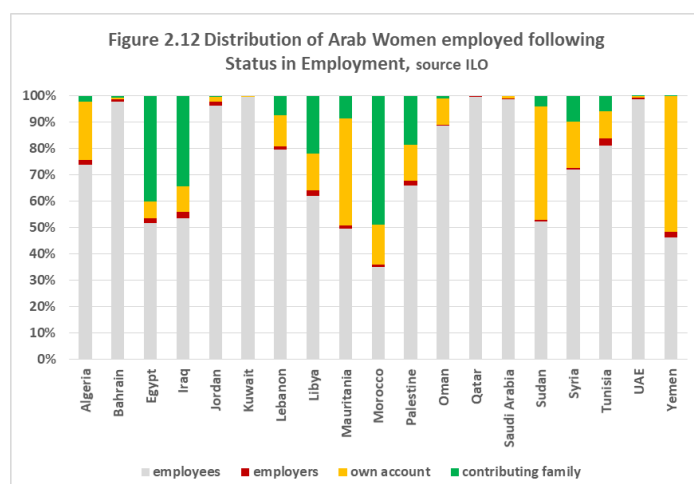
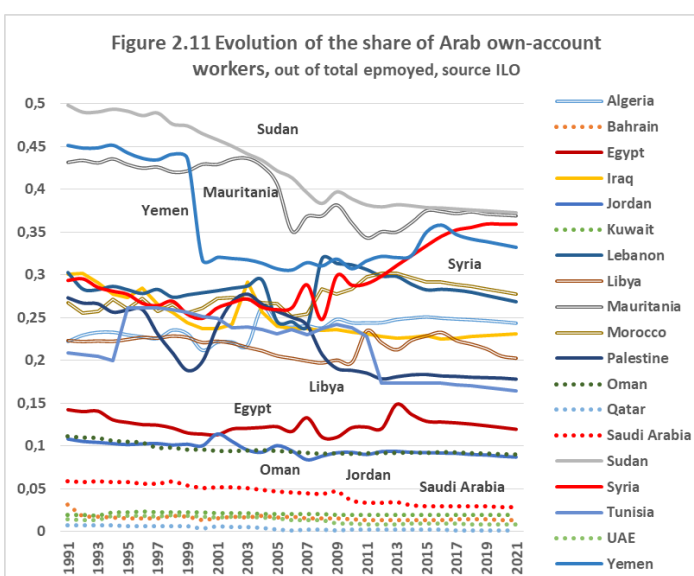
ILO data shows only a small share of own-account employment in Gulf states; the highest being for Oman at about 11% in 1990, decreasing to 9% in 2015 (figure 2.11), followed by Saudi Arabia with 3% in 2015. In the Maghreb, about a quarter of the employed work for their own account. Only Mauritania is particular with its high rate of 43% in 1990 that decreased to 38% in 2015. Own-account workers are also about a quarter of those employed in most Mashriq and Nile Valley countries. Nevertheless, Sudan and Yemen are characterized by high rates that decline gradually, while Egypt and Jordan are characterized by low rates close to those of Gulf States. In general, there is a decline in own-account employment (especially with the declining share of agricultural labor), with the exception of countries such as Syria, Yemen and Libya that are experiencing now wars, as well as relatively in Morocco and Egypt.



In addition, the data show a large size of contributing family workers in Morocco, equal to that of those working for their own account. The same applies to Egypt and Iraq, but to a lesser degree.

The share of own-account women workers is larger than that for men in most Arab countries (figure 2.12), especially per example in Egypt. Women are also characterized by a large proportion of contributing family workers (with no wage in general). This proportion is noticeable in Egypt, Iraq, Morocco and Libya, higher than that of women working for their own account.

Based on these partial data, which include agricultural labor and employment in the government sector, a preliminary reading shows that two parts of informal employment (i.e. the own-account and the contributing family labor) represent in non-GCC Arab countries between one quarter and half of



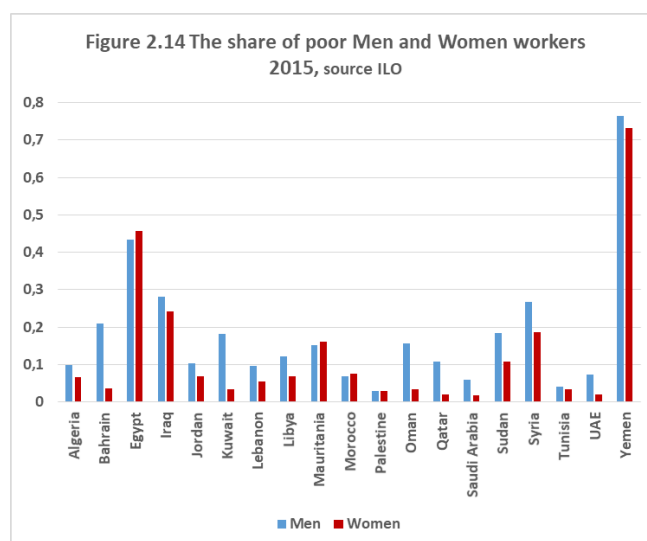
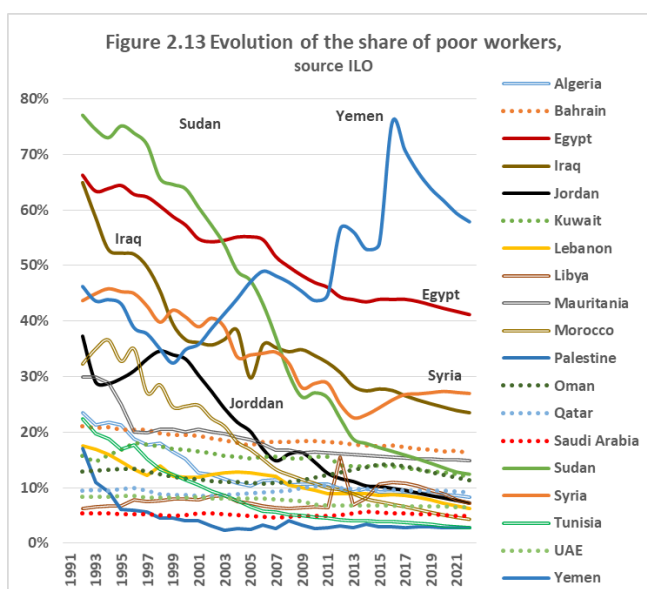
total employment, often closer to the half for females. The question remains about whether waged workers in general, and migrant workers in Gulf States, should be classified as formal or informal in terms of obtaining their rights.

2.7 Labor and poverty

The ILO gathers also poverty data at work for most of the Arab countries. This is according to two categories: extreme poverty (less than \$ 1.9 per day in purchasing power parity (ppp)) and average poverty (between \$ 1.9 and \$ 3.1 per day in purchasing power parity); knowing that these figures are linked to the worker's income and not the possible large family he can support.

According to these data (figures 2.13 and 2.14), the total proportion of both categories does not exceed 20% in GCC countries, with the highest percentage in Bahrain where the proportion of poor workers has reached 18% in 2015, but is now declining. In Kuwait and Oman, the proportion remains at 14%. Since 1990, the percentage of poor workers in the Maghreb countries declined to less than 20% or even 10% in 2015, from 32% in Morocco, 30% in Mauritania, 24% in Algeria and 22% in Tunisia in the early 1990s.

On the contrary, the situation of workers in the Mashriq is getting worse. In Egypt, for example, the proportion of poor workers was 66% in 1990 but dropped to only 44% in 2015. Also in Sudan, which has lived a long civil war, the proportion of poor workers decreased from 77% in 1990 to 16% in 2015 (the latter data is in contradiction with the perceived reality of informal workers who represent a large majority). Iraq had almost the same suffering, due to embargo and war. Yemen has witnessed a relative improvement until 1997, but then the situation worsened considerably before the war, and especially during it; and the proportion of poor workers reached 76% in 2015. Data for that year only show that 24% of workers in Syria are poor! Overall, working women are poorer than men, except for Egypt and Mauritania.



Certainly, the informality of labor and the lack of access to rights are linked to poverty, and data concerning poverty at work indicate that the size of informal labor in all Arab countries is much larger than that of own-account employment alone.

2.8 Informal labor and health coverage

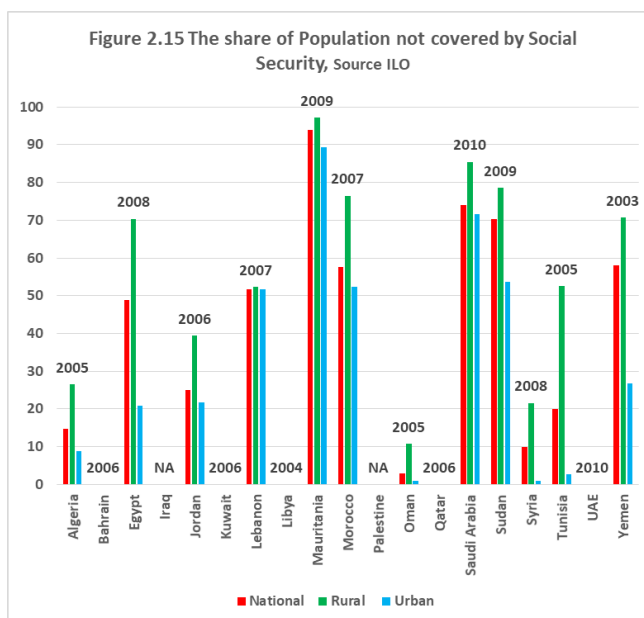
The ILO reports also data on the social health coverage gap; that is the proportion of population without access to health insurance or free healthcare in hospitals (but with no gender details). Such data are partial and has not been collected from official sources of the countries except for some years²⁰ - the most recent of is 2010 (figure 2.15).

In Gulf countries, healthcare is assumed to cover the whole population (!); however, it is unclear how foreign migrant workers and their families benefit from this coverage. Only Saudi Arabia has documented that 74% of the population (71.5% of the urban population) are not covered by health insurance. This figure far exceeds the proportion of migrant residents in the country and indicates a large size of informal labor, because workers in the public and private sectors are *de facto* covered by health social security.

In the Maghreb, Mauritania and Morocco are characterized by high rates of non-coverage, reaching more than 50% for the urban population. On the contrary, such proportions are low in Algeria and Tunisia, and concern mostly rural areas (and therefore agricultural workers). This is while Libya population enjoyed full health coverage before the revolution and the war.

In Mashriq and Nile Valley countries, Sudan, Yemen and Lebanon²¹ are characterized by a lack of health coverage for more than half of their population. Rural areas in Egypt and Syria are far more underserved. Although the two countries have had an extended free health system since the 1960s.

In the remaining part of the report, the lack of health coverage shall be adopted as a basic criterion to measure the size of the informal employment in the Arab countries.



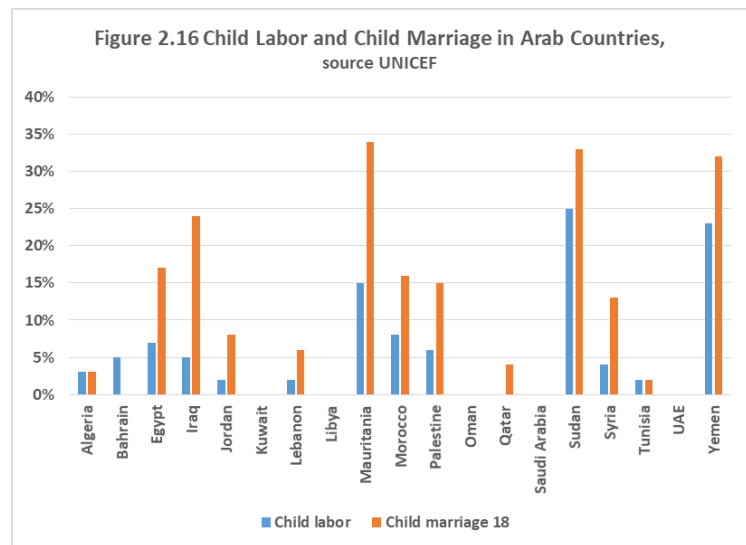
²⁰ The documentation year per country is shown in the figure.

²¹ ILO does not provide any data about Palestine.

2.9 Child labor

UNICEF reports child labor as the percentage of children aged 5-14 years engaged in labor. The highest percentages (average 2009-2015) among Arab countries are in Sudan (25%), followed by Yemen (23%) and Mauritania (15%). The percentage of child labor in other countries ranges between 2% and 7% (the highest is in Egypt); except for most of the Gulf countries and Libya, where these statistics assume the rate of child labor to be null. UNICEF also

links child labor to the child marriage (percentage of women aged 20 to 24 who were first married before ages of 15 and 18), with such marriage rates rising to between 32% and 34% in Mauritania, Sudan and Yemen, but still above 10% in Iraq, Egypt, Morocco, Palestine and Syria (pre-conflict).



3 THE REALITY OF INFORMAL LABOR IN ARAB COUNTRIES (according to Arab watch and other reports)

The watch report relies on studies and reports developed by experts and civil society activists on informal labor conditions in a number of Arab countries: Bahrain from GCC; Algeria, Mauritania, Morocco and Tunisia from the Maghreb; Egypt and Sudan in the Nile Valley; and Iraq, Syria, Lebanon, Palestine, Jordan and Yemen from the Mashriq. A common framework²² has been set for all these national reports. The preparation of the watch report also included regional reports on some key themes covering all countries. Otherwise, this actual global regional report was complemented by other data drawn from the most recent published results of labor force surveys.

3.1 Informal employment in Gulf countries, the example of Bahrain

The Bahrain watch report highlights the many peculiarities of the Gulf countries in comparison with the other Arab countries. Population growth was very high because of incoming migration (some of which were granted citizenship). Non-Bahrainis²³ have even become the majority of the population since 2008. 90% of the migrant population is economically active, with a gender imbalance, as the majority of those expatriates are male workers. The percentage of males in the population reached 62% in 2015. Therefore, Bahrain does not experience the youth tsunami that many Arab countries are witnessing, because most of the incoming workers are over 25 years of age. The number of non-Bahraini males aged 25-39 is five times that of Bahraini males of the same age.

Another GCC peculiarity in Bahrain is in the fact that labor force participation rate is high compared with the average of Arab countries, not only for men because as most of the expatriates are employed, but also for women. The phenomenon of encouraging the employment of nationals, especially in government jobs (more than half of Bahraini female workers are in the public service²⁴, compared with about one-third for men), is reflected in high participation rates, and most migrant female workers (though fewer than men) came to the country for work. Thus, the rate of economic participation of female nationals was 35% in 2015²⁵, while 50% of female foreign residents in Bahrain were active, in comparison with 89% for male residents (100% of those in the working age). These realities give the concept of the "population" participation in the labor force a special meaning in all Gulf States²⁶.

The annual number of Bahrainis who join the labor force is only a few thousands (about 8,000 recently; roughly the same number of newcomers to the working-age nationals)²⁷. This is while an annual increase of 59,000 workers per year was observed between 2006 and

²² Refer to Samir Aita 2015: *Informal labor in Arab countries, framework of the Arab watch report*; ANND.

²³ It is worth noting that those of Arab origins account for 1% to 2% of total foreign workers.

²⁴ In the last ten years, Bahraini women got the double of job opportunities that Bahraini men got. See Bahrain report: Hassan el Ali 2017: *Informal labor in Bahrain* (in Arabic).

²⁵ Especially that Bahrain is committed to CEDAW since 2002 through a royal decree.

²⁶ 2010 statistics indicate that economic participation reached 48% for Bahrainis (63% for males and 32% for females), and 88% for migrants (98% for males and 58% for females), what brings the total participation rate at 72% (87% for males and 44% for females), refer to <http://www.data.gov.bh/>

²⁷ ILO data, that are consistent with the numbers of Bahrainis who are newly registered in the social security according to Hassan el Ali 2017

2010 (instead of 130,000 between 2001 and 2010²⁸), then only 6 thousand between 2011 and 2015 (for women 1,000 and 400 respectively). This shows a decline in incoming migrant labor. In contrast, almost the same numbers of yearly-created jobs were noticed in both periods. Thus, the size of the labor force adapts to the labor market in Bahrain, as in the other Gulf countries, and not the other way around, since 87% of total employment is for non-Bahrainis whose residencies are cancelled when no more job opportunities are available for them. This phenomenon encompasses all economic activities: agriculture and fishing (where 94% of workers are migrant), industry and mining (81%), construction (79%), and trade and services. Only the government sector is unique in the fact that migrant workers account for only 15% of total employed (3% for women), and that it is already a sector where employment is not growing. Here, too, the concept of unemployment takes a special meaning, despite the existence of an unemployment compensation system applicable only to Bahraini nationals.

Gulf countries are also characterized by the lack of accurate and periodic surveys and studies on the labor force and family income. When they exist, informal labor is not monitored in line with international standards. The Bahrain's report illustrates this, pointing out that only two surveys have been conducted in Bahrain within 10 years, in 2004 and 2014, despite major transformations (the 2008 economic crisis and the repercussions of the popular uprisings in 2011 and 2012). In these surveys, only the categories of own-account employment and the low-numbered contributing family work are reported to the ILO, and classified as informal employment.

Thus, the Bahrain watch report mentions 3,000 Bahrainis working for their own account, as well as 20 thousand workers who are unclassified as waged workers or employers according to the 2010 census. The latter employers and their increasing numbers are attributed to the development of businesses through modern means of communication and information, what led the authorities to create virtual business records (i.e. via the internet) to register them. However, those who work for their own account and those who are virtual are not forced to register for health and social security. Furthermore, employers and free professionals (13,000 in 2010 increasing to 37,000 in 2015) are not required to register in the social security, despite a recent decision taken by the Council of Ministers²⁹ encouraging Bahrainis to do so optionally.

The report also detected waged Bahraini workers in the government sector, that it considered informal employees because their contracts are temporary and renewed every six months to evade their registration in the social security. The majority of those concerned are women working in nurseries and kindergartens. However, the report did not detect informal waged Bahraini workers in the private sector, but detected Bahraini families working informally in productive activities. Thus, all these informal groups made up between 29%³⁰ and 37%³¹ of the employed Bahrainis in 2015.

²⁸ Hassan el Ali 2017.

²⁹ Decision 39 of 2014; refer to Hassan el Ali 2017.

³⁰ Bahrain Watch report, Hassan el Ali 2017.

³¹ The estimations are based on Hassan el Ali 2017 (23 thousand work for their own account, 30 thousand are employers, around one thousand are contributing family workers, and around 4 thousand are waged workers in the government sector, out of 157 thousand Bahraini workers in 2015).

On another hand, the Bahrain watch report documented the phenomenon called "*loose*"³² employment, formed by migrants who had lost their legal residency and contracts, and are waged or work for their own account illegally. Official statistics do not report this category. However, the General Manager of the Labor Market Regulatory Authority had publicly estimated its number in 2014 at 50 thousand (i.e. 10% of total migrant workers). In addition, Bahrain watch report has detected the officially documented domestic labor (waged), which has increased rapidly in the recent years to reach 111,000 in 2015 (20% of all migrant foreign workers)³³, 60% of whom are women accounting for 64% of the total female migrant workers. Those domestic workers are not registered in the social security and their basic human rights are sometimes violated. Bahrain and other Gulf countries have not yet ratified the Convention concerning Decent Work for Domestic Workers³⁴.

As for the other waged workers, Bahrain watch report shows that 64% of them started working less than a year ago³⁵, and that 77% of them started working less than three years ago. The social security registration is mandatory for all migrant workers, but it protects only against work accidents and for base health insurance³⁶. However, a royal decree suspended in 1977 the effects of the Social Insurance Act of 1976, which included migrant workers with the same duties and benefits as Bahrainis. The new Labor Law of 2012 brought compensation by grating migrant workers multiple rights in trade union organization, strike, collective bargaining, leave, etc., knowing that these rights are the same for Bahrainis themselves. However, an amendment issued in 2015 gave Bahrainis preferential rights in case of dismissal. The "sponsor" system has also been maintained, with the freedom given to migrant workers to move from one sponsor to another if such migrant worker has spent a full year in Bahrain, the period required for full registration in the social security. Since the Social Security Act is still in effect, the Labor Law stipulates that migrant workers who are not covered by social security be entitled to compensation for dismissal. The report also noted a wage gap between Bahrainis and non-Bahrainis, where average wages of migrants do not reach half the average wage of Bahrainis. The situation worsens in small enterprises employing 40% of waged migrant workers.

Furthermore, the Bahrain watch report did not classify any part of the migrant workers as informal employees, arguing the special position of Bahrain among other Gulf States and its greater commitment to respect international labor laws. Although these obligations are not complete abiding by the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families³⁷. Then it is not realistic to consider all migrant workers as formally employed, because they do not enjoy their full rights and because they are discriminated with Bahrainis. This is the case especially for migrant workers who have been working for less than one year, and for whom the condition to receive minimum rights is to be present for more than one year in Bahrain. This report will then consider informal the waged migrant workers who have been working for less than a year.

³² Known as "Free Visa".

³³ The term migrant labor is used in the text instead of foreign labor because it includes migrants' rights.

³⁴ See Convention 189 concerning Decent Work for Domestic Workers, 01/06/2011,

http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---normes/documents/normativeinstrument/wcms_c189_ar.pdf

³⁵ This period starts on the date of registration in the social security.

³⁶ As of 2016 against a fee paid by the employer.

³⁷ See the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families number 158/45 dated 18/12/1990

<http://www.ohchr.org/AR/ProfessionalInterest/Pages/CMW.aspx>

Based on all of these data, informal labor for Bahrainis and non-Bahrainis can be distributed as shown in the tables 3.1 and 3.2 below³⁸. Thus, the ratio of informal employment reaches 65% of total workers, or 71% of those working outside the government sector. Three quarters (73%) of migrant workers are informal, and their majority (52%) are waged workers who have been working for less than one year and are replaced every year by other workers, and do not enjoy their full economic and social rights, living in vulnerable conditions. 20% of them are household workers (16% of total workers in Bahrain). It is worth noting that the majority of the latter are female workers, accounting for 64% of all migrant female workers. As for Bahrainis, only one-third (37%) are informal, and most of them work for their own account or are entrepreneurs or practice liberal professions.

| 2015 | number of workers (000) | % of total employment | % of Bahrainis employed | % of migrants employed |
|--|-------------------------|-----------------------|-------------------------|------------------------|
| Bahraini Own-account workers (3) | 23 | 3,2% | 15% | |
| Migrant Own-account workers (3) | 1 | 0,1% | | 0% |
| Bahraini employers (4) | 30 | 4,2% | 19% | |
| Migrant employers (4) | 1 | 0,1% | | 0% |
| Bahraini Contributing family Workers (9) | 1 | 0,1% | 1% | |
| Migrant Contributing family workers(9) | | | | |
| Bahraini wage workers in formal sector (2) | 4 | 0,6% | 3% | |
| Migrant wage workers in formal sector (2) | 293 | 40,9% | | 52% |
| Bahraini wage workers in informal sector (6) | | | | |
| Migrant wage workers in informal sector (6) | | | | |
| Migrant wage workers in households | 111 | 15,5% | | 20% |
| المجموع | 464 | 64,8% | 37% | 73% |
| | | 716 | 157 | 559 |

| Table 3.2 The shares of informal employment categories in Bahrain (% of total employment) | | | | | | | | | | | | | | |
|---|------------------------------|----------|--------|-----------|----------|--------|---------------------|----------|--------------|----------|--------|-------------------------|----------|--------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | | | | | | |
| | Own-account workers | | | Employers | | | Contributing Family | | Wage workers | | | Members of cooperatives | | |
| | Informal | | Formal | Informal | | Formal | Informal | | Informal | | Formal | Informal | | Formal |
| | Bahrainis | Migrants | | Bahrainis | Migrants | | Bahrainis | Migrants | Bahrainis | Migrants | | Bahrainis | Migrants | |
| Formal sector enterprises | | | | | | | | 0,6% | 40,9% | | | | | |
| Informal sector enterprises | 3,2% | 0,1% | | 4,2% | 0,1% | | 0,1% | 0,0% | | 0,0% | | | | |
| Households | | | | | | | | | ? | 15,5% | | | | |

³⁸ The numbers between brackets in table 3.1 refer to the informal employment category of the Hussman's matrix (See AITA 2015W).

| Production units by type | Jobs by status in employment | | | | | | | | | |
|--|------------------------------|--------|-----------|--------|-----------------------------|-----------|--------|------------------------------------|--|--|
| | Own-account workers | | Employers | | Contributing family workers | Employees | | Members of producers' cooperatives | | |
| | Informal | Formal | Informal | Formal | | Informal | Formal | | | |
| Formal sector enterprises | | | | | 1 | 2 | | | | |
| Informal sector enterprises ^(a) | 3 | | 4 | | 5 | 6 | 7 | 8 | | |
| Households ^(b) | 9 | | | | | 10 | | | | |

For women, informal labor is concentrated in female employers, who own 41% of commercial registers³⁹, and to a lesser degree in own-account employment. Informal labor accounts for 29% of Bahraini working females, less than for Bahraini working males. However, this percentage rise to 56% if the government sector is excluded. Furthermore, 84% of migrant women work informally and informality is mostly concentrated in domestic labor, and unlike men they work less for wage in the formal sector, knowing that 61% of female workers have less than one year in Bahrain. Accordingly, the overall proportion of women's informal employment reaches 65%, or 80% if the government sector is excluded (table 3.3).

| 2015 | number of workers (000) | % of total employment | % of Bahrainis employed | % of migrants employed |
|--|-------------------------|-----------------------|-------------------------|------------------------|
| Bahraini Own-account workers (3) | 4,5 | 2,8% | 8% | |
| Migrant Own-account workers (3) | 0 | 0,0% | | 0% |
| Bahraini employers (4) | 12 | 7,5% | 21% | |
| Migrant employers (4) | 0 | 0,0% | | 0% |
| Bahraini Contributing family Workers (9) | | | 0% | |
| Migrant Contributing family workers(9) | | | | |
| Bahraini wage workers in formal sector (2) | | | 0% | |
| Migrant wage workers in formal sector (2) | 20 | 12,5% | | 19% |
| Bahraini wage workers in informal sector (6) | | | | |
| Migrant wage workers in informal sector (6) | | | | |
| Migrant wage workers in households | 66,9 | 41,9% | | 65% |
| المجموع | 103,4 | 64,7% | 29% | 84% |
| | | 159,8 | 56,8 | 103 |

In 1999, Bahrain ratified Convention No. 182 on the Worst Forms of Child Labor. However, it does not publish statistics on child labor and how to combat it⁴⁰. On its side, UNICEF reports that 4.6% of children (5-14 years old) work⁴¹ in Bahrain (6.3% for males and 3% for females).

Overall, this analysis in the watch report suggests, through the example of Bahrain, that informal employment in GCC countries is much broader than what can be observed in ILO data. The GCC informal employment has specificities distinguishing it from the rest of the Arab countries, as it concerns citizens but also particularly the migrant workers. These migrant workers are often are more numerous than citizens. Their presence inflate the rates of economic participation. Moreover, their rights remain problematic.

3.2 Informal employment in the Maghreb countries

The national watch reports included Morocco (including Western Sahara), Algeria, Tunisia⁴² and Mauritania, without Libya. The population growth rates were much weaker than those of Gulf countries⁴³ (recently between 1.1% and 1.4% in Morocco, 1.6% and 1.9% in Algeria,

³⁹ Hassan el Ali 2017, the same percentage was taken from the total of informal employers.

⁴⁰ <https://www.dol.gov/sites/default/files/images/ilab/child-labor/Bahrain.pdf>

⁴¹ https://www.unicef.org/infobycountry/bahrain_statistics.html

⁴² There was no complete ANND report on Tunisia. It was replaced by a series of recent reports produced for other purposes. See Sami Awadi 2016: *What indicators to measure effectiveness of social dialogue?* And Karim Traboulsi 2016: *Tunisian working women in the informal economy: reality and possible solutions from a trade union perspective.*

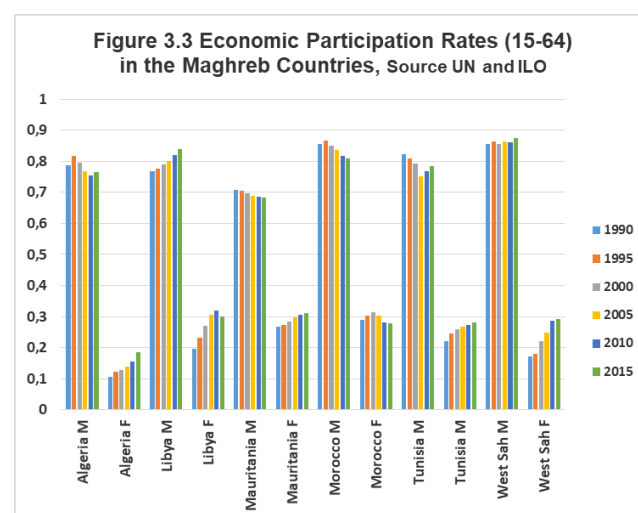
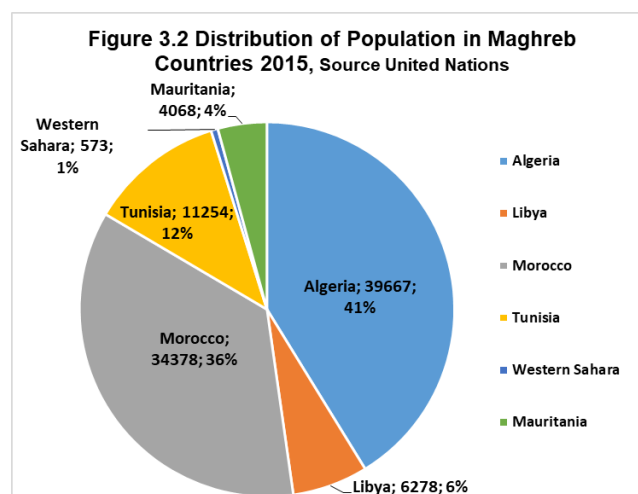
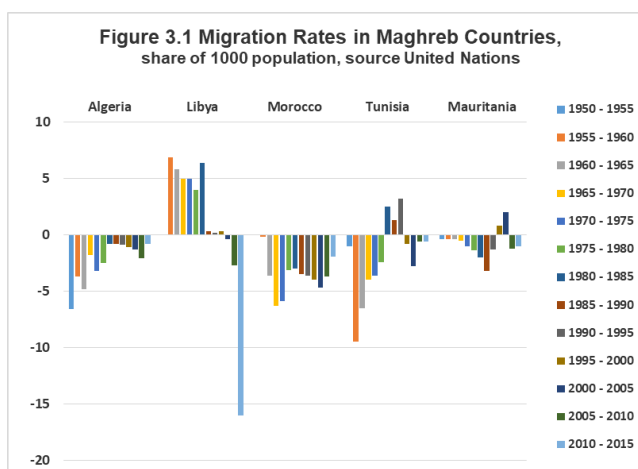
⁴³ In fact, Western Sahara has experienced significant population growth rates, especially since its internationally unrecognized annexation by Morocco.

1.0% and 1.1% in Tunisia, and between 1.5% and 0.04% in Libya), the highest being that of Mauritania (2.5% to 2.6%)⁴⁴.

The population growth rate was greatly affected by outgoing migration, which sustained more than 0.5% of population annually, before it was stopped for some Maghreb countries⁴⁵ or it fluctuated unevenly (Figure 3.1). The demographic pressure would have been greater otherwise, for some Maghreb countries such as Morocco. Furthermore, the extensive migration flows following the Arab Spring disturbances will have also their long-term effects, particularly on Libya and Tunisia. Thus, the lowest population growth of Tunisia in the previous decades was in favor of Algeria, whose share in the total population of the Maghreb increased from 35% in 1950 to 40% in 2015, without changing Morocco's share (figure 3.2).

All Maghreb countries have witnessed the "youth bulge", which mostly culminated in the 1970s, but lasted longer in Algeria and is still present in Mauritania. Rural-urban migration continues in Morocco and Mauritania, and to a lesser extent in Tunisia, unlike Libya and Algeria, where urbanization has exceeded 75% of the total population since the early 1980s.

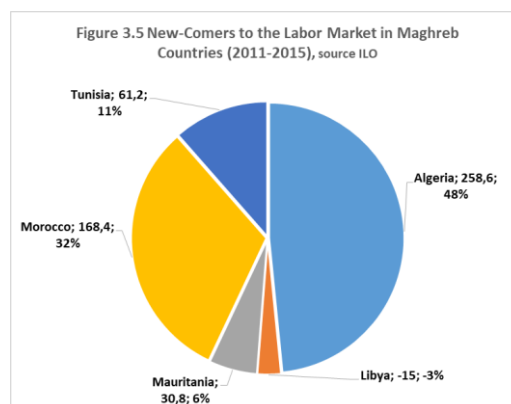
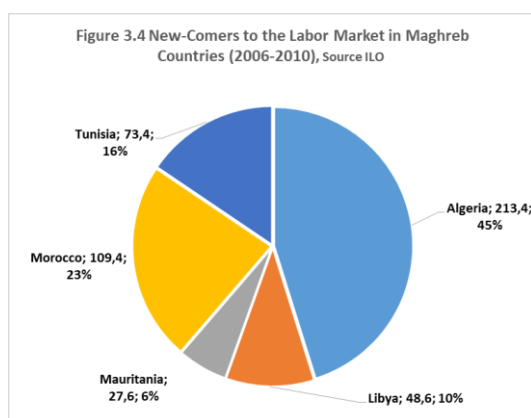
The participation of men in the labor force of Mauritania remains lower than the Maghreb average (figure 3.3). The level of women participation has improved significantly in the past two decades, but remains weak in Algeria and has recently declined in Morocco and Libya. Therefore, the total number of annual



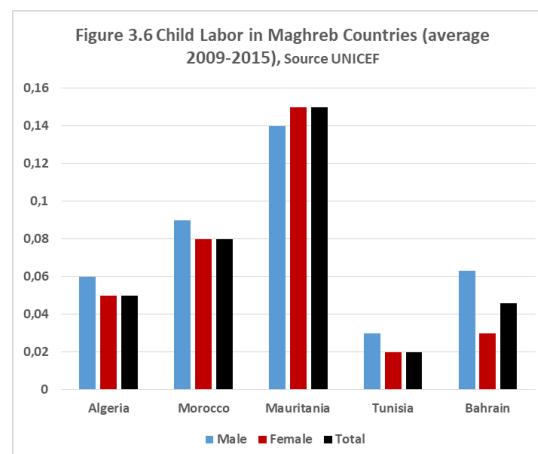
⁴⁴ For 2005-2010 and 2010-2015 respectively according to UN data, whereas the national watch report indicates higher demographic growth levels for Algeria (2.15%); See Monzer Lassassi and Khaled Menna 2016: Informal labor, policies ambitions and the difficulty of the reality, the case of Algeria.

⁴⁵ See for example Algeria's report, Monzer Lassassi and Khaled Menna 2016, in the context of analyzing the changes of unemployment rates.

newcomers to the labor force in the Maghreb reached 472 thousand in the 2005-2010 period, rising to 504 thousand in 2010-2015, despite the decline in the size of the labor force in Libya because of the war and the diminishing of its growth in Tunisia after the revolution (figures 3.4 and 3.5).



On the other hand, UNICEF detected a high level of child labor in Mauritania (15% for those who are between 5 and 14 years) and in Morocco (8%). It concerns mostly females in Mauritania, unlike the other countries. Here it is worth noting that child labor is higher in Bahrain than in Tunisia, and even than for males in Algeria (figure 3.6).



The case of Algeria

Most of the demand for employment in Maghreb countries comes now from Algeria⁴⁶, where the number of employed reached 10.6 million in 2015⁴⁷. 69% of whom are waged workers (92% for women), 25% work for their own account, 4% are employers (8% only for both categories for women) and 2% are contributing family workers. This distribution is due to the contraction of employment in agriculture. The total number of informal workers who have no access to social security accounts for 39% (49% in 2005)⁴⁸ of all employed (or 33% of those who are not working in agriculture). In other words, informal labor⁴⁹ in Algeria accounts for 39% of the total employment. The official data do not show the distribution of contributions to social security between men and women. However, a report based on 2010 official data showed that 45.8% of female workers are not registered in social security, which represents a significant increase in comparison with 2005 (38.1%).

⁴⁶ Especially because of the stopping of outgoing migration and of the increase of women's participation, knowing that it was originally relatively weak.

⁴⁷ According to Algeria's report, Monzer Lassassi and Khaled Menna 2016 and official data, whereas ILO make estimations of around 11 million.

⁴⁸ And 42% in 2014; we count in our report on official data. See ONS Algeria 2015. What is remarkable is the difference between these official data and the ILO data. See above paragraph 2.8.

⁴⁹ From a rights' perspective, the indicator of non-registration in social security is adopted in this report as a baseline indicator for informal labor.

Overall, the share of informal employment in Algeria has declined between 2005 and 2015. However, this is mainly due to the decline in agricultural labor and household employment and to the increase of employment in the government sector, all of them significantly, and to a lesser extent to the active employment support policies. Thus, informal employment outside the government sector stands at 66% in 2015, compared to 78% in 2005⁵⁰.

A significant portion of those working outside agriculture and the government sector work for their own account or are employers or family “aids” (the so-called “independent workers”, who made up about 39%⁵¹ of those in 2015). The remaining are waged workers. One of the specificities of Algeria is the size of non-permanent waged workers who officially accounted for 39% of the total waged labor in 2015 (i.e. 97% of total non-governmental waged labor)⁵². This likely means that part of the waged employment in the government sector (considered formal, accounting in the case of Algeria 66% of waged labor) is also non-permanent! The available data do not allow measuring this, especially that informal sector enterprises are not well documented.

Nevertheless, some available data shed some light on the quality of the non-permanent employment that developed in the past decade in Algeria. The number of yearly-created jobs surpassed by 40% the number of yearly newcomers in 2006-2010 (an increase of only 14% for women). Then it decreased to 20% less than the number of newcomers in 2011-2015 according to ILO⁵³. General unemployment has declined, but it has increased significantly for young people and those with higher qualifications, especially for women. Otherwise, the National Employment Survey showed that 59% of the active population never worked (72% of women) and that 41% of those who had a job were unable to keep it.

Thus, the approximate general picture of informal employment in Algeria⁵⁴ (percentages of total employment) reaches 39% of total employment, or 66% of non-government employment, as shown in table 3.4. It is worth noting the bigger relative proportion of own-account employment within informal labor in comparison with Bahrain.

For women, official statistics surprisingly indicate that permanent female waged employment is less than that in the public sector, which also means that part of women's government employment is also informal. Even if this is neglected, the estimation of women's informal employment reached 49% of total in 2015 (85% excluding the government sector); more than half (54%) is non-permanent waged labor, and more than one third (39%)

⁵⁰ Alternatively, that 61% of those working outside agriculture and the governmental sector are not covered by social security in 2015, against 70% in 2005. According to a study in 2013, this percentage was 63.5% in 2007; see Bellache 2013.

⁵¹ 25% of total employment. Two thirds work in urban areas. This percentage complies with Fortuny & Al Hussein 2010.

⁵² It was 95% in 2005.

⁵³ Algeria's watch report, Monzer Lassassi and Khaled Menna 2016, indicates an increase in the job opportunities created by the National Employment Agency from 180 thousand in 2010 to 308 thousand in 2014. The difference may be due to that ILO's statistics are for net job opportunities, i.e. considering those who leave their jobs for retirement or end of employment. The job opportunities indicated by the National Employment Agency are only for waged labor. In this context, subsidized labor contracts, in which the government stimulates employment, constitute only 10% of all the created job opportunities.

⁵⁴ For this table, the estimations of informal employment (not covered by social security) were considered as 70% for own-account employment, 70% for employers, and 95% for household labor, in line with the information in Bellache 2010 and Bellache 2013. This gives a share of 24% for informal waged workers and 61% for those who work outside government.

is own-account employment. This is while noting the low official estimates of household labor (4% in 2015) and their contradictory figures between references⁵⁵.

| Table 3.4 The shares of informal employment categories in Algeria (% of total employment) | | | | | | | | | |
|---|------------------------------|--------|-----------|--------|---------------------|--------------|--------|-------------------------|--------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | |
| | Own-account workers | | Employers | | Contributing Family | Wage workers | | Members of cooperatives | |
| | Informal | Formal | Informal | Formal | Informal | Informal | Formal | Informal | Formal |
| Formal sector enterprises | | | | | | 16,8% | | | |
| Informal sector enterprises | 17,5% | | 2,8% | | 1,4% | | | ? | |
| Households | | | | | | | | | |

Finally, the Algeria watch report indicates that working children make up less than 0.5% of the total labor force, and that the National Foundation for Health Progress and Research Development has estimated the number of working children between 250 and 300 thousand. UNICEF gives estimations at about 340,000 children (3% of the labor force), including 166,000 females, or 7% of female labor force! Thus, due to the low participation of women in the labor force, child labor is a real problem of a gender nature.

The contribution of the informal sector to GDP is estimated at 42.9% in 2015⁵⁶, while its contribution to non-agricultural GDP in 2012 was estimated at 30.4%⁵⁷.

The case of Morocco⁵⁸

Morocco ranks second in new demands for employment in the Maghreb countries. Its labor force increase annually by 1.2%, compared to 2.2% in Algeria. Of course, rural-urban migration and outgoing migration play an important role in this difference. The total number of workers in Morocco exceeded

| Table 3.5 Distribution of employed following Status in Maghreb Countries (as % of Total Employed) | | | | |
|--|---------|---------|------------|---------|
| Ditsribution of employed | Morocco | Algeria | Mauritania | Tunisia |
| Wage Workers | 45,0% | 69,8% | 27,8% | 77,8% |
| Government employees | 8,7% | 42,1% | 10,8% | 18,0% |
| Own-account workers | 27,7% | 25,0% | 54,6% | 20,8% |
| Employers | 2,5% | 4,0% | ? | ? |
| Contributing Family Workers | 22,0% | 2,0% | 17,6% | 1,3% |
| Trainees | 0,5% | ? | ? | ? |
| Other Categories | 2,3% | 0,0% | | |
| Agricultural Workers | 38,9% | 8,3% | 18,8% | 15,4% |

in 2015 that of Algeria (11.1 million, or 49% of the 15-64 years old population, compared with 42% for Algeria). Women's participation and the number of female workers is much higher in Morocco than in Algeria (2.9 million are employed versus 1.9 million, while 1.9 million Moroccan women are in agriculture compared to only 0.9 million Algerian women). Thousands of illegal African workers are also present in Morocco, especially as the government began to settle their situation in 2014, and counted in that year alone 24,000 settlement requests.

⁵⁵ Bellache 2013

⁵⁶ Estimations based on the calculations of monetary mass, see Othmane & Mama 2016; these estimations are similar to those of the World Bank

⁵⁷ Charnes 2012.

⁵⁸ It should be noted that Morocco's official data include that of Western Sahara, as opposed to United Nations data, which report the Sahara separately.

Thus, Morocco's⁵⁹ employment characteristics differ significantly from those of Algeria, both in the much smaller proportion of government employment, and therefore in waged employment, in the large share of agricultural employment⁶⁰, or in the large proportion of household aid workers⁶¹. Thus, the characteristics of informal labor vary considerably between the two countries. It is noteworthy that job opportunities created in Morocco have also exceeded the demand in 2006-2010 by 30%, and then declined below the demand for employment by 18% in 2011-2015.

Officially, 80%⁶² of the employed were not covered in 2012 by social security in Morocco⁶³ (or 67% of those not working in agriculture and 86% of those who do not work in the government sector), and 10% of them were considered poor. 83% of working women were informal (90% of female employment excluding government sector), 56% of urban female workers and 99% in rural ones⁶⁴. 64% of waged workers do not have employment contracts, especially in the private sector (70%). Thus, the approximate general picture of the informal employment in Morocco⁶⁵ (percentages of total employment) is shown in table 3.6.

| Table 3.6 The shares of informal employment categories in Morocco (% of total employment) | | | | | | | | | |
|---|------------------------------|--------|-----------|--------|---------------------|--------------|--------|-------------------------|--------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | |
| | Own-account workers | | Employers | | Contributing Family | Wage workers | | Members of cooperatives | |
| | Informal | Formal | Informal | Formal | Informal | Informal | Formal | Informal | Formal |
| Formal sector enterprises | | | | | | 22,0% | | | |
| Informal sector enterprises | 25,5% | | ? | | 22,0% | 7,7% | | 2,3% | |
| Households | | | | | | | | | |

Almost two thirds of waged workers (58%) are informal, the majority of whom (73%) in urban areas. However, the share of waged labor in agriculture (888 thousand workers) is significant. Official statistics indicate also that a proportion of waged workers in the public services are informal⁶⁶. Most of the contributing family workers are unwaged and work in rural areas⁶⁷. Own-account workers are distributed between urban (44%) and rural (56%) areas, and are active with few wage earners in more than 1.55 million informal enterprises⁶⁸. The contribution of the informal sector formed by these enterprises to GDP was estimated at 42.9% in 2015⁶⁹ (to be compared with 14% and 17% in official statistics).

Comparatively with Algeria, Morocco has a much more informal workforce with regard to waged workers, even if the government sector is not accounted for. It has also a larger size of informal own-account and contributing family workers.

⁵⁹ Data are taken from official statistics HCP 2014, in addition to Morocco's report, Fawzi Boukhraiss, 2017

⁶⁰ According to Fawzi Boukhraiss, 2017, the share of agricultural work in Morocco was 43.4% in 2006 and 39.8% in 2011.

⁶¹ This is in spite of some doubts about the low official numbers of households aid workers in Algeria

⁶² Official data according to MEAS 2014-b. It is worth noting here the huge difference between these official data and what is documented by ILO, see above paragraph 2.8

⁶³ <http://blog.ojraweb.com/protection-sociale-au-maroc-74-millions-de-personnes-sans-retraite/>

⁶⁴ MEAS 2014-b

⁶⁵ For this table, estimations were used according to MEAS 2014-b.

⁶⁶ MEAS 2014-b

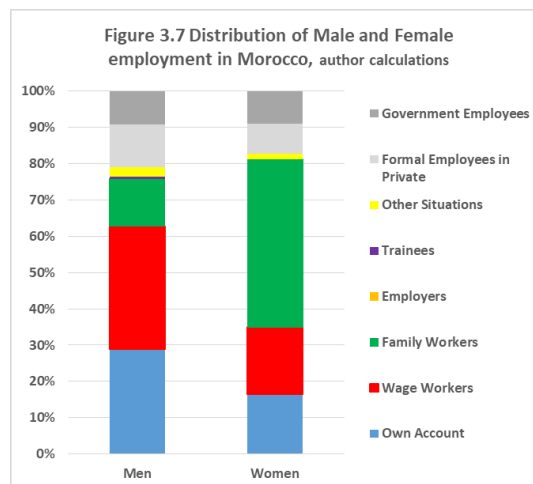
⁶⁷ The Moroccan labor surveys do not independently monitor waged household labor, i.e. domestic female workers, although the phenomenon is very common in Morocco. They may have been integrated into waged employment in the informal sector.

⁶⁸ According to official statistics for 2007, see MEAS 2014-a.

⁶⁹ Estimations as per the calculations of the monetary mass, see Othmane & Mama 2016; these estimations are similar to those of the World Bank.

The role of the contributing family workers is even more spectacular when comparing the distribution of informal employment between women and men⁷⁰. This type of unwaged labor constitutes almost half of the informal, mostly rural, female employment and represent one of the most significant problems (figure 3.7).

Concerning child labor, the Morocco's watch report indicates that the High Commission for Planning accounts that 1.5% of children between 7-14 years were working (69 thousand in total) in 2014, compared to 9.7% in 1999. This is while UNICEF is still documenting this figure at an average of 8% for 2009-2015. This issue is subject to arguments and struggles made by civil society organizations, as some of which indicate that 600 thousand children are still working in Morocco⁷¹ (!).



The case of Mauritania

The annual demand for labor in Mauritania⁷² does not represent a large part of total demand in the Maghreb countries. However, Mauritania has the highest annual growth rate of the labor force (2.9%⁷³ annually in the last decade, including 3.3% for the female labor force). The proportion of young people to the total population remains high (34%), while outgoing migration rates are weak, sometimes even reversed, as Mauritania receives immigrants and refugees⁷⁴. Total employment makes up 44% of the population aged 15-64 (27% for women), only 6% of whom are waged. In contrast with Algeria and Morocco, Mauritania has not experienced a recent period in which job offers have surpassed demand. Most of these offers remained informal and covered only about 90% of the demand.

Thus, official statistics estimated Mauritania's informal employment⁷⁵ in 2014 at 86.4% of the total⁷⁶. It is then the main engine of the economy. 43% of the employed are poor, especially the aged. Young people aged 20-30 years constitute 57.5% of informal sector employment, what helps lifting them out of poverty and create job opportunities for the large numbers of newcomers to the labor force. The civil service constitutes 10.8% of employment, while the private sector employs only 4.3%. The remaining formal employment is in public or mixed companies. Mauritania surveys observe also that 35.9% of employment is precarious and unsustainable.

Thus, the general overview of the informal employment in Mauritania⁷⁷ (percentages of total employment) is shown in figure 3.7, accounting for 85% of the total employment and 95% of

⁷⁰ Based on HCP 2013 data.

⁷¹ <https://www.youtube.com/watch?v=V3rhH-0aHxo>

⁷² One of the specificities of Mauritania is that 52% of the population are women.

⁷³ According to ILO data.

⁷⁴ Fah 2010; Poutignat & Streiff-Fénart 2014.

⁷⁵ Despite the magnitude of this percentage, official surveys do not make clear whether there is in addition informal employment in the formal sector, private or public. Data are not broken down by gender. Nevertheless, it will be assumed that this percentage is for the total informal employment.

⁷⁶ ONS Mauritanie 2014

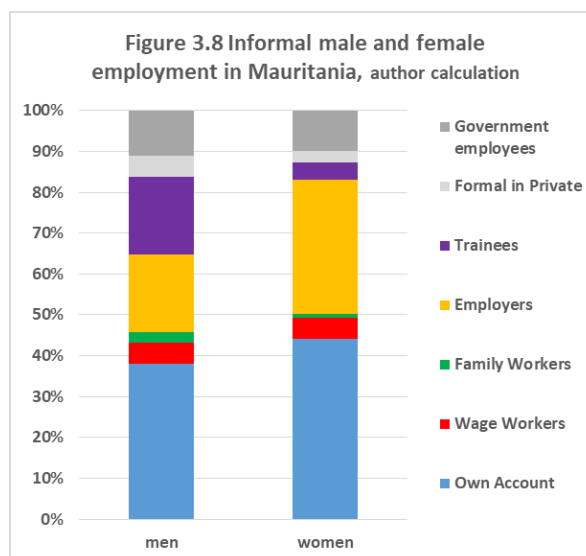
⁷⁷ For this table, estimations used ONS Mauritanie 2014.

non-government workers. This figure rises to 87% for women and 97% for non-government female workers.

| Table 3.7 The shares of informal employment categories in Mauritania (% of total employment) | | | | | | | | | |
|--|------------------------------|--------|-----------|--------|---------------------|--------------|--------|-------------------------|--------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | |
| | Own-account workers | | Employers | | Contributing Family | Wage workers | | Members of cooperatives | |
| | Informal | Formal | Informal | Formal | Informal | Informal | Formal | Informal | Formal |
| Formal sector enterprises | | | | | | 17,3% | | | |
| Informal sector enterprises | 40,6% | | 25,1% | | 1,7% | | | ? | |
| Households | | | | | | | | | |

What distinguishes Mauritania is the larger share of own-account employment, and more of informal employers, as well as the low share of household labor (in comparison with Morocco for example). Also striking is the predominance of women's labor on informal employment⁷⁸ (51% of informal employment at the national level and 63% in rural areas, figure 3.8).

With regard to child labor, the Mauritania watch report documents many cases of child labor, while official statistics mention only an employment rate of 2.7% for children between 10 and 17 years (!). On its side, UNICEF gives 15% for 5-14 years old children. Other official data⁷⁹ indicate that 7.8% of those aged 10-17 are working (39% of them females).



The case of Tunisia

Tunisia has experienced strong growth of demand for labor (1.8% yearly in the last decade); while it has passed the youth wave since decades (youth aged between 15 and 24 represented only 23% of the 15-64 age group in 2015) and that its demographic growth is the weakest in the region (1% annually). However, Tunisia has lived a significant influx of refugees since the events in Libya, turning the migration balance to represent a burden on the country⁸⁰. The employed in Tunisia make up to 44% of those aged 15-64 (only 21% for women⁸¹). However, job offers, which met almost 85% of the needs in 2006-2010, fell to meet only 59% of the needs in 2011-2015⁸², despite a 17% drop in labor demand and the increase in government employment between the two periods. Of course, this is related to the circumstances that Tunisia is going through after its revolution. However, women did not see a real difference between the two periods. Job opportunities remained at half the level of demand, especially as the growth of their labor force was sustained (1.9% annually).

⁷⁸ ONS Mauritanie 2014.

⁷⁹ ONS Mauritanie 2014.

⁸⁰ However, available surveys, including the last one conducted in 2014, do not allow monitoring migrant labor in Tunisia.

⁸¹ 28.6% in other estimates, compared to 71.4% for men, with 22.2% unemployment for women versus 11.4% for men, see Karim Traboulsi 2016.

⁸² ILO data and also CRES 2016.

Tunisia's social security system is the most advanced in the Maghreb countries and in the Arab world in general, covering even agricultural workers, whether independent or waged (agricultural labor accounts for 15.7% of total employment). The official surveys estimated that the proportion of workers who were not covered by social security in Tunisia was in 2014 between 32% and 35% (32.5% for women compared to 35.5% for men⁸³, table 3.8), of whom 46% are waged workers. It is worth noting that there is still a large gap in social security coverage in the agricultural sector, reaching 63%. Moreover, 60% of men younger than 40 years and 80% of women work informally⁸⁴. Thus, the share of informal employment outside the government and the public sector is 43% and 37% if agriculture, government and public sector are excluded. The approximate general picture of informal employment in Tunisia⁸⁵ is as in table 3.8. However, as in the case of Mauritania, the share of migrants in informal employment and their working conditions are not documented.

| Table 3.8 The shares of informal employment categories in Tunisia (% of total employment) | | | | | | | | | |
|---|------------------------------|--------|-----------|--------|---------------------|--------------|--------|-------------------------|--------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | |
| | Own-account workers | | Employers | | Contributing Family | Wage workers | | Members of cooperatives | |
| | Informal | Formal | Informal | Formal | Informal | Informal | Formal | Informal | Formal |
| Formal sector enterprises | | | | | | ? | | | |
| Informal sector enterprises | 17,1% | | ? | | | 7,1% | | 2,3% | |
| Households | | | | | | 9,3% | | | |

The size of the informal economy in Tunisia was estimated in 2013 at 38% of GDP⁸⁶, up from 34% before the revolution.

The labor market experienced many changes lately, especially in the period following the Tunisian revolution. The share of informal employment increased in the last decade, after being only at 30% in 2004. However, it increased only for men, and declined significantly for women. Labor force surveys showed also a decline in own-account employment for men and an expansion in this regard for women. In contrast, waged informal labor increased for men, but almost disappeared for women⁸⁷. Of course, these changes are the result of large increases in government employment since the revolution, as well as the general economic recession that followed.

Overview of Maghreb countries

The situation of informal employment varies greatly between Maghreb countries, both in terms of its total size or in the distribution among its categories or in its gender characteristics. It is clear that these differences come first from the size of agricultural labor and government employment, but they are also due to other factors related to the extent of the institutional spreading of social security in the country. What is worth noting, if we compare the Maghreb countries and Bahrain (figure 3.9), is the important size of own-

⁸³ Karim Traboulsi 2016, based on the data of the 2014 survey for the highest estimations and CRES 2016 for the lowest estimations.

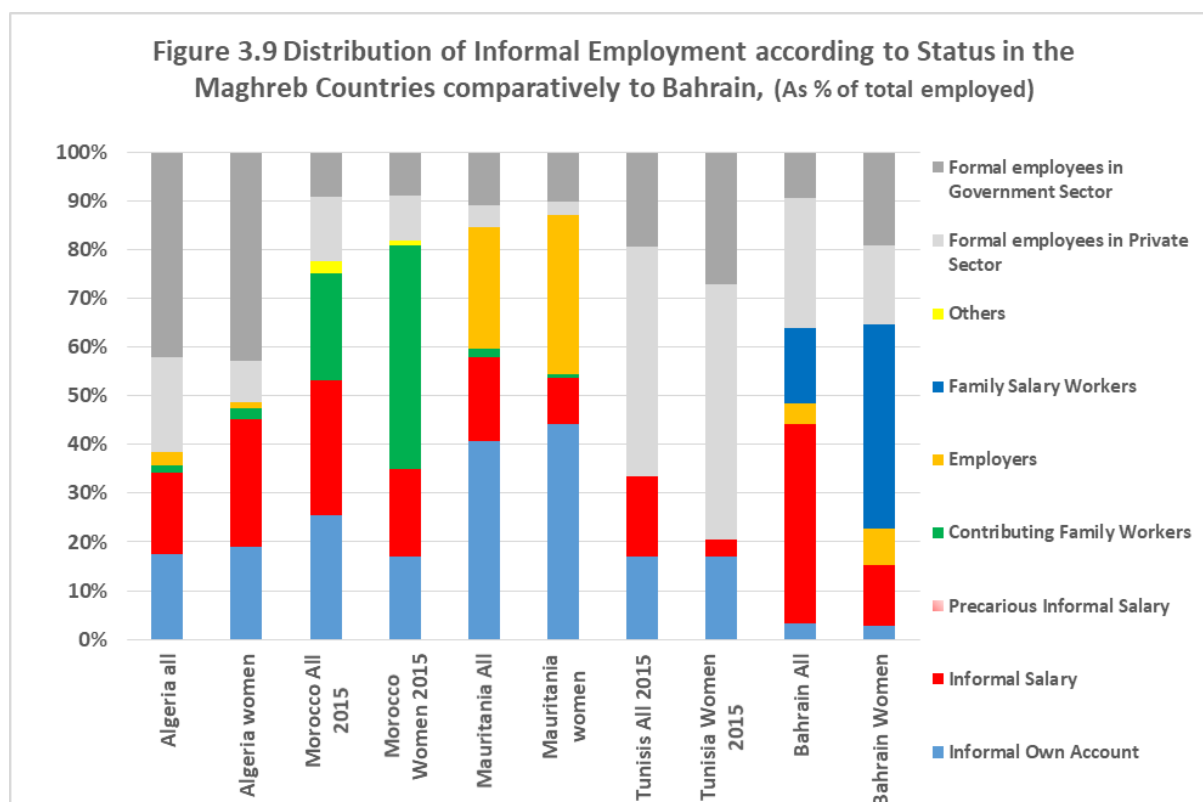
⁸⁴ CRES 2016.

⁸⁵ For this table, estimations were made using CRES 2016.

⁸⁶ Karim Traboulsi 2016.

⁸⁷ According to the results of the last survey in 2014. However, significant discrepancies were observed in informal employment data between this survey and the previous one, as well as with social security data. See CRES 2016.

account employment and the low level of household labor⁸⁸. Aside from the case of Tunisia, women are likely to be more informal than men are.



3.3 Informal employment in the Nile Valley countries

Nile Valley countries were covered by two watch reports on Egypt and Sudan (North). The total population of these two countries reached 132 million in 2015. Their population growth rates are close (2.2% per year), while this growth is expected to decline in Egypt and increase in Sudan, precisely because the rates of outgoing migration from the latter will decrease from their current high levels, 0.4% per year, to normal levels prevailing in Egypt, 0.05%. In fact, migrations have greatly affected the characteristics of employment in Sudan, especially during the civil war and after the separation from South Sudan.

The characteristics of the "youth bulge" differed between the two countries and with other Arab countries. Egypt has witnessed it flat for several decades (from the 1960s until 2010). In Sudan, it was more acute and for a longer period than in Egypt (the percentage of the 15-24 years old population to the 15-64 years old was still at 36% in 2015). Nile Valley countries are characterized (with Yemen alone) by the fact that the majority of the population is still living in rural areas, 57% in Egypt⁸⁹ and 66% in Sudan, although the latter is seeing an acceleration of rural-urban migration. Both countries are not experiencing any significant improvement in the participation to the labor force, especially for women (25% for Egypt and 22% for Sudan). However, the participation of Sudanese men has declined since 1990 (from 82% to 76% in 2015).

⁸⁸ With the exception of Morocco, where it is not clear if the waged household labor is included in the contributing family work (see Morocco's paragraph above).

⁸⁹ Although there is much debate about the meaning of being statistically rural in Egypt, as most of the villages have become very large communities.

The total annual number of newcomers to the labor force in the two countries reached 910 thousand in 2006-2010, and then fell to 861 thousand in the following period. This decline is due to Egypt, while the number of newcomers in Sudan increased by 34%.

UNICEF detected levels of child labor (5-14 years) at 7% in Egypt and 25% in Sudan, making the latter the worst case among the Arab countries after Somalia.

The case of Egypt

| Table 3.9 Distribution of employed (men and women) in Egypt as for status in jobs | | |
|--|--------------------------|---------------------------------|
| ELMPS 2012 | % of all employed | % of informally employed |
| Government services | 26% | ? |
| Public sector | 4% | ? |
| Wage regular work in private sector | 11% | |
| Wage regular work in informal sector | 15% | 25% |
| Irregular wage work | 17% | 29% |
| Contributing family workers outside agriculture | 2% | 3% |
| Contributing family workers in agriculture | 5% | 8% |
| Own-account workers outside agriculture | 8% | 14% |
| Own-account workers in agriculture | 2% | 3% |
| Employers | 10% | 17% |
| Total employed | 100% | |
| Total informally employed | 59% | 100% |

The offer of job opportunities in Egypt almost met demand in 2006-2010, and then declined to less than half of the demand in 2011-2015, despite the shrinking of this demand for more than 20% overall and 50% for women. This is due of course to the repercussions of the Egyptian revolution and the developments that followed. The overall growth of the labor force has remained at the level of population growth over the past decade, at 2.3% per year in total, but has increased to 2.9% per year for women, and so the proportion of workers aged 15-64 years reached 47% (only 19% for women). Thus, the number of male workers in Egypt reached in 2012 about 24 million, while there were only about 4 million female workers.

The estimates of the contribution of the informal sector to the GDP in Egypt are highly variable, ranging between 35% and 68%⁹⁰. It is also difficult to have a clear idea of the size of informal employment, despite the existence of important research centers in the country. An analysis of labor conditions found that the percentage of such informal employment was estimated at 59% at least in 2012, in comparison with 53% in 1998, based on the ELMPS surveys conducted in these two years⁹¹ (see table 3.9). However, it is not clear if all permanent waged workers (i.e. those who are not in precarious conditions, seasonal or temporary, in the private or public sector) benefit from health or social security or have employment contracts⁹², knowing that a significant part of waged workers in the government sector are informal⁹³. Reports from the National Organization for Social

⁹⁰ Kassem 2014, Schneider, Buehn, Montenegro 2010.

⁹¹ Kassem 2014.

⁹² 45% of them work in enterprises having less than 4 workers.

⁹³ See Egypt's watch report, Reem Abdel Halim & Saud Omar 2017

Insurance, the Health Insurance Organization or the Ministry of Social Solidarity do not help clarifying the picture⁹⁴ more for the employees who benefit from health insurance, other than that health services cover 58% of the population⁹⁵.

Studies⁹⁶ have estimated informal employment in the non-agricultural sector at 61% (what means almost 68% of total employment and that most of the waged permanent employment in the private sector is informal), indicating that 91% of the youth labor is informal, although most of it is in the formal sector!

| Table 3.10 Distribution of women employed in Egypt as for status in jobs | | |
|---|--------------------------|---------------------------------|
| ELMPS 2012 | % of all employed | % of informally employed |
| Government services | 49% | ? |
| Public sector | 3% | ? |
| Wage regular work in private sector | 7% | |
| Wage regular work in informal sector | 7% | 18% |
| Irregular wage work | 2% | 6% |
| Contributing family workers outside agriculture | 3% | 8% |
| Contributing family workers in agriculture | 15% | 36% |
| Own-account workers outside agriculture | 8% | 20% |
| Own-account workers in agriculture | 2% | 4% |
| Employers | 3% | 7% |
| Total employed | 100% | |
| Total informally employed | 41% | 100% |

Other studies⁹⁷ have shown that the share of vulnerable waged labor out of total employment has doubled between 2006 and 2012 due to the implications of the recent developments (from 8% to 17% of total employment). This vulnerable waged labor is the most closely related to poverty. 79% of first jobs for young people are informal opportunities, compared with only 15% for young women, the majority of whom remain unemployed without engaging in informal labor⁹⁸. Thus, waged labor prevails over informal labor in Egypt (because it is the predominant characteristic of male labor), with many pending questions on the monitoring of the widespread labor in the household sector (house cleaners, gatekeepers, etc.) that seems not covered by surveys.

The informal labor rate for women is only 41% of total female employment (see table 3.10), much lower than for men, with 52% of the working females employed in the government and public sector. A remarkable study⁹⁹ has analyzed women's informal employment in Egypt, noting that the informal sector does not even provide women with the informal job opportunities provided to men, making household employment their only refuge. Unemployment affects officially 24.7% of men and 9.1% of women, despite the low participation rate of women. Most private sector enterprises require that applicants be men. There is also a large gap between the wages of men and women, in addition to the lack of specific women's social protection (paid maternity leave, etc.) in job opportunities. The

⁹⁴ It indicates that 8.5 million are insured, including 3 million who are waged (i.e. only 13% of total employment) and 5.5 million benefitting from this insurance.

⁹⁵ <http://www.hio.gov.eg/Ar/covers/Pages/Charts4.aspx>

⁹⁶ Kolster 2016.

⁹⁷ Assaad & Craft 2013.

⁹⁸ 52% of female workers work for the government and the public sector.

⁹⁹ Salwa Antari and Nafissa Dassouki 2015.

study also showed a significant difference between the regions in terms of women's household labor: 1.1% and 8% in Greater Cairo, Alexandria and the Canal, respectively, compared to 51.4% in Rural Upper Egypt, with an increase in the share of household labor for women since 1998 and a decrease for men. Therefore, Upper Egypt accounts for 63% of household labor for women, especially in agriculture.

An official survey conducted in cooperation with the ILO¹⁰⁰ in 2010 estimated that 4% of Egyptian children between 5 and 11 years were working, as well as 13.3% of those between 12 and 14 years. The majority of this child labor was for males (one-third for unpaid contributing family labor, especially in the agricultural sector and one-third for waged labor). The share of females is less than one-third (83% of it being household work and agricultural labor).

Thus, the overall picture of Egypt's informal employment is shown in table 3.11, dominated by waged labor. Informal labor outside agriculture amounts to 50%, and to 79% outside agriculture, government and public sector! The situation is very different for women, where contributing family employment is predominant (table 3.12), and women's informal labor outside agriculture amounts to 26%, and to 74% outside agriculture, civil service and the public sector.

| Table 3.11 The shares of informal employment categories in Egypt (% of total employment) | | | | | | | | | |
|--|------------------------------|--------|-----------|--------|---------------------|--------------|--------|-------------------------|--------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | |
| | Own-account workers | | Employers | | Contributing Family | Wage workers | | Members of cooperatives | |
| | Informal | Formal | Informal | Formal | Informal | Informal | Formal | Informal | Formal |
| Formal sector enterprises | | | | | | | | | |
| Informal sector enterprises | 10,0% | | 10,0% | | 7,0% | 32,0% | | ? | |
| Households | | | | | | | | | |

| Table 3.12 The shares of women informal employment categories in Egypt (% of total women employment) | | | | | | | | | |
|--|------------------------------|--------|-----------|--------|---------------------|--------------|--------|-------------------------|--------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | |
| | Own-account workers | | Employers | | Contributing Family | Wage workers | | Members of cooperatives | |
| | Informal | Formal | Informal | Formal | Informal | Informal | Formal | Informal | Formal |
| Formal sector enterprises | | | | | | | | | |
| Informal sector enterprises | 10,0% | | 3,1% | | 18,3% | 9,8% | | ? | |
| Households | | | | | | | | | |

The case of Sudan

Sudan lived a long civil war between 1983 and 2005 when a peace agreement was signed between the combatants that led to the independence of South Sudan in 2011.

The growth rate of the labor force in Sudan (2.9% per year) exceeds the pace of population growth. The country is still in the midst of the youth bulge with an acceleration of rural-urban migration. The employed constitute 41% of the 15-64 aged population (only 19% of women)¹⁰¹. Remarkably, employment opportunities for women have doubled between 2011

¹⁰⁰ CAPMAS & ILO 2012-a.

¹⁰¹ MHRDL 2013.

and 2015 in comparison with the previous period, but the demand for women's employment has also doubled and women's opportunities remained unmet.

The last labor force survey ¹⁰² conducted in 2011 estimated that 74% had no health insurance among the employed, presently or in the past¹⁰³, 80% had no social security, and 70% had no protection against work hazards. This is while workers in the government and public sector account for 20% of all employed, and 44.6% are working in agriculture. The survey also provided data on the distribution of informal labor across Sudan, with the most severe conditions in South Darfur and the best in Khartoum.

Thus, the overall picture of informal employment in Sudan, as in figure 3.13, shows an informal labor rate reaching 77% (82% if the government sector is excluded).

| Table 3.13 The shares of informal employment categories in Sudan (% of total employment) | | | | | | | | | |
|--|------------------------------|--------|-----------|--------|---------------------|--------------|--------|-------------------------|--------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | |
| | Own-account workers | | Employers | | Contributing Family | Wage workers | | Members of cooperatives | |
| | Informal | Formal | Informal | Formal | Informal | Informal | Formal | Informal | Formal |
| Formal sector enterprises | | | | | | | | | |
| Informal sector enterprises | 39,2% | | 4,9% | | 12,1% | 20,9% | | ? | |
| Households | | | | | | | | | |

The survey also showed that 30% of the employed live below the poverty line¹⁰⁴, and that 51% of them work in precarious and unstable situations (65% of working women). 13.3% of children aged 10-14 are also in the labor force, especially those living within the nomadic tribes or in the peasantry, this means that around 230 thousand children at these ages are working (especially males). The older 2008 survey¹⁰⁵ had showed that children account for 7% of the labor force in Sudan, with about 800,000 workers, often in rural occupations and as domestic workers.

Overview of Nile Valley countries

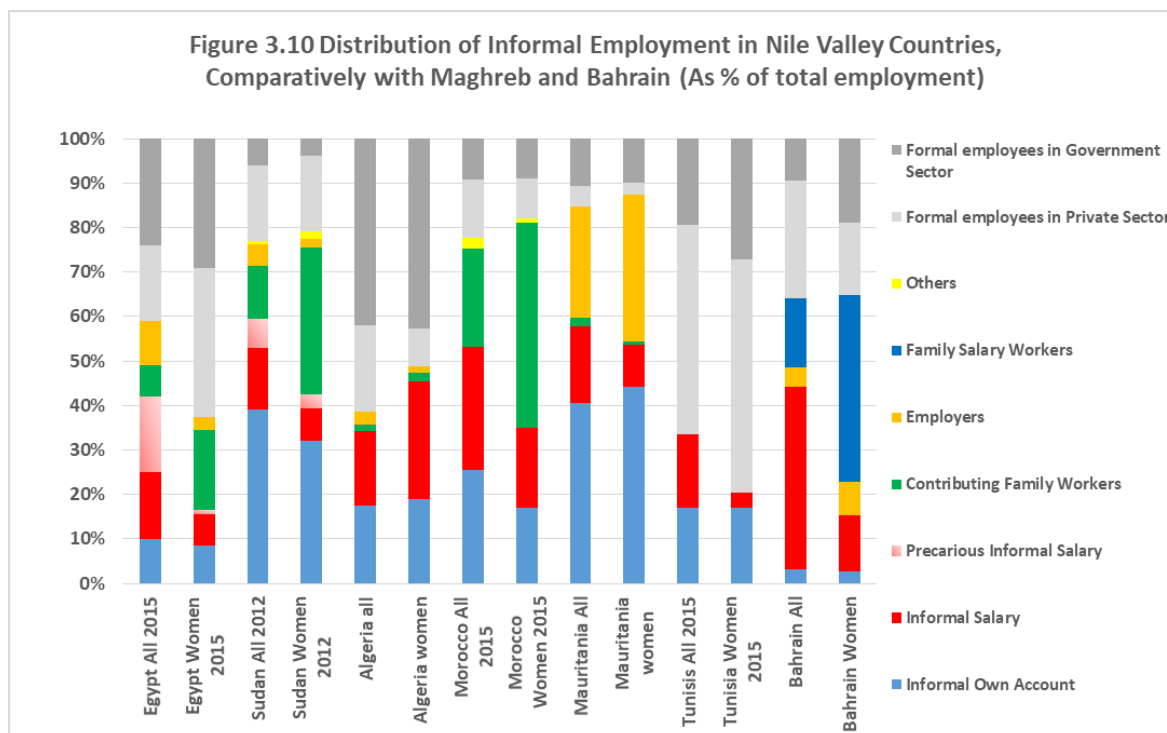
The characteristics of Informal employment in Sudan are similar to those of Morocco (figure 3.10); with a greater role for own-account employment and less for unwaged contributing family labor. Egypt on its side is characterized by a weak share of female informal labor, but with a major difference with Tunisia where women's economic participation rates are high.

¹⁰² MHRDL 2013.

¹⁰³ Their number exceeds the current number workers by 18%. These percentages shall be adopted here for the informal employment.

¹⁰⁴ US\$ 1.25 USD per capita, according to the definition of the Sustainable Development Goals.

¹⁰⁵ Hassan Ahmad Abdel Ati and Ashraf Othman Mohammad el Hassan 2016.



3.4 Informal employment in the Mashriq Countries

With 69 million people in 2015, The Mashriq countries (Iraq, Jordan, Lebanon, Palestine, Syria and Yemen) account for 18% of the Arab population. All these countries, except for Lebanon, have recently experienced active demographic growth, between 2.5% and 2.8% annually. Then the invasion of Iraq threw hundreds of thousands of immigrants in Syria and Jordan, and displaced a large part of the population in Iraq. This was followed by the vicissitudes of the Arab Spring and the wars which again resulted in hundreds of thousands of Syrian refugees in the neighboring countries (about a quarter of the population), emptying most of the Syrian countryside. This came in addition to the devastation caused by these wars and the inability of the hosting countries to absorb the large numbers of asylum seekers. Yemen also experienced its war but most of its effects remained demographically at the internal level. Thus, after the major crises of Palestinian population displacement, all the inhabitants of Mashriq countries experienced severe demographic conditions, radically changing their economic activities and the conditions of their labor force.

All these countries have observed the "youth bulge" with a population aged 15-24 years above 30%, up to 40% in Yemen. This was here too apart from Lebanon, which had lived this bulge prior to its civil war in the early 1970s. Rural-urban migration is also accelerating in Mashriq countries, with the exception of Lebanon and Jordan, where urban population has already exceeded 80% of the total since decades, while for example 66% of the Yemenis remain rural. However, internal migrations accelerated with wars in most countries and rural areas emptied in many cases. Outgoing migration from these countries has also accelerated, outside the region, not only to work in Gulf States, but also in the form of massive influx of refugees to Europe in particular. Thus, the wave of Syrian emigration to Europe brought

attention due its very large size in 2015 and to its repercussions, without mentioning the less continuous waves from Iraq, Yemen, Palestine (especially the Gaza Strip) and even from Lebanon.

The analysis of informal labor in the Mashriq countries allows for following up on the effects of war, of major vicissitudes, of intensive migrations for work and of informal labor. Each aspect requires specialized studies necessary at least to explore the most effective ways for reconstruction, in particular the reconstruction of the economic activities and the labor force.

The case of Iraq:

Iraq has known successive bloody wars since the late 1960s. Among Mashriq countries, its economy is the most based on oil revenues, which in 2013 accounted for about 46% of GDP and 91% of the government budget. Agriculture has declined significantly in Iraq, with its share of GDP decreasing from 18% in the 1960s to 5% today, and its share of employment from 32% to 8% (28% for women). Today, less than 30% of the population lives in rural areas. Iraq also suffered from large internal displacement waves, especially during the civil war in 2006 and 2007, which was later exacerbated by the emergence of ISI (*Islamic State in Iraq and Syria*).



The Iraqi private sector, with all its components, contributes only for 25% of the GDP, meaning that the other three quarters come from government activities. In fact, after the invasion of Iraq in 2003, many civil servants were laid off, and then government employment has increased dramatically. Today, waged work in the government and the public sector accounts for more than 40% of all employed (and more than 50% of employed females)¹⁰⁶. On its side, the latest household survey found that 53% of Iraqis work for the government (50.5%) and the public sector (2.9%)¹⁰⁷! Remarkably, the household surveys showed that only 46% of the employed aged 15 and above were covered by pension and social security systems. This means that informal employment in Iraq amounts to almost 55% of employment, and that part of government and public sector workers remain informal¹⁰⁸.

¹⁰⁶ Iraq' watch report, Hanaa Abdel Jabbar Saleh 2016.

¹⁰⁷ 10 years old or more; see Iraq household survey 2012, especially following the large recruitment campaigns after the invasion.

¹⁰⁸ What is clearly observed by Iraq's watch report.

Wars have exacerbated poverty, which in 2014 reached¹⁰⁹ 23% of the population, although the country has the world's third largest oil reserves. The contribution of the informal sector was estimated at 19% of GDP and therefore at 65% of the private sector's added value. Of course, this low contribution of the informal sector is due to the dominance of oil on the domestic product.

It is also remarkable in Iraq that the labor force and household surveys showed a decline in economic participation among young people (15-24 years), especially as the participation of young women has declined to a half. This should be linked with the decrease of the unemployment rate of young men from 30% in 2008 to 17% in 2014, and the increase of the unemployment rate of young women from 30% to 47%¹¹⁰. It indicates in particular a strong discouragement of women's labor, mostly because of the repercussions of the security circumstances in the country. This was accompanied by an increase in the share of informal employment for youth groups, 96% for the 15-19 years old (with an economic participation rate of 18%) and 80% for those between 19 and 25 (with an economic participation rate of 42%). Informal employment is the highest in the governorates of Najaf (70%), Nineveh (67%), Karbala (61%) and Muthanna (60%), but remains low in the governorates of Sulaymaniyah (43%) and Erbil (44%).

Thus, the general picture of informal employment in Iraq is shown in table 3.14¹¹¹ (in 2012 before the spreading of ISIS); it amounts to 52% of total employment, and to 88% out of government sector.

Table 3.14 The shares of informal employment categories in Iraq (% of total employment)

| Type of production unit | Jobs by Status in Employment | | | | | | | | |
|-----------------------------|------------------------------|--------|-----------|--------|---------------------|--------------|--------|-------------------------|--------|
| | Own-account workers | | Employers | | Contributing Family | Wage workers | | Members of cooperatives | |
| | Informal | Formal | Informal | Formal | Informal | Informal | Formal | Informal | Formal |
| Formal sector enterprises | | | | | 0,8% | 1,6% | | | |
| Informal sector enterprises | 11,1% | | 2,7% | | 3,0% | 32,4% | | 0,1% | |
| Households | | | | | | | | | |

Table 3.15 The shares of Women informal employment categories in Iraq (% of total Women employment)

| Type of production unit | Jobs by Status in Employment | | | | | | | | |
|-----------------------------|------------------------------|--------|-----------|--------|---------------------|--------------|--------|-------------------------|--------|
| | Own-account workers | | Employers | | Contributing Family | Wage workers | | Members of cooperatives | |
| | Informal | Formal | Informal | Formal | Informal | Informal | Formal | Informal | Formal |
| Formal sector enterprises | | | | | | 5,2% | | | |
| Informal sector enterprises | 2,4% | | 0,6% | | 12,9% | 26,7% | | 0,1% | |
| Households | | | | | | | | | |

In this context, informal workers represent globally 47% of waged workers (which constitute 74% of all employed), 70% of own-account workers (18% of total employment), 53% of the employers (5% of total employment), and all contributing family workers (4%). For the case

¹⁰⁹ Iraq' watch report, Hanaa Abdel Jabbar Saleh 2016.

¹¹⁰ Iraq' watch report, Hanaa Abdel Jabbar Saleh 2016.

¹¹¹ Calculations in Iraq' watch report, Hanaa Abdel Jabbar Saleh 2016.

of women, the overall picture of their informal employment is as shown in table 3.15¹¹², with a total of 48% of all employed and 96% outside the government sector.

Iraqi surveys¹¹³ show yearly numbers of newcomers higher than those documented by the ILO for 2006-2010 (243 thousand per year versus 211 thousand) and less for 2011-2015 (279 thousand versus 321 thousand), although this period saw the displacement of some Syrians to Iraq, especially from northern Syria, knowing that many of them engaged in the labor force¹¹⁴. However, the available surveys do not monitor this migrant labor. In the case of women, the estimations of yearly newcomers in the first period converge (46 thousand per year), but not the decrease in female participation in the next period of 2011-2015 (41 thousand newcomers versus 63 thousand expected by the ILO). Estimates of the number of yearly-created jobs are also close between the two sources. Nevertheless, these numbers did not meet the demand for 2006-2011 and remained at its level in the following period. The estimates show that in all cases, 53% of the newly created jobs are informal.

The phenomenon of child labor¹¹⁵ is also prevalent in Iraq, where the percentage of employed is between 0.6% for children at age 8 and 6.9% for those at age 14. This phenomenon encompass more males (per example 10.5% of those aged 14 years) than females (2.8% of those aged 14). The governorates of Babel (7.1%), Kirkuk (5.5%), Maysan (3.5%) and Wasit (2.6%) have the highest share of working children aged 6-14 years. National surveys report an overall percentage of child labor between 6 and 14 years at 2%¹¹⁶ (to be compared with 5% reported by UNICEF), 3% for males and 1% for females, mostly in rural areas.

The case of Jordan

Jordan has witnessed successive waves of asylum seekers and incoming migration, from Palestine as a result of the Israeli occupation, from Iraq after its invasion and during its civil war, and from Syria since the outbreak of the events there. All of these migrations waves represented a significant share of Jordan's population. Non-naturalized Palestinians still constitute more than 10% of Jordan's population, and 28% of the population are registered as Palestinian refugees at UNRWA¹¹⁷. Iraqi and Syrian refugees came in similar shares in 2007 and 2012-2013

| Table 3.16 Distribution of Employed Jordanians according to Labor Relations (percentage of all Jordanians employed) | | | |
|--|-------|--------|-------|
| | Male | Female | Total |
| Wage Workers | 85,6% | 96,8% | 87,4% |
| whose in public sector | 37,3% | 51,5% | 39,6% |
| whose in formal private sector | 42,4% | 42,6% | 42,5% |
| whose in informal private sector | 5,2% | 0,6% | 4,5% |
| whose in other sectors | 0,6% | 2,0% | 0,9% |
| Employers | 4,9% | 1,3% | 4,4% |
| Own-account workers | 9,2% | 1,7% | 8,0% |
| Contributing Family Workers | 0,1% | 0,0% | 0,1% |
| Non-waged workers | 0,2% | 0,2% | 0,2% |

¹¹² Iraq' watch report, Hanaa Abdel Jabbar Saleh 2016.

¹¹³ Calculations of Iraq's watch report, Hanaa Abdel Jabbar Saleh 2016.

¹¹⁴ Particularly to Kurdistan Iraq.

¹¹⁵ Iraq household survey according to Iraq' watch report, Hanaa Abdel Jabbar Saleh 2016.

¹¹⁶ See Iraq household survey 2012.

¹¹⁷ United Nations Relief and Works Agency for Palestine Refugees.

respectively.

Therefore, it is difficult to obtain clear information concerning informal employment in the country, especially as the results of the labor force surveys and the annual statistical books include detailed data on Jordanian workers only, even before the recent migration waves of Iraqis and Syrians. Even on Jordanians, the published results do not clarify informal employment according to the international criteria. Moreover, the size of the Jordanian informal employment in the formal private sector is not clear (table 3.16)¹¹⁸. The surveys specify only the share of migrants in total employment (equal to 12% in 2014), and detail the shares of the main nationalities (57% for Egyptians and 9% for Syrians, the majority of whom in both cases are males). Paradoxically, the surveys show also that the number of work permits granted to non-Jordanians in 2014 exceeded 29% of the total employment.

In 2012, the Ministry of Planning and International Cooperation, in cooperation with the Economic and Social Council and other international organizations, has published a panoramic study on informal labor based on the 2010 Labor Force Survey¹¹⁹. This study showed that 67.2% of the employed in Jordan are not covered by health insurance, what offers a measure of the size of the informal employment. This same study stated that the proportion of informal employment reaches (only) 44%! Then it continued indicating that 23% of working males and 15% of working females are informal! This is while 73% of Jordanian males and 93% of Jordanian females were in 2010, employed in the formal public and private sectors!!! The share of the informal sector in the economy was estimated between 20% and 26%. Of course, the large discrepancies between all these figures (in one report) and the absence of any reference to non-Jordanian workers (Palestinians, Iraqis and Egyptians at that time) do not allow clarifying the size and the categories of informal employment in Jordan. A year ago, a statistician of the official Department of Statistics criticized the way in which women's economic participation and their informal employment were being curtailed¹²⁰.

In 2015, the ILO conducted a study to analyze the impact of the large numbers of Syrian refugees on the Jordanian labor market¹²¹. The study indicated that 99% of Syrians and 50% of Jordanians are informal. Unemployment has increased in Jordan from 14.5% in 2011 to 22.1% in 2014, and had already risen since the economic crisis of 2008-2010. The study showed that Syrian migrant workers compete with Jordanians in particular in informal labor, but *"the high level of labor informality in the Jordanian economy (50%) can be translated into a widespread non-respect of the minimum wage, thus eliminating the effect of wage difference between Jordanians and migrants"*. This is true in the construction sector. However, the retail trade sector, which is a large employer, has not witnessed a decline in the proportion of Jordanian employment, and new job opportunities have been created with the arrival of new Syrian expatriates¹²² as a result of the investments made by Syrian

¹¹⁸ Jordan Office of Statistics: Jordan's annual statistical book, 2015.

¹¹⁹ MPIC 2012.

¹²⁰ Al-Budirate 2009

¹²¹ Stave & Hillesund 2015 and Errighi & Griesse 2016

¹²² It is remarkable that the results of this unpublished survey do not correspond to the data provided by the ILO, which reduces by half the number of newcomers to the labor force in Jordan between 2006-2010 and 2011-2015. The same applies to the created jobs. In all cases, these statistics show that job opportunities since 2005 have not met the demand for employment. **The labor force in Jordan has grown in the last decade at an average rate of 3.4% per year, one of the highest rate in the Arab countries.**

businessmen in Jordan. The study also shows that only 10% of Syrians have work permits, without explaining the size of this employment compared to the Jordanian labor force and non-Syrian migrant workers.

Based on these data, it is possible to draw a rough picture, taking as a fact that informal labor constitutes 50% of the employment of Jordanians (without taking into consideration the 67.2% figure of whom stated as not covered by health insurance), that 55% of Jordanian workers and non-Syrian migrants (12%) active in the private sector are informal, and that Syrian immigrants constitute 20% of the total employment. Thus, the overall picture of informal employment in Jordan, as a percentage of the total employment (of Jordanians and non-Jordanians), is as in table 3.17. The total informal employment in Jordan would reach 57%, and 81% if government sector is excluded, while it counts for 30% of employment. Of course, this rough estimate does not take into account, for example, the contributing family workers among refugees.

| Table 3.17 The shares of informal employment categories in Jordan (% of total employment) | | | | | | | | | | | | | |
|---|------------------------------|----------|--------|------------|----------|--------|--------------|----------|--------------|----------|--------|-------------------------|----------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | | | | | |
| | Own-account workers | | | Employers | | | Contributing | | Wage workers | | | Members of cooperatives | |
| | Informal | | Formal | Informal | | Formal | Informal | | Informal | | Formal | Informal | |
| | Jordanians | Migrants | | Jordanians | Migrants | | Jordanians | Migrants | Jordanians | Migrants | | Jordanians | Migrants |
| Formal sector enterprises | | | | | | | | | 25,3% | 5,0% | | | |
| Informal sector enterprises | 6,0% | 1,2% | | 3,2% | 0,0% | | 0,1% | 0,0% | 3,4% | 12,5% | | ? | ? |
| Households | | | | | | | | | ? | | | | |

It is worth noting that all reports agree that the rate of informal employment for women (26.7%) is much lower than for men, due to women's low participation in the labor force (between 12% and 14%, the lowest among Arab countries) and their preference for the government sector (52% of female workers) or the formal private sector. If the government sector is excluded, the proportion of informal female workers would be 55%. It has increased slightly with the female Syrian refugee workers.

On the other hand, UNICEF only detects 2% of working children between 6 and 14 years of age. Jordan's watch report pointed out that the Department of Statistics had estimated the percentage of working children in 2010 at 33%, while the estimates of civil society organizations (CSO's) reached 50 thousand children. Child labor has increased significantly with the Syrian refugee crisis, with reports indicating that 47% of Syrian refugee families depend on the income of their children¹²³. Other estimates indicate also that between 30 and 100 thousand Syrian children have joined the labor force¹²⁴. Two recent studies detailed child labor in Jordan, whether Syrian, Palestinian or Jordanian¹²⁵, indicating the importance of the phenomenon.

The case of Palestine

In spite of occupation, fragmentation and hegemony, Palestine (West Bank and Gaza Strip) is characterized by periodic and organized surveys and statistics; most of them according to

¹²³ Save & UNICEF 2015 based on UN data in 2013.

¹²⁴ Jordan's Watch report, Ahmad Awad 2016; based on a position paper entitled "Child labor in Jordan", 2015, Jordanian Labor Watch, website: <http://www.labor-watch.net/ar/paper/346>

¹²⁵ ILO 2014-a and UNICEF & Save 2014.

international standards, so that the data published by the Palestinian authorities and by international organizations are often consistent.

It is clear that Palestine is still in the midst of the "youth bulge", with the urbanization of the population almost complete. The population aged 15-24 exceeds 39% of those aged 15-64, while more than 75% of the Palestinians live in cities. Unemployment rates in Palestine reach a record of 25.9%¹²⁶ in general and 36.2% for females. This is despite the fact that women's participation to the labor force remains low, 18.3% in West Bank and 19.7% in Gaza Strip (72.7% and 70.7%, respectively, for males). However, women's participation has increased relatively in the recent years from 13% in 2002 to 18.8% in 2015.

Thus, the demand for labor is accelerating, with the number of newcomers increasing from about 33 thousand in 2006-2010 to 53 thousand in 2011-2015¹²⁷, which means a high growth rate of the labor force (4.5% per year). The share of women in this growth is remarkable, with the number of female newcomers increasing from about 7 thousand in 2006-2010 to 15 thousand in the next period, i.e. an annual growth rate of 6.3%. The Palestinian economy, which is essentially dependent on external aid and on the Israeli economy, cannot meet this demand. Actually, only 70% of the jobs needed are created (50% of the jobs required for women), what explains the high unemployment rates.

Labor sectors vary widely between West Bank and Gaza Strip. About 16% of workers in West Bank are employed in the government and the public sector, compared to 37% in Gaza Strip (22% for all Palestine). About 17% of the workers in West Bank are employed in Israel and in the Israeli settlements (particularly – 64% of them – in construction), while this is forbidden for Gaza Strip workers. This significant share of those working in Israel and the settlements (12% of the total Palestinian employment) fluctuates with the vicissitudes of the conflict and the security situation. The share of those working in agriculture remains small: 9.6% in West Bank, 6.6% in Gaza Strip and 8.9% in Israel and the settlements. In addition, unemployment rates are very different between West Bank and Gaza Strip, 15% and 36% respectively for males, 27% and 60% respectively for females. All this makes the Palestinian youth, especially those in Gaza Strip, think about emigrating, what resulted in the phenomenon of migration boats to Europe and the accompanying sinking disasters.

As for informal employment, the last dedicated survey goes back to 2008¹²⁸. It showed that the proportion of informal workers reached 59.9% (65.8% in West Bank and 42.5% in Gaza Strip). The difference between the two regions is mainly due to the size of government employment in Gaza. Informal employment concerns mostly men in West Bank (67% working males) and mostly women in Gaza Strip (55.5% of working women). Notably, the survey showed a decline in informal labor compared to 2004 survey. The survey also showed that the majority of informal workers work in the formal sector and that this phenomenon affects more West Bank than Gaza Strip. However, the results of the survey do not clarify the role in informality played by labor in Israel and the settlements. They also don't permit more

¹²⁶ Palestine's watch report, Firas Jaber and Iyad Al Riyahi 2016, based on the labor force survey 2015.

¹²⁷ ILO data are generally in agreement with the data included in Palestine's watch report. However, the latter indicates 100 thousand newcomers in 2014 and 70 thousand in 2015.

¹²⁸ Palestinian Central Bureau of Statistics 2008.

precise analysis, especially since the share of informality is equal in Palestine between women and men!

| Table 3.18 Distribution of employed in Palestine (LFS of informality 2008) | | | | | |
|--|------------|------------|------------|------------|------------|
| | Women | Men | Total | Gaza | WB |
| Wage workers | | | | | |
| In Public sector | 30% | 21% | 22% | 37% | 16% |
| Formal in formal private sector | 9% | 9% | 10% | 16% | 8% |
| Informal in formal private sector | 27% | 43% | 40% | 27% | 45% |
| Own account and employers | | | | | |
| Formal | 1% | 10% | 9% | 5% | 10% |
| Informal | 10% | 11% | 11% | 10% | 11% |
| Contributing family workers no wage | 23% | 5% | 9% | 5% | 10% |
| Total of the informally employed | 60% | 60% | 60% | 43% | 66% |

Therefore, the overall picture of informal labor in Palestine is as in table 3.19. The share of informal employment in Palestine reaches 61%, and 88% outside the government sector. It is worth noting that West Bank has 82% of the total of informal employment, while its workers constitute 75% of all employed in Palestine. Women work less informally (57%) because their share of the civil service is greater (30% versus 22% for males).

| Table 3.19 The shares of informal employment categories in Palestine (% of total employment) | | | | | | | | | | | | | | |
|--|------------------------------|------|--------|-----------|------|--------|--------------|------|--------------|------|--------|-------------------------|------|--------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | | | | | | |
| | Own-account workers | | | Employers | | | Contributing | | Wage workers | | | Members of cooperatives | | |
| | Informal | | Formal | Informal | | Formal | Informal | | Informal | | Formal | Informal | | Formal |
| | West Bank | Gaza | | West Bank | Gaza | | West Bank | Gaza | West Bank | Gaza | | West Bank | Gaza | |
| Formal sector enterprises | | | | | | | | | 33,2% | 6,9% | | | | |
| Informal sector enterprises | 8,5% | 2,6% | | ? | ? | | 7,4% | 1,4% | | | | ? | ? | |
| Households | | | | | | | | | ? | ? | | | | |

On the other hand, the official survey estimated that the informal sector contributes to 9.1%¹²⁹ of the GDP (mostly in construction and agriculture), while other estimates range between 57% and 88%¹³⁰, and the issue remains subject to analyses and arguments¹³¹.

It is also remarkable that informal labor surveys do not specifically monitor child labor, while UNICEF reports that 7% of those aged 6 to 14 work. However, the Palestinian Central Bureau of Statistics indicates that there are 41 thousand children under the age of 15 working according to the 2004 survey¹³², constituting 3.1% of the population in the relevant age group and more than 7% of total Palestinian workers. The majority of those children work within their families without wage. Another study indicated that child labor is particularly seasonal in agriculture in Israel and the settlements¹³³.

In addition, 25.7% of Palestinians suffer from poverty, with a high prevalence in Gaza Strip due to the siege and repeated aggressions (38% compared to 18.3% for West Bank). The

¹²⁹ Palestine's watch report, Firas Jaber and Iyad Al Riyahi 2016.

¹³⁰ Sabra, Eltalla & Alfai 2015.

¹³¹ See Bilal Falah 2014: *The Informal Sector in the Occupied Palestinian Territories*.

¹³² They dropped to 33 thousand in 2007, Moeen Ahmad Rajab and Ahmad Farouk AL Farra 2009: *The Policies of Labor Force in Palestine between theory and application*.

¹³³ ILO 2014-b.

extreme poverty rate is 14.1% (23% in Gaza Strip and 8.8% in West Bank)¹³⁴. These rates take into account the international aid that constitutes a significant part of the income of the Palestinian territories. It was noted that 48.6% of the individuals have incomes below the national poverty line (59.2% in Gaza Strip and 24.6% in West Bank). This also results from a systemic Israeli policy against Gaza Strip. Statistics show as well that poverty rises for those living in the camps (32.4%), but is weaker in rural areas (21.9% only!). Of course, poverty increases with the lack of participation in the labor force, with unemployment and informal employment.

The case of Lebanon

Unlike Palestine, Lebanon is characterized by the scarcity of statistics and surveys and their lack of comprehensiveness. Not only because of the political dimension and the sectarian dimensions of the Lebanese population structure, as well as the sensitivity of the country towards the Palestinian refugees, but also due to the remarkable size of Syrian employment in Lebanon, seasonally before the conflict in Syria and more permanent since the great wave of asylum seeking. All this is with remarkable rates of Lebanese outgoing migration.

Lebanon has a population in differentiated conditions, all of whom are active in the labor force: Lebanese, Palestinian refugees (between 260 and 280 thousand in 2012, about 8% of the population¹³⁵; they increased by 80 thousand in 2013 with Palestinian refugees coming from Syria, taking their share of the population to over 9%; All of them are registered at UNRWA), Syrians (especially after the recent massive wave of asylum seekers during the Syrian conflict (928 thousand in late 2013, 880 thousand of whom are registered at UNHCR, or about 25% of the population), as well as Iraqis and other migrants, as well as Asian or African workers (particularly female domestic workers as in the Gulf states; they are at least 250 thousand female domestic workers, according to a recent report)¹³⁶.

Lebanon, including its Palestinian population, knew its youth bulge in the 1970s and then overpassed it. Young people aged between 15 and 24 account today for less than 29% of the population, especially as emigration rates, mostly of young people, ranged between 1% and 2% annually during the civil war. However, this has changed with the return of young Lebanese after the war, and with the waves of Iraqi migration, followed by the Syrian immigration, dominated by young people, especially males¹³⁷. Thus, migration now accounts for two-thirds of the demographic growth in Lebanon¹³⁸. About 90% of the population lives in cities (in the camps that have become cities for Palestinians). Despite the relative progress of the country in comparison with its neighbors, the rate of women's participation in the labor force remains low at about 23%.

According to ILO data¹³⁹, the number of newcomers to the labor force reached 44 thousand per year in 2006-2010 (nearly a third of them are women). The number of those newcomers increased significantly to approximately 110 thousand annually in 2011-2015 (also one-third of them are women). This brought the average annual increase of the labor force in the two

¹³⁴ Palestinian Central Bureau of Statistics 2016

¹³⁵ ILO 2012

¹³⁶ ILO 2016.

¹³⁷ ILO 2014-c.

¹³⁸ Ajluni & Kwar 2015.

¹³⁹ <http://www.ilo.org/ilostat/>

periods to 5% (7% for women). Of course, the Lebanese economy, with its structural and administrative crises, cannot create job opportunities equivalent to this demand for labor, although it creates increasing opportunities for female domestic workers.

Labor force participation varies among population groups, 43% for the Lebanese (2007 survey), 42% for the Palestinians¹⁴⁰ (2011 survey, slightly decreasing with those coming from Syria) and 47% for Syrians¹⁴¹ (2013 survey). The differences are more pronounced for females, 21%, 15% and 19%, respectively¹⁴². Most Syrian females were not working before and had to work because of their living conditions. Unemployment rates vary from 9% for Lebanese¹⁴³ and Palestinians¹⁴⁴ to 30% for Syrians¹⁴⁵. Here, the differences also deepen for women, 18%, 14% and 68%, respectively¹⁴⁶.

Thus, based on the different surveys, it can be assumed that the currently employed in Lebanon (2.2 million) consist of 1.4 million Lebanese (63 percent of the total), 130 thousand Palestinians (6 percent), 400 thousand Syrians¹⁴⁷ (18 percent) and 280 thousand other foreigners¹⁴⁸ (13%). In other words, migrant workers account for one-third of the employed in Lebanon, and the number of other migrant workers exceeds that of Palestinians and is little less than that among Syrian refugees. It is worth noting that prior to the Syrian conflict, there were estimates of the seasonal or permanent Syrian workers outnumbering their current figures¹⁴⁹. Data on the percentage of Lebanese covered by health and social insurance are conflicting. It is stated that 66.9% of waged workers are not covered by any health insurance system¹⁵⁰, or that the subscribers in the Lebanese Social Security Fund make up only about 30% of the labor force. However, recent reports point to 47% of Lebanese not covered by any health system, and these figures go back to 2007. More recent figures indicate that the proportion of Lebanese informal workers¹⁵¹ is 59%¹⁵², Palestinians 95%, Syrians 99%, and 90% for the others. It should be noted that part of the Palestinian and Syrian workers, as well as the bulk of other migrant workers, including female domestic workers, are compulsorily covered by the Lebanese Social Security Fund through their employers or directly, but do not benefit from this service¹⁵³. In other words, the proportion

¹⁴⁰ ILO 2012-a.

¹⁴¹ ILO 2014-c.

¹⁴² ILO 2012 & ILO 2014-c.

¹⁴³ According to Abou Jaoude 2015, noting that the cluster survey before the Syrian refugees' influx gave 6.4%, whereas the World Bank indicates 11% in the same period, and the reports of the Ministry of Labor give 20% to 25%.

¹⁴⁴ It is worth noting that this unemployment rate is lower than the unemployment rate in the Palestinian Territories, in spite of the restrictions imposed in Lebanon on employing Palestinians in many professions.

¹⁴⁵ 250 thousand female migrant workers and around 30 thousand from other nationalities, see ILO 2014-c and ILO 2016

¹⁴⁶ These data were reviewed with the Lebanese researcher Kamal Hamdan who draw the attention to the high estimations of the economic participation of the Syrian refugees in comparison with that of the Lebanese. However, the source of these data, i.e. an ILO survey conducted in 2013, covered four Lebanese regions: Akkar, Tripoli, Bekaa, and South. The comparison was made with a survey for Lebanese in 2007 and another for Palestinians in 2011.

¹⁴⁷ This figure includes the Syrian workers in Lebanon before the conflict in Syria. According to the 2012 survey (ILO 2014-c), 20% of the Syrian workers used to work in Lebanon before the conflict.

¹⁴⁸ It is worth noting that these estimations almost comply with ILO statistical estimations on the total number of employed.

¹⁴⁹ Aita 2016.

¹⁵⁰ Abou Jaoude 2015

¹⁵¹ According to the definition of lack of coverage by health and social insurance.

¹⁵² The World Bank noted in a recent report that the rate of informality is 56.2%, see World Bank 2014-b. Here, we assumed that 20% of own account workers are formal.

¹⁵³ According to ILO 2012-a, this is due to the argument that the Palestinian authority does not apply the rule of reciprocity for Lebanese workers in Palestine!!!

of informal employment reaches 73% of total in Lebanon¹⁵⁴ and is distributed as in table 3.20. It should be noted that if the government sector is excluded, the proportion of informal workers among the Lebanese reaches 69% (53% for males and 70% for women).

| | Lebanese | | | Palestinians | | | Syrians | | | Other migrants | | | Total employed | | |
|--------------------------------------|----------|-------|-------|--------------|-------|-------|---------|-------|-------|----------------|-------|-------|----------------|-------|-------|
| | Men | Women | Total | Men | Women | Total | Men | Women | Total | Men | Women | Total | Men | Women | Total |
| Share of Total employed in Lebanon | 49% | 14% | 63% | 5% | 1% | 6% | 17% | 2% | 18% | 1% | 11% | 13% | 72% | 28% | 100% |
| Wage workers | | | | | | | | | | | | | | | |
| Government Public sector | 10% | 18% | 14% | 1% | 1% | 1% | | | | | | | 7% | 9% | 9% |
| Formal in private sector | 14% | 34% | 15% | 3% | 9% | 4% | 1% | 1% | 1% | 10% | 10% | 10% | 10% | 22% | 11% |
| Permanent informal wage workers | 20% | 20% | 20% | 30% | 60% | 36% | 23% | 9% | 22% | 80% | 80% | 80% | 22% | 45% | 29% |
| Vulnerable wage workers (daily, etc) | 11% | 7% | 10% | 35% | 12% | 31% | 71% | 85% | 72% | 10% | 10% | 10% | 26% | 13% | 23% |
| Own-account | 36% | 14% | 32% | 20% | 12% | 18% | | | | | | | 26% | 7% | 21% |
| Employers | 6% | 1% | 5% | 11% | 3% | 9% | 5% | 5% | 5% | | | | 6% | 1% | 5% |
| Contributing family workers | 3% | 5% | 3% | | | | | | | | | | 2% | 3% | 2% |
| Trainees | 1% | 1% | 1% | | | | | | | | | | 0% | 0% | 0% |
| Others | | | | 1% | 3% | 1% | | | | | | | 0% | 0% | 0% |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Share of Informal employment | 63% | 44% | 59% | 96% | 90% | 95% | 99% | 99% | 99% | 90% | 90% | 90% | 74% | 67% | 73% |

This table represents approximately the current situation, which does enable to track the changes that have occurred since 2011 and their effects. It should be noted that Lebanese workers in the government sector make up 110 thousand and 86 thousand for the military and security forces. However, only 30 thousand are permanent civil servants registered at the Civil Service Council, while the rest are under contracts¹⁵⁵.

The high share of own-account Lebanese workers in a middle-income country caught ILO's attention, especially since 88% of those workers are assumed to prefer remaining on their own account and 66% of the waged workers wishing to move to own-account employment¹⁵⁶. What catches the attention as well is ILO's low estimation of the share of own-account labor for Syrian refugees¹⁵⁷, in addition to the inexistence of Palestinian or Syrian contributing family workers. Moreover, Syrians work an average of 60 hours a week, in comparison with 48 hours for Lebanese and 47 hours for Palestinians.

| Table 3.21 The shares of informal employment categories in Lebanon (% of total employment) | | | | | | | | | | | | | | |
|--|------------------------------|----------|--------|-----------|----------|--------|--------------|----------|--------------|----------|--------|-------------------------|----------|--------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | | | | | | |
| | Own-account workers | | | Employers | | | Contributing | | Wage workers | | | Members of cooperatives | | |
| | Informal | | Formal | Informal | | Formal | Informal | | Informal | | Formal | Informal | | Formal |
| | Lebanese | Migrants | | Lebanese | Migrants | | Lebanese | Migrants | Lebanese | Migrants | | Lebanese | Migrants | |
| Formal sector enterprises | | | | | | | | | 19,4% | 22,3% | | | | |
| Informal sector enterprises | 16,0% | 1,0% | | ? | 1,4% | | 2,2% | 0,0% | | | | ? | ? | |
| Households | | | | | | | | | ? | 10,1% | | | | |

Thus, the overall picture of informal employment in Lebanon, based on previous data, is shown in table 3.21, with an equivalent share for own-account labor and waged informal labor for Lebanese, and the predominance of waged labor among migrant workers. For women, the informal waged labor of migrant workers is predominant (table 3.22).

¹⁵⁴ In absence of detailed data, this estimate assumed that all workers in the government sector are formal, as well as 100% of the employers and 80% of the own-account workers. Thus, this estimate minimizes most certainly the informal employment.

¹⁵⁵ Abou Jaoude 2015.

¹⁵⁶ Abou Jaoude 2015.

¹⁵⁷ ILO 2014-c.

| Table 3.22 The shares of women informal employment categories in Lebanon (% of total women employment) | | | | | | | | | | | | | |
|--|------------------------------|----------|--------|-----------|----------|--------|--------------|----------|--------------|----------|--------|-------------------------|----------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | | | | | |
| | Own-account workers | | | Employers | | | Contributing | | Wage workers | | | Members of cooperatives | |
| | Informal | | Formal | Informal | | Formal | Informal | | Informal | | Formal | Informal | |
| | Lebanese | Migrants | | Lebanese | Migrants | | Lebanese | Migrants | Lebanese | Migrants | | Lebanese | Migrants |
| Formal sector enterprises | | | | | | | | | 13,8% | 12,0% | | | |
| Informal sector enterprises | 5,6% | 0,4% | | ? | 0,4% | | 2,5% | 0,0% | | | | ? | ? |
| Households | | | | | | | | | ? | 32,5% | | | |

On the other hand, the World Bank has estimated the share of the informal sector in GDP at more than 36%¹⁵⁸, but it is not clear whether this estimate includes criminal activities (drugs, human trafficking, etc.).

The 2009 cluster survey¹⁵⁹ showed that 1.7% of Lebanese children between 5 and 14 worked; UNESCO adopted a similar figure, 2% for 6-14 years. However, Syrian children labor has spread in Lebanon since the wave of asylum seeking and reached 8%¹⁶⁰ for workers aged between 10 and 14 years. This estimate is increasing, especially since 60% of the children in this age group are not enrolled in schools.

In terms of poverty, a recent report¹⁶¹ indicated that 29% of Lebanon's population lives in poverty and 8% in extreme poverty. This figure is consistent with a report by the Lebanese Department of Statistics and the World Bank based on the Household Expenditure Survey conducted in 2011 and 2012¹⁶². Other studies¹⁶³, however, point to a poverty levels of 35% for the Lebanese and 66% for Palestinian refugees in the same period. In any event, the Syrian refugees' wave has changed this situation, with the average income of refugee workers not exceeding the poverty line¹⁶⁴. In addition, poverty among Lebanese, especially in the areas where refugees are concentrated, has aggravated.

The case of Syria

The conflict that broke out in Syria six years ago led to catastrophic consequences for the population and to fundamental socio-economic transformations. It was clear that the "youth tsunami" and the acceleration of rural-urban migration, as well as the large gap between the numbers of newcomers to the labor force on the one hand and the number of jobs created on the other, and the spread of informal labor, were all among the major factors¹⁶⁵ that resulted in the uprising early 2011 which turned in mid-2012 to a war.

In 2010, the population of Syria (including Palestinian and Iraqi refugees) reached 21.8 million, with population growth rates remaining high¹⁶⁶ at 2.9% overall. The proportion of

¹⁵⁸ World Bank 2014-a, Abou Jaoude 2015.

¹⁵⁹ Central Bureau of Statistics in Lebanon 2010.

¹⁶⁰ ILO 2014-c.

¹⁶¹ Al-Jamal & Eicholtz 2016.

¹⁶² CAS 2016.

¹⁶³ ILO 2012-a.

¹⁶⁴ ILO 2014-c.

¹⁶⁵ Aita 2009.

¹⁶⁶ Syria's watch report, Rabih Nasr, Zaki Mahshi and al. 2016.

youth aged 15-24 was also high, at 40%. Rural-urban migration has seen major leaps, particularly in 2003-2004, where a "counter-agrarian reform"¹⁶⁷ has been experienced, and thus hundreds of thousands have left their villages, in addition to an exceptional drought¹⁶⁸ in 2007-2008. These internal migrations have led to a significant decline in economic participation rates, with many agricultural workers leaving the labor force¹⁶⁹. Thus, the rate of total participation in the labor force declined from 52% in 2001 to 42.7% in 2010, and for females from 21% to 12.9%¹⁷⁰. Between 2001 and 2008, Syria lost 43% of the agricultural labor.

In comparison with some 300 thousand newcomers to the labor force¹⁷¹ annually in the urban areas, only about 65 thousand jobs were created annually, among them only 10 thousand formal jobs. The impact of these transformations has been the harshest on women's labor¹⁷². However, the effects of these successive shocks (counter-agrarian reform, The dismantling of the Agency for Combatting Unemployment, Iraqi refugee waves, drought, the effects of the global crisis) have been mitigated by the fact that about 10% of the Syrian labor force was involved in a circular migration for informal employment in Lebanon (seasonal work, construction, etc.). However, these jobs have also been volatile, especially when Syrian army left Lebanon in 2005.

The general overview of informal employment in Syria prior to the outbreak of the uprising and the conflict is shown in table 3.23¹⁷³, with a total of 65.6% or 89% of private sector workers. The share of informal labor in the formal private sector amounted to 52%.

| Table 3.23 The shares of informal employment categories in Syria 2010 (% of total employment) | | | | | | | | | |
|---|------------------------------|--------|-----------|--------|---------------------|--------------|--------|-------------------------|--------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | |
| | Own-account workers | | Employers | | Contributing Family | Wage workers | | Members of cooperatives | |
| | Informal | Formal | Informal | Formal | Informal | Informal | Formal | Informal | Formal |
| Formal sector enterprises | | | | | 0,1% | 5,4% | | | |
| Informal sector enterprises | 28,1% | | 3,5% | | 3,9% | 24,5% | | ? | |
| Households | | | | | | 0,1% | | | |

The approximate picture of women's informal employment in 2010 is shown in table 3.24. It does not exceed 39% of the total female employment because 56% of working women are in

¹⁶⁷ Aita 2009, op. cit.

¹⁶⁸ There is a significant debate about the main causes of Syria's massive rural-urban migration wave between 2000 and 2010, between the effects of the counter-agrarian reform and the effects of drought; see Aita 2016.

¹⁶⁹ The proportion of those working in the agricultural sector dropped between 2001 and 2010 from 30% to 14%! In 2006, the Agency for Combatting Unemployment, which represented a significant attempt to create employments to circumvent the collapse of agricultural labor was suddenly dismantled, see Aita 2009.

¹⁷⁰ Syria's watch report and Aita 2009

¹⁷¹ 257 thousand for Syrian residents, up to 324 thousand with the Palestinian refugees in Syria and the non-naturalized Kurds, and 353 thousand with the Iraqis who arrived after the invasion of the country. See Samir Aita 2009: Employment and Unemployment in Syria (in Arabic 2009) and Aita 2009. The ILO indicated an average of (only!) 110 thousand newcomers per year to the labor force in 2006-2010, all males! This figure take probably into consideration the concurrent decline in the agricultural labor force.

¹⁷² Aita 2010.

¹⁷³ Syria's watch report, Rabih Nasr, Zaki Mahshi & al. 2016.

the government and the public sector. Women's informal employment is distributed between waged labor, own-account, and contributing family.

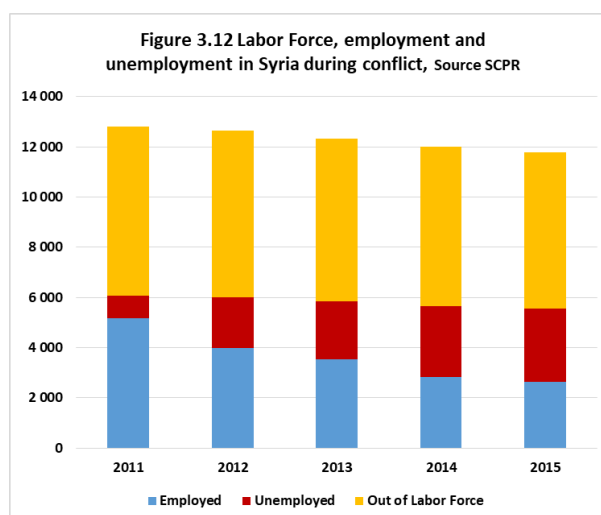
| Type of production unit | Jobs by Status in Employment | | | | | | | |
|-----------------------------|------------------------------|--------|-----------|--------|---------------------|--------------|--------|-------------------------|
| | Own-account workers | | Employers | | Contributing Family | Wage workers | | Members of cooperatives |
| | Informal | Formal | Informal | Formal | Informal | Informal | Formal | Informal |
| Formal sector enterprises | | | | | 0,1% | 3,6% | | |
| Informal sector enterprises | 11,7% | | 0,8% | | 11,4% | 11,2% | | 0,0% |
| Households | | | | | | 0,1% | | |

It is interesting to note that the highest percentage of informal labor is in the governorates of Aleppo (especially its countryside), Idleb and Raqqqa; all of which have witnessed major social developments during the conflict in Syria¹⁷⁴.

Only 33% of all employed are covered by social security. However, even the existing social security scheme has become insufficient, as the conditions for benefitting from health insurance¹⁷⁵ have been gradually modified and the effective value of pensions was reduced¹⁷⁶. Therefore, 33% of workers and their families were reported to be suffering from extreme poverty (the lowest threshold); this severe poverty affecting also formal workers, although it was more dramatic for informal ones. Half of the employed are below the upper poverty line, affecting 56.5% of informal workers.

UNESCO also noted that 4% of children between 6 and 14 years do work. In addition, child labor has with the conflict spread significantly inside Syria and among Syrian refugees in neighboring countries.

Otherwise, the long-lasting conflict in Syria led to waves of outgoing migration and refugees seeking asylum abroad, as well as to the displacement of large numbers of Syrians within the Syrian territory¹⁷⁷. The war also destroyed many industrial and productive facilities and infrastructure, and paralyzed widely the economic mechanisms of Syria. This was followed by a decline in the number of working age Syrian population (despite the demographic growth of residents), down to 8% by the end of 2015. The number of employed



¹⁷⁴ The Agency for Combatting Unemployment used to focus on them. Idleb region has become the stronghold of "Al-Nusra Front" (Jabhat Fateh al-Sham later) and Raqqqa the stronghold of ISIS.

¹⁷⁵ Such services were provided in governmental hospitals and dispensaries that were free for all and then turned into a partially paying system. This change curbed the weakest categories from benefitting from the services.

¹⁷⁶ Returns on pensions constituted only 4.6% of the family average income! See Syria's watch report Rabih Nasr, Zaki Mahshi and al 2016.

¹⁷⁷ SCPR 2016: *Forced dispersion, Syria Human Status*.

halved (most of them in informal labor), while the number of unemployed increased by more than three times¹⁷⁸ (figure 3.12). Thus, a large percentage of Syrian workers and families became poor, and even very poor, depending on international aid. Many people from all conflicting parties have engaged in illegal activities linked to the economics of violence. These activities (such as the participation to armed groups, selling stolen goods, oil refining and trade, cross-border smuggling of goods and human beings, drug production and dealing, etc.) is estimated to involve 17% of all employed. All of this had disastrous effects on women's and children's labor.

The case of Yemen

Yemen also lived a popular revolution in 2011 that in 2014 turned into a violent conflict, which has not yet ended. Its population is close to the population of Syria (24.6 million in 2010 and approximately 26.8 million in 2015) with a demographic growth rate recently reducing to 2.5% annually. It is also at the peak of its youth bulge, with young people (15-24 years out of 15-64 years) still exceeding 40%. However, the proportion of the urban population remains weak compared with Syria (32% compared with 56% in 2010), although the country is experiencing rural-urban migrations¹⁷⁹, with the urban population growing at a rate of more than 4% annually. Yemen also witnessed a large wave of outgoing migration, especially to the Gulf countries, until the mid-1970s, when migration accounted for about 1% of the population annually. However, many Yemeni workers returned home after the Gulf War in 1990. Currently, surveys only detect 103 thousand Yemenis working abroad, mostly male, who make up only 2% of the labor force and less than 1% of the population.

The participation to the labor force remains weak in Yemen, 36% globally, and only 6% for women (the lowest among countries covered by this study)¹⁸⁰. However, the share of women in the labor force remains at the level of other Arab countries, with male participation rate also low at 65%. Thus, ILO observed that the number of newcomers to the labor force, which reached more than 250 thousand¹⁸¹ per year in 2006-2010, has not changed significantly with the revolution and war, but has increased slightly to some 280 thousand. Young women constitute 27% of these newcomers, indicating a trend towards increasing women's participation. A report of the United Nations Development Program (UNDP)¹⁸² stated that the number of job opportunities to be created annually to maintain a stable unemployment rate reached in 2004 around 188 thousand, 121 thousand for men and 67 thousand for women, which means that there are more newcomers annually. For its part, a study by the Yemeni Ministry of Planning¹⁸³ indicated that the number of newcomers reached 207 thousand in 2009 and that it is expected to reach 379 thousand in 2030! The overall unemployment rate was estimated at 13.5% (12.3% for males and 26.1% for women).

¹⁷⁸ Syria's watch report, Rabih Nasr, Zaki Mahshi and al 2016

¹⁷⁹ The share of agriculture in employment decreased from 44% in 1999 to 29% in 2013-2014; see ILO Yemen 2015.

¹⁸⁰ Statistics and surveys in 2004 and 2010 gave female participation rates ranging between 8% and 10%. However, these figures include women who work at home for their own needs, who were extracted in the 2013-2014 survey results following the definition of ICLS 19. **It should be noted that the survey detected more than 1.9 million women working for their own needs, about 5 times the female labor force.**

¹⁸¹ Compare with Syria's figures.

¹⁸² UNDP 2006.

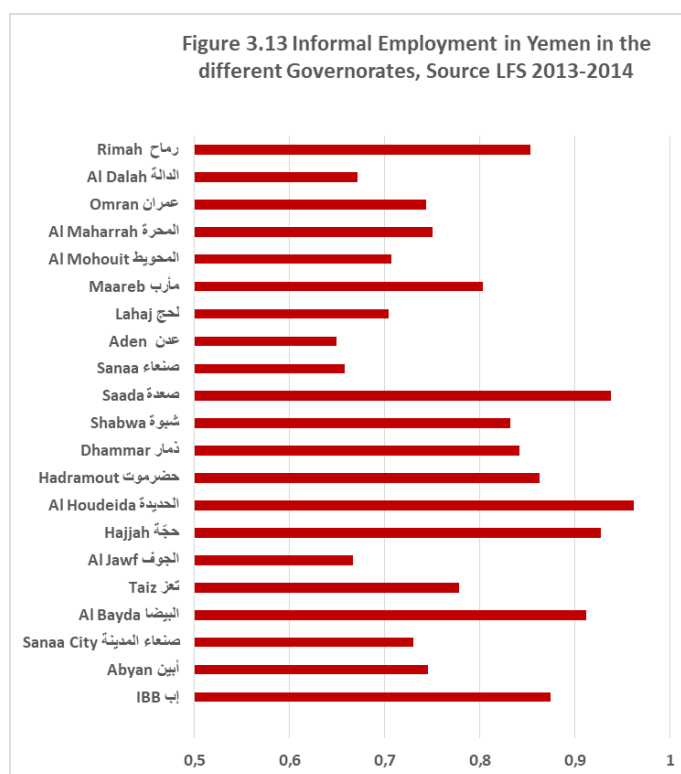
¹⁸³ MPIC 2010.

Moreover, the differences between the various Yemeni governorates is striking; and thus the link between the socio-economic situation and the conflict developments could also be demonstrated in Yemen. The governorates of Al Dalah, Saada, Al Jawf, Al Maharrah and Maareb have unemployment rates of up to twice the national average (see figure 3.13).

According to the Labor Force Survey of 2013-2014¹⁸⁴, 81% of Yemeni workers were informal (83% of women), against 91% for young people between 15 and 24 years. The proportion of workers in the informal sector is 73% (71% of women); here also the youth account for 83%. Thus, a significant proportion of workers in the formal sector are informal, even in the government sector, with only 30.6% of the total employed in the government and public sector, and 12.7% in government and defense jobs alone, with 16.3% of them informal.

Informal employment in agriculture accounts for only 35% of total informal labor (about half of them engaged in income-generating khat¹⁸⁵ farming), while trade accounts for 27% of informal labor, in addition to 10% for transportation and 10% for construction. The proportion of own-account workers in Yemen rose from 25% in 2004 to 31% in 2013, which was offset by a sharp decline in the number of waged workers from 61% to 50%, 31% of which work in government institutions and the public sector, with a significant part informally¹⁸⁶. In other words, the contribution of the private sector to waged labor is only 19%. It was also observed that informal employment represents the absolute majority in most areas, except in some governorates such as Sanaa, Aden, Al Dalah and Al Jawf, where most of the government labor is located (figure 3.13).

Thus, the overall picture of informal employment in Yemen is shown in table 3.25, where the share of own-account and waged labor is equal, and the issue of informal labor in the formal sector, especially the public and public sectors, well marked. For women, the distribution is very different (table 3.26), where the role of contributing female family workers (who produce goods for the market rather than for their households) and own-account working women is highlighted. More than half of female workers are in the agricultural sector.



¹⁸⁴ ILO Yemen 2015.

¹⁸⁵ IFAD 2010.

¹⁸⁶ The government sector saw a leap increase in employment, especially after the unification of Yemen, from 166 thousand for both parts of Yemen before the unification to 322 thousand in 1995. It continued to increase until it reached 533 thousand in 2013-2014. Most of this government employment is for high education, which represents the main opportunity for women to work. The World Bank criticized strongly this policy. See World Bank mission to Yemen, 1996.

| Table 3.25 The shares of informal employment categories in Yemen (% of total employment) | | | | | | | | | |
|--|------------------------------|--------|-----------|--------|---------------------|--------------|--------|-------------------------|--------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | |
| | Own-account workers | | Employers | | Contributing Family | Wage workers | | Members of cooperatives | |
| | Informal | Formal | Informal | Formal | Informal | Informal | Formal | Informal | Formal |
| Formal sector enterprises | | | | | | 14,4% | | | |
| Informal sector enterprises | 31,0% | | 7,0% | | 11% | 17,0% | | ? | |
| Households | | | | | | | | | |

| Table 3.26 The shares of Women informal employment categories in Yemen (% of total Women employment) | | | | | | | | | |
|--|------------------------------|--------|-----------|--------|---------------------|--------------|--------|-------------------------|--------|
| Type of production unit | Jobs by Status in Employment | | | | | | | | |
| | Own-account workers | | Employers | | Contributing Family | Wage workers | | Members of cooperatives | |
| | Informal | Formal | Informal | Formal | Informal | Informal | Formal | Informal | Formal |
| Formal sector enterprises | | | | | | | | | |
| Informal sector enterprises | 25,9% | | 2,4% | | 38,6% | 16,2% | | 0,0% | |
| Households | | | | | | | | | |

Otherwise, the latest survey on poverty was conducted in Yemen in 2005¹⁸⁷, in a joint effort between the Government, the World Bank and UNDP. The survey showed a decline in extreme poverty levels from 40.1% of the population in 1998 to 34.8% in 2005. The decline was particularly clear in urban areas, and the highest poverty rate (64%) was observed in Omran governorate, especially in the countryside.

UNICEF also noted that 23% of Yemeni children aged between 5 and 14 were working, and that the phenomenon concerns females more than males. This means that child labor constitutes a significant part of Yemen's labor force, especially for women¹⁸⁸. In other words, working male children account for about 20% of all male workers, while female children make up 280% of all female workers!!!

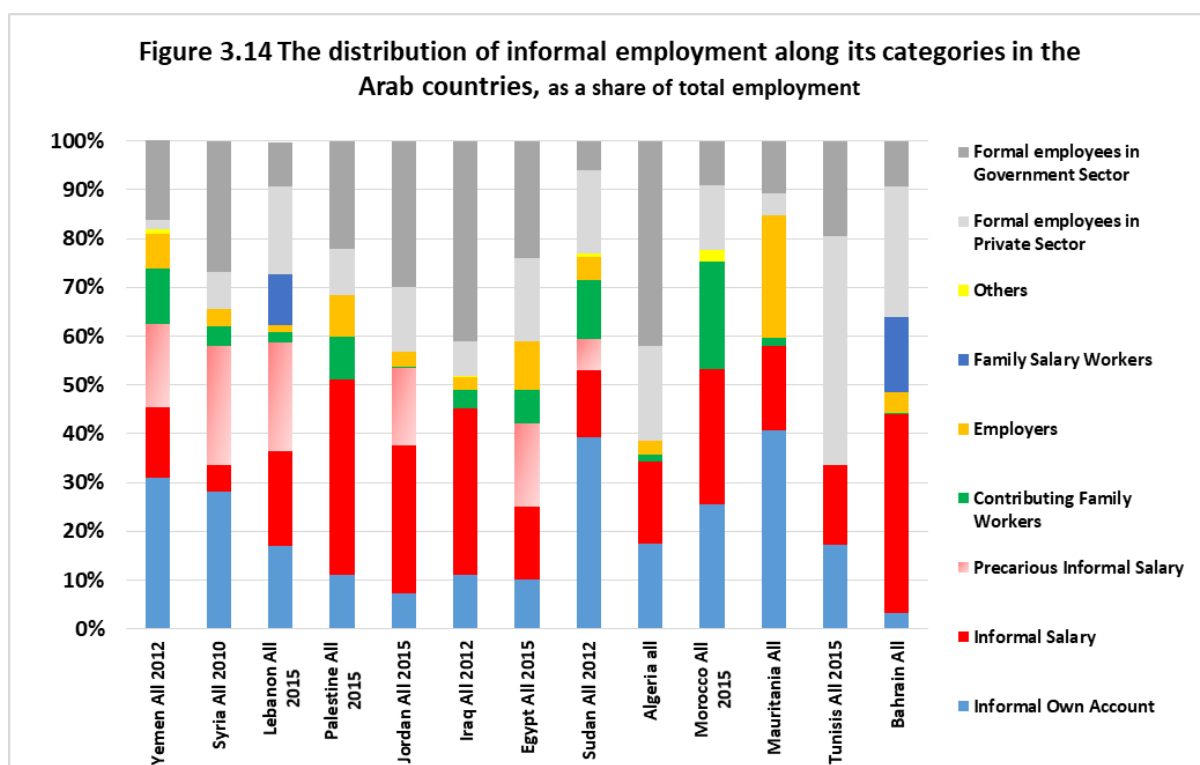
In all cases, Yemen's working and living conditions worsened as its revolution turned into a war since 2014, to the extent that if we compare its repercussions with those of the war in Syria, it turns out to be a real humanitarian disaster.

3.5 General Overview of Informal employment in the studied countries

In the majority of the studied countries, the proportion of informal labor exceeds 60% of total employment. Only Tunisia has a percentage of 34%, followed by Algeria with 39%. The picture remains median for Iraq (52%), Jordan (57%), Egypt (59%) and Bahrain (64%). While in all other countries, it rises to more than 68% with a peak of 85% for Mauritania (Figure 3.14).

¹⁸⁷ Gov Yemen 2007.

¹⁸⁸ Yemen's watch report, Ali AL NUSAYRI.



However, the picture is different if we exclude formal government labor. Tunisia's percentage of informal labor goes up to 42%, while Algeria has 66%. This change results from the fact that the ratio of public sector employment is 19% in Tunisia and 43% in Algeria. With this exception, Iraq reaches 88%, Jordan 81%, Egypt 78% and Bahrain 71%. In informal employment out of total non-governmental.

Yemen, Syria, Sudan and Mauritania emerge with high rates of own-account employment (between 30% and 40% of total). The percentage of this type of informal labor remains very limited (less than 12%) in Bahrain (3%), Jordan 7%, Iraq and Palestine (11%) and Egypt (10%).

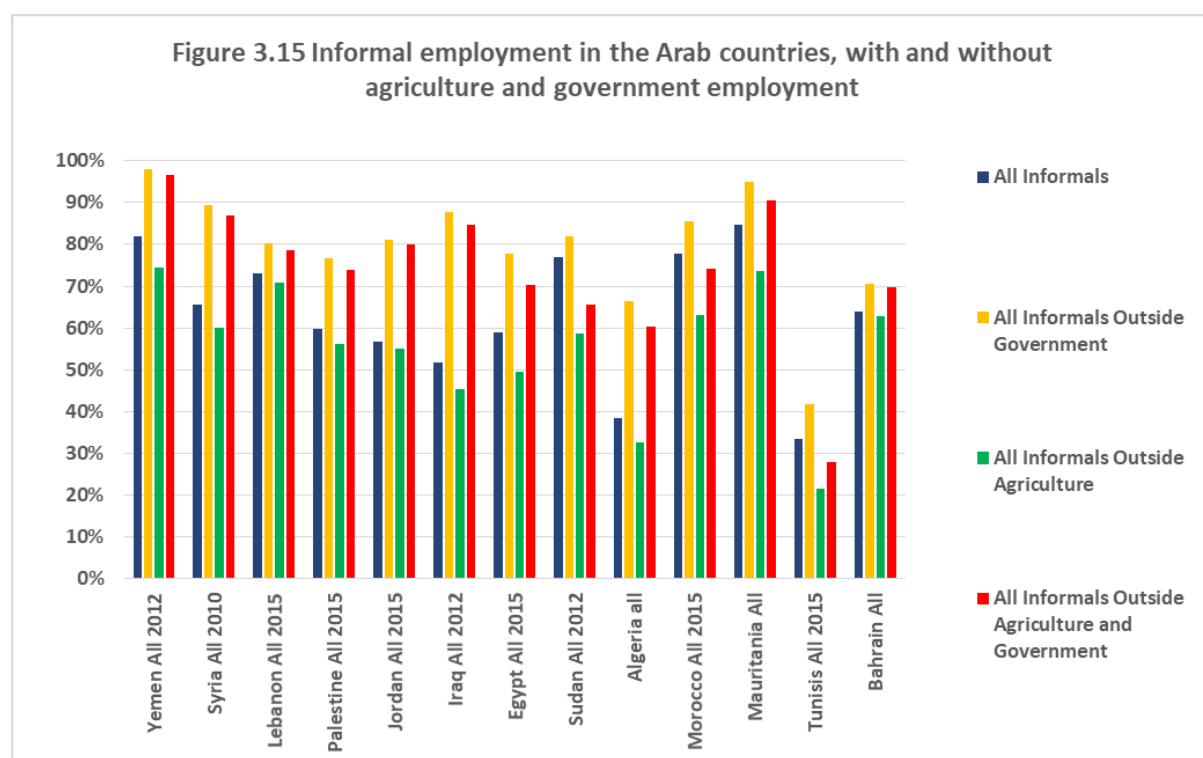
The share of informal waged labor is the highest in Bahrain (56% of total employment) and in Lebanon (52%). In both cases, migrant labor is the most concerned. Percentages in Tunisia, Algeria and Mauritania are dropping to 17% for many reasons, including the relative quality of the health and social security system in Tunisia, the extend of government employment in Algeria (noting that part of this employment is not really formal as in other countries), and the weak waged job opportunities in Mauritania.

According to the surveys' results, Morocco is characterized by a large percentage of unwaged family labor (22%), while its proportions remain significant in Sudan (12%), Yemen (11%), Palestine (9%) and Egypt (7%). The surveys show also a sizable proportion of informal employers (25%).

In all cases, the results of the present analysis differ significantly from the commonly known data on informal employment in the MENA countries¹⁸⁹, which only account for 47% for the informal non-agricultural labor. In fact, this percentage rises to 74% in Yemen and Mauritania, 71% in Lebanon, 63% in Morocco and Bahrain, 60% in Syria, 59% in Sudan and

¹⁸⁹ Chen & Harvey 2017 based on ILO data.

56% in Palestine. Only Tunisia has a low proportion (22%) of informal labor outside agriculture. Nevertheless, these percentages increase, and often very significantly, if government and agriculture employments are both excluded (Figure 3.15). Only in Tunisia, the rise is limited to 28%.

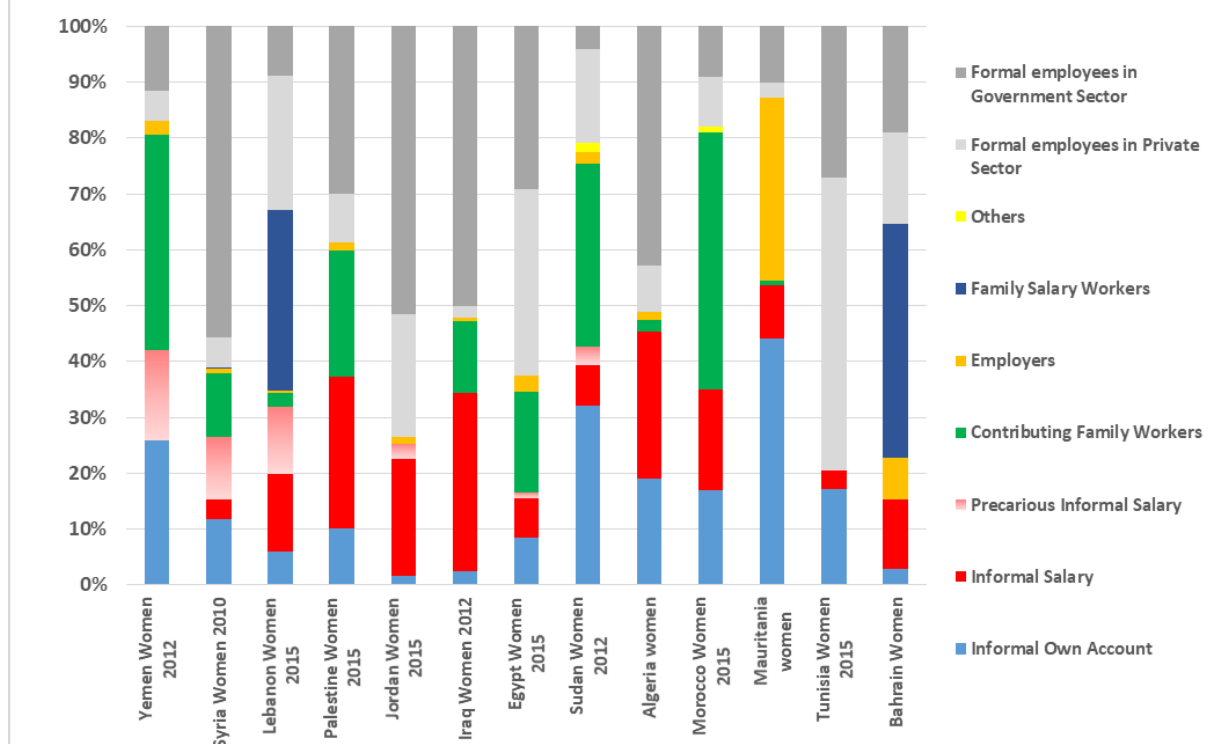


These comparisons mainly concern the men's informal labor, as women's economic participation in Arab countries is generally weak. However, the situation differs when women's informal labor types are compared alone (Figure 3.16).

For females, only Mauritania and Sudan keep high rates of own-account employment (44% and 32% respectively). In Yemen, the proportion drops to 26%, followed by Algeria (19%), Tunisia (17%), Morocco (17%) and Syria (12%). In the remaining Arab countries, the share of own-account women employment remains below 10%, with the lowest percentages in Jordan and Iraq (2%) and Bahrain (3%).

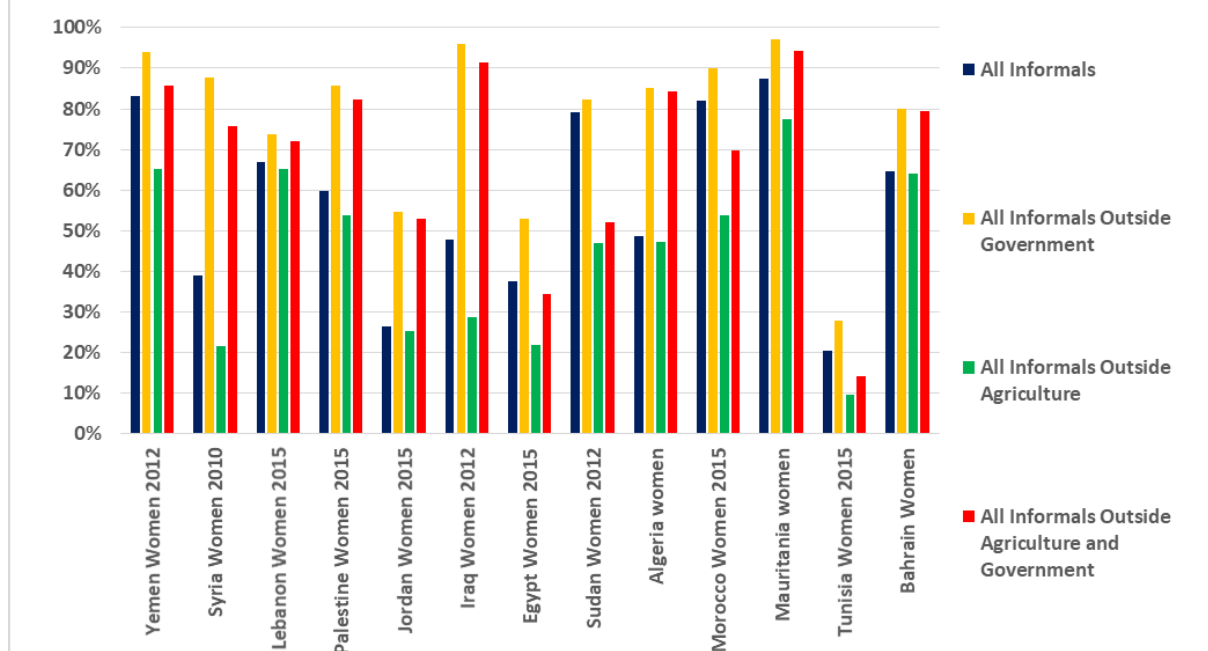
For women's waged informal labor, the highest shares are seen in Bahrain (54%) and Lebanon (58%) due to the importance of female domestic labor for female migrant workers. It is worth noting that these two countries are characterized by a share of waged women's informal labor higher than that of total employment (i.e. higher than that of males). The share of waged women's informal labor also rises in Jordan to 46% for the same reason. The lowest share is seen in Tunisia (3%) thanks to the social security systems and in Egypt (8%) due to the scarcity of women's waged labor.

Figure 3.16 The distribution of women informal employment along its categories in the Arab countries, as a percentage of total female employment



The proportion of unwaged female contributing family work reaches 46% of all women's employment in Morocco, 39% in Yemen, 33% in Sudan and 23% in Palestine, while Egypt (18%), Iraq (13%) and Syria (12%) observe significant percentages. Mauritania also has a high proportion of informal female employers (33%).

Figure 3.17 Women informal employment in the Arab countries, with and without agriculture and government employment



These results are also different from those commonly known on women's informal employment in the MENA countries¹⁹⁰, which give a share of 35% for women's informal non-agricultural labor. This share in Mauritania is 78%, 65% in Yemen and Lebanon, 64% in Bahrain, 59% in Sudan, 54% in Palestine and Morocco, 50% in Egypt and 47% in Algeria. Here also, Tunisia has a unique low proportion (10%), the same as for Syria (22%), Egypt (22%), Jordan (25%) and Iraq (29%). However, in these latter cases, women work preferably in the government sector (see Figure 3.17).

All this shows that policies and struggles for rights must differ among Arab countries due to different economic and social conditions. The same tools cannot be used to achieve the rights of waged informal labor, especially in the case of household waged labor, to promote and grant rights to own-account employment, as well as to address unwaged contributing family labor or informal employers. There is also a difference between agricultural and urban labor. Of course, these policies and struggles are supposed to be particularly concerned with women's employment, the gender issue.

¹⁹⁰ **Chen & Harvey 2017** based on ILO data.

4 CASES OF INFORMAL EMPLOYMENT IN THE ARAB COUNTRIES

The previous chapter highlighted the fact that informal employment, and especially waged informal employment, constitutes the majority of labor relations in the Arab countries, especially outside agriculture and the governmental sector. The national watch reports have documented different case studies of informal employment. Their overall scene covers the spectrum of most of the types of informal labor relations. This chapter presents these case studies and their types detailing their characteristics and differences. This is necessary precisely as the mechanisms for defending the rights of the workers and for designing the desired policies to secure these rights and livelihoods can vary greatly with the types of informal labor relations.

4.1 Own-account employment

Street vendors

The Morocco watch report¹⁹¹ focuses on street vendors, a case that dominated the image on labor relations in the Arab countries after that the Bouazizi has committed suicide in Tunisia in 2010. In 2016, Morocco witnessed its own suicide of "*May Fatiha, the street seller of Baghrir*"¹⁹² (a kind of Moroccan pancakes consumed during the month of Ramadan) in the same way of self-burning and for the same reasons, what had produced a shock within the society and authorities. Moroccans use the term "*Farasha*" to describe this kind of own-account workers.

The watch report indicates that there are three dimensions of the labor relations for this type of informal employment: the workplace, the means of work (i.e. the chariot that displays the goods) and the goods to be sold and the mechanism for obtaining them. The workplace is particularly important, as the possibility of selling the good is directly related to it. The street seller must stand in a place frequented by a large audience (e.g. in a public square or near a bus or train station, or near a mosque) to increase the possibility of selling and making some revenue. This case shows then that the labor relation on the place of work is essentially a relation with the governmental or local authorities that regulate the presence of people in these locations, which are "public domains". In a way, these street vendors could be considered as making an "illegal exploitation of the public domain"¹⁹³, where there is a conflict of interest between the street vendors and the public interest in ensuring that people, vehicles and proper urbanization are not obstructed. However, this issue is arguable as street vendors concentrate mostly in popular informal neighborhoods and slums, which are not originally organized and decent. Street vendors have also conflict of interest with the owners of regular shops who pay rents, municipal fees and government taxes.

The Morocco watch report shows also that engaging in street sales is not a choice. It is only a mean to insure livelihood for the poorest groups and does not require high qualifications (although some university graduates such as Bouazizi have been involved, especially in

¹⁹¹ Morocco watch report; Fawzi BOUKHRIS 2017.

¹⁹² <https://youtu.be/kBZOFKXD5cs>

¹⁹³ Morocco watch report; Fawzi BOUKHRIS 2017.

peripheral cities away from metropolises, as jobs are lacking), or a high fixed (the price of the chariot) or working capital (the price of the daily goods). With the decline of possible activities in agriculture and industry in the Arab countries, most job opportunities are concentrated in trade and services. Therefore, street vendors represent a significant part of job opportunities. They provide cheap goods for the popular categories that are not able to buy from official shops and malls.

All the related conflict of interest have received little attention and analysis¹⁹⁴. Rarely, surveys were conducted to identify problems and find solutions to ensure the livelihood of vendors as well as the public and other interests. The main policies towards street vendors has in fact been, either lenient and winking at or characterized by repression campaigns resulting in the confiscation of the means of work and goods, what constitute a disaster for the workers. The inclusion of this kind of labor in social security is hindered in Morocco by obstacles in the texts of laws that restrict social security benefits to waged workers only¹⁹⁵.

Surveys on this type of informal labor can also highlight other dimensions of labor relations. There are situations where the means of work or even the goods to be sold are not owned by the street vendors. Therefore, the street vendor is an informal worker who receives a wage or a share of sales profits.

Sudan's watch report¹⁹⁶ focuses on another case of own-account employment; the case of female tea vendors, who are also street

Box 4.1

"Right now seed and tools are a problem. Some people have them, some do not. Hawa Issa Mahady, a widowed mother of six in her early 50s, has no seed. She spends her morning cleaning a piece of land, preparing a field for planting. Her afternoons are spent selling tea and coffee, near the butcher and the baker and the other few traders looking to revive the market-place. "What I earn I save and when I have enough I'll buy the seed"... It may take her some time. A cup of tea is cheap, seed is expensive, and his only customer today is the writer of this story".

ICRC: *Internal Displacement in Armed Conflict. Facing Up the Challenges*; November 2009.

vendors (Box 4.1). Their number in Khartoum alone is 14 thousand¹⁹⁷. The importance of this case is related to the acceleration of rural-urban migration and the waves of internal displacements of the population caused by wars, internal armed conflicts and environmental changes (natural drought or monopolization of agricultural water¹⁹⁸). A survey¹⁹⁹ of female tea vendors in Khartoum found that 89% of them were internally displaced, but not mainly because of conflict or drought (10% of cases), but for economic (47%) and social reasons (37%). Most of them work for more than 8 hours a day. This is their only revenue making activity, and almost half of them are unmarried and responsible for looking after their families. Here too, the workplace emerges as an essential element of labor relations, with 57% paying municipal fees for their positioning in the public locations. Nevertheless, they are arbitrarily subject to campaigns by the police and the authorities (called "Qasha" in Sudan), including confiscation of their means of work and the few quantities of tea. The case of female tea vendors caught the eyes after that the US Department of State has chosen in

¹⁹⁴ Salahdine & al. 1991.

¹⁹⁵ According to the text of Law 184-72-1 of 1972, referenced in Morocco watch report; Fawzi BOUKHRIS 2017.

¹⁹⁶ Yemen Watch Report, Hassan Abdel Ati and Ashraf Mohammad Othman Al Hassan 2016.

¹⁹⁷ Ministry of Social Development, Sudan 2013.

¹⁹⁸ Aita 2016.

¹⁹⁹ Ministry of Social Development, Sudan 2013.

2016 Ms. Awadiya Mohammed Koko as one of the ten most courageous women in the world. She is a struggling female tea street vendor who founded the Cooperative Association for Tea and Food female Vendors and the Multi-Purpose Women's Cooperative Association.

The Yemen watch report²⁰⁰ also referred to similar cases such as the female street vendors on the sidewalks of bread, henna, vegetable and maize. It showed also that children are heavily engaged in this type of work, such as selling napkins and beads on the roads and in public squares.

The Palestine watch report²⁰¹ drew attention to the situation of the "female grape vendors"²⁰² who are not allowed by the municipal authorities in Ramallah and Al-Bireh to sell their grapes that crosses with them the many Israeli checkpoints. This is while Palestinian markets are filled with Israeli grapes from the 1948 territories.

Iraq's watch report²⁰³ focused also on the situation of street vendors (their official designation is "mobile units"), who were surveyed²⁰⁴ in 2015, covering all of Iraq's provinces except Anbar, Saladin and Nineveh that were controlled by ISIS. It monitored 772 market places for these vendors and about 38,000 "mobile units". The survey showed that the mobile means of work (a chariot, a car or a motorcycle) accounts for only a quarter of the cases, while the simple table ("janbar" in Iraqi, accounts for 30%), and the "Basta" (a piece of fabric on the ground where the goods are exposed) accounts for 25%. Only 11% of the vendors have a small semi-fixed selling place ("kiosk"). The commodity sold in 44% of cases is food or drink. However, unlike Sudan, the majority of street vendors are males (95%); Maysan governorate has the highest percentage of female street vendors (22%). The survey shows also that about half of the vendors began this work more than ten years ago, drawing attention to the fact that this phenomenon was rare in Iraq before the embargo and the invasion that followed. It also turns out that most street vendors have resorted to this job because they had no other opportunities, although few are illiterate (only 15%) or uneducated, and this was not a choice but a need to earn a living. These vendors suffer from various difficulties, the most

Box 4.2

The young Pakistani man, Assem Ziah, did not expect to be one day sitting on the street and referred to as a "loose worker". However, four months without salary in his company put him in an unexpected situation. Ziah has an official paper claiming his unpaid salary from the company he worked for. He therefore stopped working for it, and is currently without legal work to provide for his needs and those of his family in Pakistan. His only way to find a work was this way, which was imposed on him and that he did not choose. He could only describe his situation by saying the following (in weak Arabic): *"We are poor people. We come here to work for a good salary. We don't want to be on the streets every day waiting for customers who may or may not come"*, pointing on the limited number of customers. *"Every day, there are 150 workers here. Only 70 got a job and the rest return home. In Bahrain, there are no jobs"*, he clarified.

Bahrain watch report, Hassan Al Ali, 2017.

²⁰⁰ Yemen watch report, Ali Al Nusayri 2016.

²⁰¹ Palestine watch report, Firas Jaber and Iyad Al Riyahi, 2016.

²⁰² See also Firas Tanina : *The grapes selling ladies in Ramallah between the anvil of poverty and the pursuit by municipal inspectors* ; <https://maannews.net/Content.aspx?id=796209>.

²⁰³ Iraq watch report, Hanaa Abdel Jabar Saleh, 2016.

²⁰⁴ Central Office of Statistics Iraq: *Survey of mobile enterprises units in Iraq, 2015*.

important of which are financial difficulties, competition, lack of demand and exposure to environmental conditions (rain, dust storms, etc.), prosecution by government authorities and lack of support, as well as the unstable security situation.

The survey also showed that not all street vendors are own-account. Out of the 46,000 in this profession, waged workers accounted for 7%, 22% of whom were children. Working hours varied between 7 to 8 hours daily, seven days a week.

For Bahrain, reference was made²⁰⁵ to the significant number of migrants without legal residence ("loose employment" or "free visa") whose term of residence have expired and whom are engaged in menial works such as washing cars or selling goods and services on the streets. Most of them are from India and Bengal (Box 4.2). In this case, the problems of labor relations arise first with visa dealers in their countries of origin. The worker borrows money to pay the high price of the visa. Secondly, there is a problem with the "sponsor" ("Kafil" in Arabic), the owner of the register on which the workers is brought to Bahrain for a typical two-year period, and who shares the price of the visa with the dealer, and receives "royalties" for each extension; although the law prohibits such practice. Third, there is an issue with the traders who provide the goods sold on the roads. Finally yet importantly, there is a significant problem with government authorities, who allow traders and "sponsors" to exploit the loopholes of law or profit from leniency, while the residencies of these workers are not allowed to be settled even if they have been staying for a long time in Bahrain. The problems of these workers transcend the issues of labor relations, as their living conditions are often inhumane²⁰⁶. Thus, Bahrain's report recorded 50 cases of suicide among migrant workers in 2012 compared to 22 cases in 2011.

Own-account employment within households

Iraq's report sheds light on another aspect of own-account employment, in households within the family. The difference with the previous situation is that the workplace is not part of the labor relation, because it is home. The report presents the results of a 2012 survey²⁰⁷ on households as a production unit, covering all rural and urban governorates, except for Kurdistan Region. Thus, 10,402 workers employed within 5,535 households were surveyed. The percentage of household workers was highest in rural areas, and in Qadisiyah and Karbala governorates. The number of family waged workers did not exceed 1%, while housewives responsible of these activities accounted for 36% of the total. The most important economic activities of these families are dairy manufacturing (agricultural sector), followed by sewing clothes and gowns.

However, the survey did not include an analysis of the main labor relations for this type of informal employment, which lies in access to raw materials and especially in marketing of produced goods. The questionnaire only shows that workers complain about competition, low prices and the flooding of markets by imported products.

²⁰⁵ Paragraph 3.1.

²⁰⁶ <http://www.alwasatnews.com/news/726612.html>

²⁰⁷ Central Office of Statistics Iraq: *Survey of household industries in Iraq*, 2012.

Syria's watch report²⁰⁸ highlights another aspect through the analysis of the "Al-Aghabany" industry, a traditional embroidery of a special type using silk threads and perforations, with aesthetic drawings. This industry is part of the immaterial Syrian heritage. Here too, the workplace is most likely home and means of production is a regular sewing machine. The basic working relation is with "Al-Aghabani" merchant who looks after marketing. Own-account females work most of the time by piece or by the embroidered fabric meter. The trader is the one who supplies with fabric and embroidery threads and controls the production process (accept or reject the product, for example), so that the commodity is sold in the market at a price that is 7 times higher than the value of embroidery, while labor is the main part of the production cost. Six thousand women working in this profession in Damascus countryside were detected, with 64 registered merchants in the Chamber of Commerce.

The profession has been severely affected by the war, and production has dropped for many reasons (the availability of raw materials, market shrinking due to the decline in tourism and in participation in foreign exhibitions, security instability, etc.). However, cooperatives and associations have emerged in spite of the lasting conflict and have started employing part of former female workers, marketing their products directly in foreign markets, while developing sometimes product designs.

Jordan's²⁰⁹ watch report also referred to two cases of household own-account employment. The first is the case of "Maha", a Jordanian who graduated with a political science degree and did not find work. From her home, she launched the activity of selling clothes, perfumes and cosmetics. The report indicates how the loans of the "Women's Fund" have been used to help create such businesses and meet the needs. The involvement of "Maha" in this activity was not a choice in contrast to the second case of the other Jordanian "Haifa", who began to produce and sell children clothes, and is now making a good income she could not get from a waged labor. She uses modern social media for marketing. However, she cannot move to a (formal) shop because real estate costs are high and her family does not want to help her. She also fears that men will not accept this work in case she wants to get married. Remarkably, the report draws attention to other cases of women who cannot start working from their homes ... because they are refugees.

Lebanon's²¹⁰ report also draws attention to the situation of the Palestinian women in the camps, who work from their homes in selling clothes and embroidery and in simple services such as hairdressing and cosmetology.

4.2 Waged informal labor

Informal labor in the informal sector

Lebanon's²¹¹ watch report is unique in detailing waged informal employment in the public sector. It indicates that the civil and military administration and educational institutions absorb about 10% of the Lebanese workers (131,000), in addition to 27 thousand contracted

²⁰⁸ Syria watch report, Rabie Nasr, Zaki Mehchy and others 2016.

²⁰⁹ Jordan watch report, Ahmad AWAD 2016.

²¹⁰ Lebanon watch report, Rabie Fakhri 2017.

²¹¹ Lebanon watch report, Rabie Fakhri 2017.

teachers and 7 thousand vulnerable informal workers (daily workers, porters, etc.). The report shows that if military and security services are excluded (72% of permanent government contracts), the proportion of informal workers, i.e. those deprived of social protection, reaches 47% in the educational sector and 44% in the civil service. It is true that employment of most of these informal workers began on a temporary basis. However, it has become a permanent reality since several decades with the freeze of government employment. Some of the workers, especially in service utilities, are employed indirectly through subcontractors who recruit them informally. The report mentions in this context the water establishments in the various Lebanese regions, where 50% of the workers are informal, Electricité du Liban (EDL), where most of the labor is informal and on demand whether for repairs or billing, Ogero Communications, the Régie Libanaise Des Tabacs et Tombacs, Rafik Hariri University Hospital, and the Ministry of Finance. Most of those who work for these bodies are waged informal labor, with government services largely based on informal employment.

This creates a real problem in labor relations, as the interests of government permanent workers are conflictual with those of the informally employed. This results in confusion and bias in trade union struggles, for example around the demand of a wage adjustment equivalent to inflation, knowing that permanent workers constitute the majority of union members.

Lebanon's report describes also the situation of wage earners among migrant workers, especially Palestinians and Syrians. They work mainly in construction, in farms and factories, as well as gatekeepers to buildings in Beirut and major cities. Most of them were working regularly before the conflict in Syria, but are today living with their families in Lebanon. These are not entitled to work officially but to reside temporarily without work. If they claim anything, their residence may be canceled and they might be deported to the border. This reflects a vulnerable business relationship subject to the wishes of the employer.

Egypt's²¹² watch report also details two cases of waged labor in the formal sector. In the case of municipal bakery workers, workers' wages are determined by the Ministry of Supply and Internal Trade in an informal customary manner. The cost is calculated and subtracted from the price of bread determined by the State. The profit is distributed between the baker, "the kneader", "the kharrat" (the cutter) "the salhaji" (the one who separates bread), "the tolaji" (the one who distributes the bread) according to a certain hierarchy. The calculation method could be different from one bakery to another. Otherwise, the workers of municipal bakeries are not entitled to social security, because employment contracts are collective and not individual, and the names of those who can be covered are manipulated. The workers do not receive a pay for official holidays and leaves, including sick leaves. Their work relations are supposed to be regulated by Law 12 of 2003 ("Unified Labor Law") and Law 79 of 1975 on social security for civil servants, as well as decision 175 of 1981 regulating such insurance. Remarkably, it is the employment office of the Manpower Directorate that "sponsors and operates" bakery workers. This office, the general governmental workers union and the Ministry of Supply and Internal Trade count on a committee that determines who can work in the bakeries in each district and who can benefit from a health insurance card. In this case, the problem of labor relations is related to the wage description and the

²¹² Egypt watch report, Rime ABDELHALIM and Saoud OMAR 2017.

right to wage, holidays and benefits, including the right to social security and independent collective bargaining.

A second case of informal wagedworkers is detailed in Egypt's watch report. It concerns mines and quarries' workers who are subject to the Unified Labor Law²¹³ and to a law of their own, No. 27 of 1981. There is no social security for these workers, especially since their employment is often made through subcontractors ("Uhda" in Egyptian). This case highlights many problems in labor relations, starting with the issues of transportation towards the workplace, the working hours and its many risks. Also of concern are social security and employment contracts with the main employer (public or private sectors), as well as subjecting these workers to the "hard labor law" (Decision No. 270 of 2007).

Bahrain's²¹⁴ watch report indicates that 2,500 to 3,000 Bahraini female teachers and sitters work in kindergartens with contracts renewed annually. These female workers are not allowed to claim annual leave or social security. The head of the Kindergarten union points out that, contrary to the law, kindergartens' management collect the social contribution for paid leave from the salaries of these workers. They are also forced to pay their share and that of employer for social security without benefiting from its

Box 4.3

Regarding the amendment of the conditions organizing the relation between employers and domestic workers, the Minister of Labor Jamil Humaidan said: *"We have an international problem in this regard. We are under great pressure from countries exporting domestic workers. Those countries negotiate internationally and set a minimum wage that may outweigh the citizen's ability. They want to give domestic workers the same privileges as ordinary labor"*. Regarding the increasing cost of domestic labor, Humaidan continues: *"The costs increased in the Gulf countries, and we conducted a study on the reasons for the high cost, which turned to be due to the exporting countries. After discussions with these exporting countries, it turned out that the reason lies in the intermediaries entering the deal and raising the cost. We are working on adopting the governmental offices of the Gulf Cooperation Council in the countries exporting labor"*, pointing out that the Asian labor supply offices do not abide by the laws.

Regarding the demands of the deputies to make the contract of domestic workers three-fold, including the worker, the employer and the intermediary office, or quadruple by adding the embassy, Humaidan responded: *"Introducing embassies in the contracts is prohibited internationally, and we ask them not to interfere in the relation between the workers and the employers"*. A phenomenon has emerged with Filipino domestic workers. Many escape cases were observed. Workers fled the houses of their sponsors taking refuge in their embassy, which calls the sponsor and ask him either to buy a return ticket or to sign papers to waive his sponsorship to another sponsor. The embassy has established a large housing facility attached to its facilities. The Deputy Consul at the Embassy of Philippines in Bahrain, Ricky Argon, explains how the embassy deals with these complaints in the first place. If a female domestic worker is registered and has a legal residence permit, the sponsor is dealt with. If the latter refuses to deal with us, we resort to the intermediary office that has recruited the worker. In many cases, if there is ill-treatment, there are other legal procedures that are carried out through the police station and the public prosecutor's office (Al-Wassat Newspaper, issue 4688). To this day, there is no clear government position on the practices (!) of the Embassy of Philippines in Bahrain, despite recurrent complaints from citizens about these practices.

Bahrain watch report, Hassan Al Ali, 2017

²¹³ Law no 12 of 1993.

²¹⁴ Bahrain watch report, Hassan ALALI 2017.

services. This inequity in treatment targets many female and part-time workers.

Waged formal labor in the informal sector

Mauritania's²¹⁵ watch report discusses the case of a car-repairing workshop in the municipality of "Laksar" in Nouakchott, including an employer, six paid workers and two trainees who are not paid as they are getting professional experience and expertise. The enterprise is informal, and the informal waged workers do not receive any social security. The report points out the pressure on wages and the working conditions that originate from the large number of migrant foreign workers. It also mentions the case of a migrant worker from Mali who works in conditions similar to those of Mauritania but with less than half the wage.

The report discusses also the situation of Mauritanian female migrant workers who went to work in Saudi Arabia and stayed there for two years, with the problems they faced, such as salaries not paid and other forms of harassments, including heavy working hours. The report describes the situation of a worker in a butchery (meat shop) who receives a fixed wage and another only paid for the services he provides to clients, knowing that he works 11 hours a day.

Informal labor in Households

The phenomenon of domestic workers, in majority constituted of women, is widely spread in the Arab countries. The Bahrain²¹⁶ watch report mentions that Bahrain's Labor Market Regulatory Authority (LMRA) reported 1,108 escape cases of migrant domestic female workers between the first and ninth months of 2015 (Box 4.3). This results from the conditions often experienced by domestic workers, but it is also related to human trafficking and driving women towards nightclubs and prostitution. Here too, the complexities of labor relations are important between the worker, the employer, the migrant workers and the sponsor, the governments of the employment country and the country of origin of the migrant.

Jordan's²¹⁷ watch report also describes the case of "Hanan," a Syrian refugee female whose husband died in the war and is now supporting as single domestic worker her daughter, that she is obliged to take her with her.

4.3 Working children

Jordan's²¹⁸ watch report describes the case of "Muhannad", 13 years old, who helps carrying customers' goods at the vegetable market in downtown Amman. Muhannad is the breadwinner for his family, including his four younger brothers, after his disabled father due to an injury. Despite his hard work, he prefers this one to his former employment where he

²¹⁵ Mauritania watch report, Mohammad Ahmad ALMAHBOUBI 2017.

²¹⁶ Bahrain watch report, Hassan ALALI 2017.

²¹⁷ Jordan watch report, Ahmad AWAD, 2016.

²¹⁸ Jordan watch report, Ahmad AWAD, 2016.

was subject to physical and sexual assaults. "*The market is full of children. The child must be strong and have an interest when he goes to work, otherwise something will happen,*" he says. Another case is that of a child of the same age, but with special needs, as he moves in a wheelchair. He works as a street seller of "Mulukhiyah (local spinach) and spinach" or sweets according to the season, as the salary earned by his father, who works as a guard in a company, is not enough to cover the family's living.

In Mauritania, children are also attracted to jobs such as guard work, transporting goods by donkey carts, selling dried dates, napkins, textiles and toys, as well as fish cleaning, especially in the central fish market, construction as well as selling of mobile phones. In the countryside, they are grazing, hunting and selling cattle and coal for food or clothing.

In Sudan, it was pointed out that²¹⁹ male children were employed in shoe polishing, car wash, and small craft workshops; whereas female children work as domestic workers and cleaners, all in difficult and sometimes inhuman conditions. The homelessness phenomenon for children away from their families has developed since drought and civil wars.

²¹⁹ Sudan watch report, Hassan ABDEL ATI and Ashraf Othman Mohammad AL HASSAN, 2016

5 POLICIES REGARDING INFORMAL EMPLOYMENT AND THE STRUGGLES FOR THE RIGHTS

5.1 Informal employment in the Arab countries and its theoretical debate

The previous chapters have shown that informal employment is the main reality in the nature of labor in the Arab countries, especially in labor outside government and public sector. They have also described the various types of such informal employment, particularly between waged labor and own-account, and between nationals and other residents, whether migrant workers, immigrants or refugees. Hence, government policies and social struggles to achieve the rights of all the employed cannot be targeted by a single mechanism, but rather by several mechanisms addressing each of the multiple types of this informal employment and the labor relationships that govern it.

It is useful first to put the results of informal employment data and the explanations of its types within the discussion of the schools of thoughts on the question. The large proportion of informal employment and the scarcity of formal workers in the formal private sector refutes the saying of the “dualist” school concerning the non-correlated duality in the labor market; especially that there is no real growth in the Arab countries in “modern” industries and facilities²²⁰. Own-account employment is not only a safety valve; it is also the working reality of a large proportion of workers, which is almost equal (but inferior in the case of Arab countries) to the wage-earning part, if civil service and agricultural labor are excluded. However, the recommendations of this school remain right when it calls for the need to offer the workers social protection and base infrastructures.

Labor conditions in the Arab countries are more compatible with the thesis of the “structuralist” school, which considers the expansion of informality related to the development of the structure of global capitalism and its production relationships. In fact, the informal employment outside the agricultural sector has developed consistently in the Arab countries in the post-1970s when all Arab economies entered largely into globalization and “economic openness”. However, rent seeking dominates Arab economies, whether from natural resources (oil, gas, phosphate, etc.), or location (Suez Canal); and the concerned productive capitalism is not local but global. It was noted that the proportion of private investments in GDP did not increase with the privatization policies to compensate the decline in the proportion of public investments²²¹. Nevertheless, here too, the school's recommendations remain right when it call to hold governments accountable for not tackling this informal imbalance and not regulating labor relations. The issue required also the organization of the other side of labor relations, i.e. the companies and the entrepreneurs, through an “industrial policy” that can expand the domestically produced value-added base.

The “legalist” school blames bureaucracy, the complex laws and regulations, and the complicity of governments with commercial interests for curbing the ambitions of employers

²²⁰ Aita 2015 W.

²²¹ Achcar 2013.

and entrepreneurs. It is true that bureaucracy is too heavy and slow in triggering change in some Arab countries, such as Egypt and Algeria, but this does not apply to other countries such as Bahrain or Lebanon. Indeed, labor laws in all Arab countries need to be reformed, as well as legislations on entrepreneurship. But one questions if this alone can change the conditions of productive investments and working conditions substantially, especially in countries that are densely populated and suffer from multiple social problems (such as the accelerating rural-urban migration)? The similarity of the situations of the Arab countries in terms of the prevalence of informal employment, while there are large differences in legislations, show that the problem is much deeper. This school recommends facilitating the registration of productive units and the development of property laws to transfer the assets of these units to capital assets. However, the question is about the value of these assets, especially those informal, when the majority of economic activities lie in trade and services. In addition, what should precede what? Providing first services to citizens, including social security, or collecting first taxes, fees and social contributions for the public budget?

Finally, the data of the Arab countries contradict the basic assumptions of the “voluntarist” school, which believes that most of the informal activities are made by choice to avoid taxes and fees, balancing costs and benefits. It is precisely because the majority of informal employees have no other choice, especially the young men and women, and they are mostly wage earners, with the existing large gap between the numbers of yearly newcomers to the labor force and the number of job opportunities created, including those informal.

Thus, policies cannot be put in place or struggles on informal employment cannot be developed solely on the basis of market orientations and of the formalization or not of the enterprises. The waged formal employment in formal enterprises, even the governmental ones, is in fact a significant part of the overall employment in many Arab countries. The optimal approach is to start by the issues of social and economic rights for each type of informal employment, especially social and health security, and to formulate policies and develop struggles simultaneously on all forms of such employment. In fact, the major issue lies not really in the formalization of the enterprises themselves, but more importantly in seeing the workers granted their rights regardless of the type of their informal labor, whether they are nationals or foreign workers, brought from abroad or refugees.

5.2 Governmental policies towards informal employment

Governmental policies towards informal labor are twofold, and the second fold is often neglected. The first concerns the frameworks and legislations, i.e. constitutions, laws and decisions, as well as direct or indirect incentive policies, such as granting loans to expand businesses. The second fold concerns labor market institutions in an integrated meaning. These institutions are not restricted to employment offices, but include all institutions concerned with the control in the workplace (exactly at it is necessary to control the pharmaceutical or food industry) and of the application of legislations. These also include institutions that study the projects of the own-account entrepreneurs or of the small and medium enterprises, granting loans to business expansion, with oversight on those to carry out the required purpose. In addition, there are the institutions that are dedicated to the resolve labor disputes through public or arbitration courts. Of course, frameworks and legislations cannot improve the reality if there are no executive institutions with the mission

of implementing legislations and of introducing incentive policies, and if there are no institutions to resolve disputes.

With regard to these governmental policies and despite the existence of specialized labor ministries, the most striking thing in most Arab countries is that informal employment is not a central issue for governments driving to develop policies in their two aspects. The main proof is the absence of specialized surveys to show its types, developments and characteristics, except for rare cases and due to pressures from international organizations. The general vision on the role of the ministries of labor is limited to securing job opportunities, neglecting their supervisory role in securing and maintaining workers' rights.

Social and health security

Arab governments' policies often voice the activation of employment and social welfare; some put strategic visions with the ILO for "decent work"²²². However, there is seldom talks concerning the horizontal expansion of social and health security, which normally covers civil servants in all countries since the independence. The ILO Convention No. 102 of 1952 related to minimal social protection, which includes health, medicine, sickness compensation, maternity care, work accidents, disability, old age and pensions, the death of a family member and unemployment, is seldom spoken of.

Only Tunisia had historically evolved on this level²²³. From the system of granting social security to civil servants inherited from the colonial era, the early 1960s saw the creation of social security funds for private sector (formal) workers²²⁴. In 1970, laws were amended to include some semi-permanent waged workers in the agricultural sector. In 1974, the social protection of civil servants was extended to non-permanent workers in the public sector. In 1981, the social protection of agricultural workers was expanded to include seasonal and temporary workers (the criterion is working 45 days for the same employer, with the introduction of an old-age insurance system). In 1982, an insurance system for waged workers was created, and was improved in 2002 to take into account the vulnerability of farmers and small fishermen, domestic workers or artisans who work on a piece basis. All these systems are redistribution systems between social and age groups, to be added to aids and subsidies systems for basic goods aiming at combating poverty. These systems became effective only through institutions that control their implementation. In Tunisia, the cost of the redistribution systems is estimated at 8% of GDP, and the aid and subsidies systems at another 10%.

Rare are the other Arab countries that embarked on a legislative and institutional process to expand the coverage of social security redistribution systems beyond civil servants. Even the real value of the pensions for the civil servants eroded due to the delinking with inflation. Most Arab governments are focusing their efforts on aid and subsidization systems or on employment promotion programs. There has been few real analysis of the revenues and expenditures of the expansion of social security systems. This is while there are real pressures, especially from the World Bank and IMF, to reduce government subsidies (basic foodstuffs and oil derivatives) and to increase taxes and indirect charges (VAT), in light of the

²²² ILO 2012-b, ILO 2010, Ajluni & Kavar 2015, etc.

²²³ CRES 2016.

²²⁴ Laws 30-60 and 33-60 of December 14, 1960.

low direct tax revenues and the low taxes on property and wealth in Arab countries. There are risks of succumbing to these pressures, not only in terms of inequity, but also in increasing the share of informal employment and diminishing its revenues, leading to social explosions and internal conflicts.

Beyond the questions about the imperatives of whether or not to formalize informal employment, another fundamental question is rarely asked. Since most of Arab countries are characterized by their youth bulge, i.e. the proportion of the young population is high within the working-age population, what can prevent the establishment of a balanced social redistribution system? The revenues of which can include the informal employees, mostly young, and the expenses of which can protect especially the older groups suffering more from sickness or from stopping work? Why not taking advantage of the opportunity of the "youth bulge" today before that the population "ages, as in some developed countries. Then the possibility of achieving the financial balance for such a system becomes more difficult?

Notably, current policies and the discussions with IMF, the World Bank and the ILO, do not address this issue, and are confined to analyzing tax systems, revenues and expenditures, without a comprehensive view of the totality of the "social contributions". No one finds it difficult to impose a sales tax or a value added tax as "indirect social contributions" covering all with on the other side of the balance only the public budget as equivalent. A broader contribution to social security as a "social deduction" could rather be implemented for which specific and tangible services are provided.

Incentive policies towards informal labor

The other policies concern the fight against poverty as well as the stimulation and activation of small and medium-sized enterprises (SMEs), particularly through micro-credit. These policies vary between revitalizing the creation of new enterprises and the activation of existing ones. Some researchers²²⁵ note the inherent dilemma of policies towards informal employment. Expanding the coverage of social security may frustrate young small entrepreneurs to expand their activities and employ permanent workers. It may push them to keep their facilities small, and to more evasion and informality. On the other hand, one way to support SMEs is to support these enterprises especially in reducing the labor cost.

Morocco²²⁶ has a special experience in microfinance since the 1990s (through "Moukawalati" – my entrepreneurship - program for example), providing currently about 50% of all microcredits in the Middle East and North Africa. These loans are supervised by local NGOs supported by the government as well as by international organizations. They cover hundreds of thousands of own-account workers (66% of them women), especially in rural and marginal areas. In fact, these policies replace government subsidies for basic goods that prevail in many other countries and are not adopted by Morocco.

There is no detailed assessment of the results of this type of policies. However, the current large shares of informal employment in Morocco (78% of total employment, 82% for females and more than 80% outside the civil service) and of poverty indicate that this policy is not as effective as it is expected to be. Morocco's comparison with other countries (pre-crisis Syria,

²²⁵ Charmes 2010.

²²⁶ Morocco watch report, Fawzi BOUKHRIS 2017.

Jordan, Egypt, etc.) show nevertheless some positive results, especially for the poorest, particularly in the cases of drought disasters or accelerating rural-urban migration. However, these loans are confronted with institutional problems (the control of the distribution organizations, including by the Central Bank; the lack of correlation between loan distribution NGOs and the labor market institutions; the lack of confidence in the State to provide social services and its replacement sometimes by institutions restricted to some communities; etc.) and also by social problems (inability to pay the loans, inability to expand the business, etc.). In all cases, these policies remain among emergency measures to combat poverty rather than to stimulate the economy and regulate the labor market.

The other type of policy stimulates entrepreneurship, especially for young people. These policies, as well as micro-credit policies, address own-account workers and employers. Therefore, these policies are often confused with those of microcredit. However, these policies of stimulating entrepreneurship constitute already a certain process of formalization, against non-physical services such as providing legal assistance and technical expertise, including market research and support, access to incubators, training and qualification. The issue of formalization within these policies is a fundamental one. Turkey for example has granted incentives under the form of exemptions from social contributions (taxes, duties, and social security contributions) for a certain period (five years in the case of Turkey) so that enterprises can reach a natural formal status imbedded in the economic market. Moreover, (as in the case of Turkey) the manipulations of some entrepreneurs and the closure of their enterprises after five years to allow starting new enterprises to continue to benefit from the incentives are dealt with. There are several experiences in some Arab countries relevant to this type of policies, but their results are very limited (a few thousand beneficiaries instead of tens or even hundreds of thousands of them in micro-credit policies). In fact, such policies require action by experienced and effective labor market institutions, managed either directly by the State or through civil society organizations.

A fundamental aspect of labor relations is hidden within these policies; that is the workplace. It is not possible to deal the same way with a person who has a permanent business in the public place, a person who works from home, and a street vendor. The issue of the location of the business (workplace) links in turn to urbanization and territorial development. A permanent business requires dedications of economic activities in the urban space, leasing premises and controlling the quality of the sold goods or services (for example, controlling food hygiene). It is therefore a partially formal enterprise without social and economic rights. This is unless the entire urban space is composed of informal²²⁷ "slums". The issue is the same in the case of working in households. However, there is a problem in the mixing of things between home's sanctity and economic activity. In the case of street vendors, the partial formalization lies in the management of the public space, especially by municipalities. Thus, the Bouazizi incident does not represent a problem of formalization, in the sense of officially registering the business and not including the seller in social security. It highlights more the problem of the management of public space, and beyond that, of urbanization and territorial development, as well as of the gap between the major urban metropolises and peripheral areas and slums.

It is natural for street vendors to move into busy squares or in high traffic places to expand their customers' base. The fundamental contradiction here is within the government

²²⁷ Roy & Alsayyad 2004.

policies: should street vendors leave the places to keep passers-by comfortable, or should own-account activity be encouraged to earn a living? The main responsibility for resolving this contradiction lies within the governmental and municipal administration in terms of urbanization providing "suitable places for sale" facilitating the movement of population on the one hand and the ease of movement of passers-by on the other. It is also meaningful to ask who is responsible for placing a large shopping center near crowded areas? So that, with very few workers and with better productivity, all small vendors are removed from the market, being fixed or street-vendors. Who is responsible when major companies like Uber come and eliminate the work of the taxi drivers? Is it left to the market to control itself or are alternative jobs and livelihood an essential concern of municipal and governmental management?

This is for normal business activities. However, the issue is even broader for territorial and regional development. Who is responsible for the quality of economic activities that can be developed in the peripheral zones, where informal employment is often the largest? Who also should make policies that take advantage of the advantages of these zones, including the rehabilitation of distinctive craftworks, and link them through infrastructure and transportation to central regions?

It is clear that the policies for stimulating entrepreneurship require far more than typical "incubators", and even more than Active Labor Market Policies (ALMP). The latter mainly include economic policies that compensate for the fact that private investment is low in the face of declining government investment since independence, and that address the crises resulting from "economic openness", technological jumps and the large economic and social gaps between urban centers and peripheries, including the slums.

The greatest risk is that in the absence of such integrated policies, the social unrest that has exploded with the Arab Spring will continue without stability. How in fact can it be possible to recover stability if the 3 million newcomers to the labor force in the Arab countries remain without "decent" work and without rights and representation of their interests in slums alleys and places? No, Arab economies were not already on a right track in 2010²²⁸ and things have even aggravated since, due to the economic recession and wars.

5.3 Social struggles for the rights of informal workers

In contrast to government policies, or their absence in most cases, the situation of informal workers cannot improve without collective bargaining and its mechanisms. It is true that the individual reaction, as in the case of a suicide, can draw public attention to the issues of informal employment. However, it is soon possible to relive this individual "event" putting it among other current events that the media are overwhelmed with every day. Thus, the rights cannot be achieved without a mobilization of informal workers and without campaigning for collective bargaining with employers and governments.

One of the major problems in the Arab countries is that the unions inherited from previous eras are mostly composed of formal workers, most of whom work in the public sector. The interests of those formal workers contradict with those of the informally employed,

²²⁸ Charmes 2010.

restricting the issues raised to wage levels versus inflation and to the preservation of social benefits. It is nevertheless true that the rise in the official minimum wage or the stabilization of social benefits increase the level of wages for all and creates pressures to improve the conditions of informal employment. However, the fundamental problems in the division of the labor market between the formal and informal labor remain and can deepen.

Otherwise, most national unions are not independent of the government and its bodies. What undermines their ability to defend the workers' causes, especially those who are informal, placing their interests and rights as priorities.

5.4 Highlights on some Arab countries

Bahrain

In Bahrain, as in the rest of the GCC, the division of the labor market between citizens and foreign workers has emerged as a major issue a long time ago. Hence, questions such as “Bahrainization”, “Saudization”, “Kuwaitization”, and so on has appeared. The strategic studies²²⁹ ordered by the governments have concluded that this division and the disparities are due to the cheap foreign labor and the lack of necessary skills among Bahrainis. The solution advised was to lie in economic reforms and the expansion of productive economic activities, on the one hand, and in reforming education, including vocational training, on the other hand, and in restructuring the labor market on the third, especially by significantly increasing the cost of foreign workers administratively. Based on the third pillar, the authorities created in 2006 the “Labor Market Regulatory Authority”²³⁰. Part of the revenues of this body, especially on foreign labor, will be allocated to an employment fund known as “Tamkeen” (enabling). However, the negotiations between the government and the private sector have led to a drastic reduction²³¹ on foreign labor fees, eroding a main objective of the labor market reform. Contrary to what was targeted, Bahrain has seen a rapid growth in foreign labor²³². This is while these fees were sufficient to ensure a full formalization of foreign workers, that is, to grant them full right to social security. Only the Arab Spring and its repercussions in Bahrain have led to the beginning of a review of this change in policy objectives and the beginning of a period where collective bargaining plays an important role²³³. The Supreme Council for Women, which was founded in 2001, also played a role in activating the economic empowerment of women, especially in entrepreneurship and in civil service (in the police for instance). Bahrain also joined the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and started in 2014 amending its laws accordingly. In 2010, Bahrain launched an interim program for decent work in cooperation with ILO. However, it was suspended after the 2011 uprising and the involvement of the General Federation of Bahrain Trade Unions in support of social demands.

Furthermore, specialized surveys on labor force are still scarce, which may mean intentional dimness. On the other hand, it is not clear whether the Ministry of Labor or the Labor Market Regulatory Authority has sufficient staff to conduct inspections in the workplaces to

²²⁹ The McKinsey study to Bahrain Crown prince, quoted in Bahrain watch report, 2017.

²³⁰ <http://lmra.bh/portal/ar/home/index>.

²³¹ De Bel-Air 2015.

²³² Hertog 2014.

²³³ Louër 2015.

make sure that the national standards are applied. In addition, it is not clear who is the authority to complain to, individually or collectively, in the event of violation of rights. And whether the powers of such authority are executive or judicial? Or is it independent and binding on all parties? So why do foreign female workers resort to their embassies in the event of infringement of rights²³⁴ while the issue of rights is local?

Nevertheless, Bahrain remains the best among Gulf countries in its efforts to respect human, economic and social rights and international standards, as well as in its inclusion of foreign workers in social security, even if it is conditional. In 2003-2004, the “Committee of Informal Economy” was established. It represented a unique initiative in the Arab countries. It included the Ministry of Labor, the Supreme Council for Vocational Training, Bahrain Chamber of Commerce and Industry, the General Federation of Bahrain Trade Unions and other institutions such as Bahrain Development Bank and Bahrain Business Incubator Center. However, the works of this Committee stopped and a permanent committee did not replace it. In any case, its temporary presence highlighted the importance of informal employment’ issues for the public opinion, especially during a special public symposium organized in 2005.

In terms of trade union struggles, it should be pointed out that the trade unions of Bahrain remained secret and unlicensed from the 1970s²³⁵ until 2002. The General Federation of Bahrain Trade Unions was established in 2004 under the project that transformed Bahrain from an emirate to a kingdom. There are no data on trade union membership, especially amongst foreign workers. It is worth noting, however, that the problems of the division of the labor market between citizens and foreigners (who come in majority from the Indian subcontinent) date back to the period before independence. The contradiction between the two categories was created during the large strikes of the Bahraini industry workers (oil, aluminum and airlines). The General Federation of unions has fought several struggles in support of foreign workers, most of whom being informal. Such struggles started over official terminologies, to replace the term of “imported labor” with “migrant workers”, and the term of “home made” with “household employment”. There were also struggles in 2005 to apply Labor Law on domestic labor, including their right to organize in trade union. Struggles in 2009 to implement Article 25 of the Labor Market Regulatory Authority Law, which provides for the free shifting of migrant workers from one sponsor to another. Struggles between 2012 and 2016 for the rights of workers on board ships left by their bankrupt owners in the territorial waters of Bahrain. Struggles to support the rights of domestic workers and the application of Convention 189 adopted by the International Labor Conference. And struggles for the 50,000 informal “Free Visa” workers. Trade union struggles included also the rights of female informal Bahraini workers, such as those working in kindergartens.

However, even within trade unions, debates still exist over the definition of non-Bahraini labor²³⁶. Is it migrant labor or temporary migrant contractual labor? Of course, the rights of these workers vary according to such definition. In addition, there is no clear struggle focusing on informality of the own-account workers and entrepreneurs that concerns

²³⁴ See paragraph 4.3 above.

²³⁵ The Bahrain Workers Union was created in 1954, but it was dismantled after independence.

²³⁶ Bahrain watch report, Hassan ALALI 2017.

Bahraini males and females more than the informality of waged labor²³⁷. This is while it is not clear whether these kinds of male or female workers are organized in trade unions to defend their rights.

Morocco

Morocco has a large population with limited natural resources. It constitutes a major source of outgoing-migrant labor, and a labor hosting country, albeit less. Among the Arab countries, it has been characterized by establishing a ministry concerned nominally with informality, i.e. the Ministry of Industry, Trade, Investment and Digital Economy, with a deputy Minister for Micro-Entrepreneurship and the Integration of the Informal Sector. In addition, exist another ministry for the Traditional Industry, the Social and Solidarity Economy as well as a Ministry of Employment and Social Affairs. It is clear from this distribution of powers that the focus is on the integration of informal enterprises into the economy.

Indeed, the policies of the Moroccan government since 1998 have focused on SMEs, particularly through “Microstart” loans with the United Nations Development Program (UNDP)²³⁸. Microfinance has expanded significantly since, and the civil society associations working with this tool. Morocco now provides more than 50% of total micro-credits across the MENA region with about 820,000 customers and a target to expand them to more than 3 million. However, this expansion has created many cases of excessive indebtedness and default²³⁹, especially since the majority (66%) of the debtors are women. In addition, the government launched support programs for entrepreneurship initiatives, especially for young people, as for “Moukawalati” (my entrepreneurship) initiative. However, achievements after years of activities show limited impact (3,400 beneficiaries only). There are also many similar programs and others to modernize trade, outside the small proximity neighborhoods businesses.

Despite some successes on entrepreneurship that have attracted media attention, this focus on small employers and own-account workers has neglected a major aspect of informal employment in Morocco. In fact, the majority of the informally employed in the country are waged workers in the formal sector or contributing family workers. The main problem still then posed, consisting on granting social security to all informal workers who account for 80% of all employed, 67% of non-agricultural workers, and 58% of waged workers. This lack of social protection affects working women more than men²⁴⁰. So that microcredit programs appear to be a framework for the fighting against poverty and extreme poverty more than a tool for securing economic and social rights.

Most of the informal workers remained away from Moroccan unions, despite the long history of these unions in the country. Informal sector enterprises (and own-account workers and informal employers) have long remained out of the professional or union organizations. Recently however, some informal trade unions have been created, such as the

²³⁷ See paragraph 3.1. It is remarkable that the arguments put forward for discrimination are that migrant workers do not want to stay for long in the country or learn Arabic. This is while this argumentation does not address the issue of targeted policies to lower the numbers of workers from other Arab countries.

²³⁸ <http://www.cm6-microfinance.ma/>.

²³⁹ Morocco watch report, Fawzi BOUKHRIS, 2017.

²⁴⁰ See paragraph 3.2 above.

"National Coordination Body of Street Vendors and Pavement Traders"²⁴¹, and the association of "Southern Women" in Agadir, which supports the organization of female workers in the informal sectors of Souss-Massa-Draa. Struggles achieved some success, for example to secure negotiations between street vendors, local authorities and shopkeepers to provide spaces for street vendors to be concentrated in overcrowded centers and squares. These struggles led even to the introduction of a "National Program for the Economy of Proximity" that organizes street vendors into categories and creates proximity markets for them. However, this proposal and the studies that were set up for it did not result into a formal policy adopted by the State. The King of Morocco personally rejected the proposed strategy by considering it "unconvincing" and that "the National Coordination Body of Street Vendors and Pavement Traders"²⁴² was not consulted.

In any case, the policies in place, as well as the trade union struggles, remain largely insufficient to tackle the challenge posed by the 80% of Moroccan workers employed informally. This is in particular as the main challenge remains to be social security, which is essentially a policy of redistribution among the age groups of the population, and does not theoretically constitute a real problem in a country with a majority of young population.

Egypt

The Egyptian experience is similar to that of Morocco, in focusing government policies on microcredit to cope with the expansion of informal labor while engaging in globalization. However, another aspect of the policy has been towards waged informal labor, which accounts for the vast majority of informally employed²⁴³. In 2003, the Ministry of Manpower and Migration issued a "Regulation for the Employment of Informal Labor," in particular seasonal agricultural workers, seafarers, miners, quarries and construction workers, followed in 2007 by a "Financial and Administrative Rule for Informal Labor Employment and Welfare Units"²⁴⁴ in various governorates and regions, which was amended in 2011 and then in 2014. The main objective of this procedure is to create a social and health care system for workers in vulnerable or temporary conditions, with funding for care and the administrative body directly collected from wages. However, the results of this policy are still unclear, especially with the problems and struggles of one of the main target types of labor: quarries' workers²⁴⁵. The same applies to other policies, such as subcontracting labor contracts, that article 16 of the Labor Code No. 12 of 2003 prohibits. Nevertheless, the reality remained strongly contrary to the text of the law.

In terms of struggles, independent trade unions remain restricted in Egypt, while they are not allowed to achieve collective bargains with employers. Such is restricted to the Egyptian Trade Union Federation. Remarkably, some government resolutions explicitly state that unions must commit to some rules, without these rules to be resulting of a negotiated agreement. Despite all this, Egyptian secondary and independent trade unions, as well as

²⁴¹ <https://www.facebook.com/tanssikia/>

²⁴² Morocco watch report, Fawzi BOUKHRIS, 2017.

²⁴³ See paragraph 3.3 above.

²⁴⁴ <http://site.eastlaws.com/GeneralSearch/Home/ArticlesTDetails?MasterID=354935>.

²⁴⁵ See paragraph 4.2 above..

some of the civil society associations, have had many struggles to defend the rights of the informal workers, both waged workers²⁴⁶ and own-account²⁴⁷.

Other countries

In Algeria, informal labor does not seem to be a focus of government policies and trade union struggles, specifically because of the inflated public sector and the overall low proportion of informal employment (39% of total employment). The policies' focus is on expanding government employment and on financial support to the enterprises recruiting young people or to young entrepreneurial initiatives. However, the rate of informal labor outside government employment is as high as in other Arab countries (66%), which raises questions about the sustainability of current policies.

In the case of Mauritania, there are no distinct policies towards informal labor away from the country's primary effort to combat poverty²⁴⁸ and to create opportunities for young people to earn a living. Every employment outside the government is rarely formal. Thus, the rights of informal workers are present mainly in terms of basic human rights, including, first equality between not only women and men, but also between social groups of the population categories, with the presence of large class gaps between these groups. Mauritians versus African migrants; the policies for "Mauritizing" job opportunities; the "Haratin" (old Muslim slaves) compared to the "white" and "blue" people, and so on.

The situation is not very different in Sudan and Yemen where the priority of government policies is to fight poverty and create jobs for young people. Therefore, health security can only come through health services that the government and civil society organizations are trying to secure on a large scale. This is despite the fact that the Social Security Law imposes theoretically the subscription of entrepreneurs and employers, even of one worker²⁴⁹.

For its part, Jordan has recently launched, in April 2015, a "National Framework for the Informal Sector"²⁵⁰ in cooperation with the ILO, "which includes an integrated methodology to formalize the informal sector". This was the result of a consultation between the Ministry of Labor, the Jordan Chamber of Industry, the General Federation of Jordanian Trade Unions, the Department of Statistics, the Ministry of Planning and International Cooperation and the Social Security Corporation.

Moreover, the Iraqi Ministry of Labor has prepared a new draft of the labor law so that the social security includes "own-account and informal workers"²⁵¹, pending its endorsement by the Parliament. A strategic roadmap for social protection 2015-2019, including the inclusion of the "informal sector in social security," has been developed. Unions and civil society organizations have participated in the workshops and efforts that have led to such public

²⁴⁶ See the cases of quarries' and bakeries workers in paragraph 4.2 above.

²⁴⁷ See the case of the Association of food sellers in Minia governorate in Egypt watch report, Rime ABDELHALIM and Saoud OMAR, 2017.

²⁴⁸ Ministry of Economic and Development Affairs, Mauritania, 2013.

²⁴⁹ The Law of Social Security no 26 of 1991 and the revising decision of 2013, see Yemen watch report, Ali AL NUSAYRI, 2016.

²⁵⁰ Jordan watch report, Ahmad Awad, 2016 and http://www.ilo.org/beirut/media-centre/news/WCMS_364150/lang--ar/index.htm.

²⁵¹ Iraq watch report, Hanaa ABDEL JABBAR SALEH, 2016.

policies. In Iraq, like Jordan, there are micro-credit programs and other programs to support young entrepreneurs.

Even this minimal policy effort towards informal employment does not exist in Lebanon, which is experiencing a sustained political crisis. Sectarian bodies replace the State to provide minimal social protection, often under the guise of civil organizations. UNRWA plays this role for the Palestinian refugees; UNHCR and other UN organizations for the Syrians. This policy effort is also absent in Palestine. Even the new law amending social security regulations adopted in March 2016 ended the possibility of including informal workers, unless the worker and the employer voluntarily pay their contribution together²⁵². This is in spite of the efforts made by civil society organizations and some trade unions, and in spite of a national campaign and extensive community debate. However, these efforts of trade unions and the community have led to some small partial improvements in the law. Otherwise, the “Palestinian Fund for Employment and Dignity”, which was aimed at stopping Palestinian labor in Israeli settlements, was also aborted. The fund appeared in 2003 and suddenly disappeared. Finally, it is necessary to mention the case of the "Agency for Combatting Unemployment" established in 2004 in Syria with a capital exceeding one billion US dollars and that quickly expanded its micro-loans after the crisis of the large rural-urban migration in 2003-2004. It was abruptly suspended in 2006 and replaced by the “Syrian Trust for Development”²⁵³ run by the wife of the President.

²⁵² Palestine watch report, Firas JABER and Iyad Al RIYAH, 2016.

²⁵³http://ngosyria.org/Institute/The_Syria_Trust_for_Development_%D8%A7%D9%84%D8%A3%D9%85%D8%A7%D9%86%D8%A9_%D8%A7%D9%84%D8%B3%D9%88%D8%B1%D9%8A%D8%A9_%D9%84%D9%84%D8%AA%D9%86%D9%85%D9%8A%D8%A9

6 CONCLUSIONS AND RECOMMENDATIONS

Conclusions

This regional report, as well as the other national and regional social and economic rights' watch reports, highlights some of the problems of informal employment in Arab countries.

It confirms that the availability of accurate information on informal labor remains a daunting task in the Arab countries, due to the scarcity of periodic surveys of the labor force and to their non-abiding by ILO standards. It is true that these surveys need expertise and institutions working in a proper framework to collect them, but the results of many other surveys on GDP, financial flows, and so forth are periodically issued. What raises questions about the reasons for this weakness in labor force surveys.

The report also highlights that the shares of informal labor in total employment are higher than those indicated in other sources, if social and health coverage is taken as a key criterion. In most Arab countries, it ranges between 50% and 85%. The main reasons for this difference with other sources are related to the formality status of migrant workers in the Gulf countries, to the size of migrant workers that remain largely informal in some countries such as Lebanon and Jordan, to the formality status of government and public sector workers in many countries such as Algeria, Iraq, Yemen and Egypt, and to many other details that are not clearly reflected in the published results of labor force surveys. This is in addition to the fact that the unrest that followed the "Arab Spring" and conflicts has exacerbated informality in recent years, while it has not been monitored by the surveys so far.

Of course, the importance of the (largely informal) agricultural labor affects the differences between Arab countries in terms of informal employment, but the proportion of informal employment remains very large in all even in urban labor. Employment in government and public sector has a greater impact. The proportion of informal labor outside agriculture and public sector in most Arab countries exceeds 70%, making informal employment the basic reality of urban labor in the private sector.

The situation is different for females whose economic participation is below the levels of other regions of the world. The share of informal labor out of total female employment is often lower than that of men. This is because women are more involved in government and public sector jobs, precisely in order to obtain social and economic rights that they do not receive in any other type of work. Thus, the impact of government and public sector employment on female labor is considerable. The share of informal employment increases drastically (and sometimes doubles) if government employment is excluded, a lot more than if agricultural employment is excluded.

These findings contradict one of the stereotypes on informal labor, i.e. that it results from the rigidities of laws and bureaucracy. The highest levels of informality occur in the States with the less stringent levels of laws and bureaucracy, and vice versa. Informality has expanded in all the studied Arab countries, while in the past two decades; they have witnessed "economic openness", an alleviation of bureaucracy, and an engagement in globalization and in IMF's "structural reforms" policies.

With the exception of cases such as Sudan and Mauritania, waged labor, including in temporary or vulnerable working conditions, prevails over the other forms of informal employment in the Arab countries. This also negates the idea that informal labor is essentially a choice. With the lack of formal job opportunities compared to the number of newcomers, because of the "youth tsunami", many young people have no choice but to engage in any kind of work that provides for living, even if it is vulnerable or temporary. Employers also benefit from this overcrowding in the urban labor market to evade formality. Thus, all reference studies monitor the highest ratios of waged informal labor among young people. The choice theory is also meaningless in countries where migrants, as imported labor, as in the Gulf countries, or as refugees, as in Lebanon and Jordan, constitute the core part of informal employment.

Waged labor also prevails in the case of females, especially if domestic workers and contributing family workers (who are dependent on an employer but do not earn real wages) are included in the "waged" employment perspective. This sheds special light not only on the issue of informal employment as a choice, but also on the cultural perspective of women's low participation to the labor force. Do women refrain from such participation for cultural reasons or because their waged labor is unprotected? Or because the labor market is overcrowded with male workers and is characterized by vulnerable and temporary labor?

These findings also shed light on the need or not to formalize the informal employment. The issue is mostly not an issue of entrepreneurship and enterprises formalization, but is about securing the rights of the waged workers, and framing labor relations between the worker and the employer through labor force institutions. Of course, informal waged labor (including vulnerable or non-paid labor) constitute the livelihood activity of those who are less qualified, and it is possible to propose policies concerning educational and vocational training and rehabilitation, so that these workers may become entrepreneurs or own-account. However, the magnitude of the phenomenon requires also struggles and policies to "formalize" these workers at least to ensure their rights to social security. Especially that those who are concerned often are domestic labor or employees of the formal sector, including the government, or subcontracted employees in this formal sector. And especially that in some cases, the social security funds collect revenues from workers, but do not provide them with social services (see the cases of Bahrain and Lebanon). Thus, the issue of this type of informal employment, i.e. waged labor, lies in the enlargement of the coverage of the social security systems, as in the collection of their revenues. There is a pioneering Tunisian experience in this area. A strong trade union federation has strived to expand horizontally the coverage of social security, and played for that a great role.

The other major category of informal employment in the Arab countries consists of own-account workers and employers, who make up a significant share in Mauritania, Sudan, Yemen and Morocco. Female informal labor is less implicated in these than male labor, with the exception of Mauritania. The issue here is actually that of economic enterprises, of their revitalization and of the development of their productivity, in addition to the inclusion of social rights and security for the owners of these enterprises and their employees. It is possible that the involvement in such type of employment is a choice, as evidenced by the high incomes of some of its employees compared with the income of waged informal workers. However, this type of labor involves also many poor street vendors who just earn their living from this activity to a minimum, such as the Bouazizi case in Tunisia. Labor relations also take here a special dimension through the role of the workplace, and raise

policy issues broader than those used to combat poverty through microcredit loans or to encourage entrepreneurship through incubators in particular. The concept of "formalization" takes in this case the dimensions of territorial and urban development, both in the cities and the countryside. This is to bridge the gap in development between urban centers and rural peripheries, to create opportunities for economic activities in these areas, with agriculture heading towards greater productivity, accelerating rural-urban migration, or to address the problems of the "slums" in which these migrants are located, as well as to secure their entire infrastructure and social services. It also takes an additional dimension with the effects of technological jumps and economic crises that cannot be borne by the most vulnerable.

In these circumstances witnessing a great expansion of informal labor in the Arab countries, some struggles by trade unions and the civil society to defend the rights of informal workers are emerging as courageous and necessary initiatives to create a negotiation climate to avoid the successive explosions that began with the "Arab Spring".

Recommendations

These recommendations focus on issues related to Arab civil society organizations (CSOs), their struggles, campaigns and dialogues with their governments and international organizations.

Struggles

- CSOs and Arab trade unions should intensify their awareness campaigns, both internally and externally, on the fact that informal employment is the reality of labor relations prevailing in the Arab countries. So that governments and international organizations consider the rights of these male and female workers as priorities for their policies. This awareness includes shedding light on living conditions in slums and on the development gap between urban centers and peripheral areas.
- Awareness must also be deepened because economic and social rights are human rights that are binding on all States and include the entire population, both citizens and migrants, migrant workers and refugee migrants. These awareness campaigns include highlighting the situation of informal workers, especially the most vulnerable, and defending their causes. They include also a focus on the concepts of public rights, public services and public space.
- Arab CSOs should encourage the establishment of independent trade unions to represent the interests of the informal labor groups, encourage the involvement of their workers, encourage cooperation and exchange of experiences between these unions in all regions, and represent them in independent federations to engage in dialogues with other unions and in negotiations with municipal, regional and governmental authorities. This includes promoting the trade union organization of migrant workers, whether those who came to work or refugees.
- Arab CSOs should encourage the creation of women's associations and trade unions to stimulate the economic participation of women and defend their human rights and those relevant to employment. This includes associations and trade unions that

represent domestic workers, female citizens or migrant women, as well as those who defend the rights of unwaged contributing family female workers.

- Arab CSOs and unions should prioritize the inclusion of informal workers, being waged, own-account or contributing family workers, in social security. These include health and medical care, sickness compensation, maternity care, work accidents, disability, old age and pensions, the death of a family member and unemployment.
- In its dialogue with governments and international financial organizations, Arab CSOs and unions must place all social financial contributions at the same negotiating table, in order to tackle subsidization policies, indirect taxes, and social security at the same time.
- Arab CSOs and trade unions should adopt policies to combat poverty and stimulate entrepreneurship within a comprehensive development perspective, including development and urbanization of cities and territorial development to bridge the gap between centers and peripheries, diversifying local economies. So that such comprehensive development perspective becomes the subject of dialogue and negotiation with local, regional and governmental authorities.
- Arab CSOs and unions must adopt a position that considers the workplace an essential part of labor relations, and that it is part of the collective bargaining, both for street vendors and for work from home and within the family.
- Arab CSOs and unions should engage in dialogues with chambers of commerce and industry at the local and national trade unions level to negotiate the rights of waged informal workers and synergies to address business issues of own-account employment and entrepreneurship.
- Arab CSOs and unions should create international cooperation with organizations active in other countries defending informal workers, in order to exchange experiences, expertise, struggles and advocacy campaigns.
- Arab CSOs and unions should press governments to create institutions for the labor market or to modify the existing institutions to be full partners in the social dialogue, in the same way as employers. These institutions include employment offices and all the institutions concerned with control in the workplace and the implementation of legislations, as well as the institutions resolving labor disputes through judicial or arbitration courts.

Surveys on informal labor

- Arab governments should be pressured to conduct and disseminate periodic labor force surveys (LFSs), including citizens and migrants, with details on informal employment according to ILO standards.
- To stimulate this, Arab unions and CSOs can undertake their own surveys themselves, covering all parts of the country or particular regions to highlight issues of informal labor.

- Arab CSOs can also create synergies between them to share experiences on these surveys and the ways of conducting them.
- These surveys should focus on problematic issues such as the vulnerability of waged labor, the workplace for own-account and employers, the business and work environment in slums, the gaps between different regions of the country, and the rights of migrant workers, including in social security.

Social and health insurance

- The Tunisian experience should be leveraged in terms of the horizontal expansion of health and social coverage of workers, by launching an in-depth study about this experience and its institutions, comparing it with other Arab experiences and with countries similar in the nature of their labor market to Arab countries.
- Socio-economic studies should be conducted in each Arab country on the subject of horizontal expansion of health and social coverage, and the possible balance of its budgets under the "youth bulge". Cooperation between Arab CSOs for development should be enhanced to exchange experiences on this subject.
- In the campaigns and the dialogues with governments and international organizations, the concept of "total social contributions" should be taken into consideration rather than taxes alone, as recommended by the Organization for Economic Cooperation and Development (OECD). So that social security can be an integral part of an overall vision of governments' revenues and expenditures and of social negotiation. The latter should not be restricted to subsidization policies and indirect taxes.

Policies to combat poverty and stimulate businesses

- The Moroccan experience in the field of microcredit should be leveraged to launch a comprehensive study on the assessment of the effects and results of microcredit policies on informal employment, and to compare with practices in other Arab countries and in countries similar in the nature of their labor market to Arab countries.
- A comprehensive assessment of policies to stimulate business revitalization and entrepreneurship in Arab countries should be conducted, indicating what they offer by region in each country, beyond microcredit or investment funds, and highlighting the relation between these policies and the policies of territorial and urban development.
- Adequate studies should be conducted on living and working conditions in slums surrounding urban centers and in rural areas, to highlight the situation of the population, including their informal labor, and to indicate the effects of the lack of urban and territorial development on the increase in informal employment.

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