



# ARAB WATCH REPORT ON ECONOMIC AND SOCIAL RIGHTS

03

**Samir Aita**

President, Cercle des Economistes Arabes

## INTRODUCTION

The decision of the Arab NGO Network for Development (ANNND) to make the «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 el-Tayeb Mohamed Bouazizi, who ignited it, was not unemployed. He was a -27-year-old informal worker in a peripheral area of the Tunisian state. He neither benefited from any form of development that guaranteed his human dignity, nor was he a waged agricultural worker like his father. He worked for his own account, i.e. an employer from the so-called private sector, which important role and that of youth in economic growth are highlighted. His desperation and committing suicide by burning himself was a result of suppression precisely because he was «informal» and should be subject to the laws in force, leading to the confiscation of his means of subsistence. It is thus clear that addressing this challenge is at the heart of addressing development issues in the Arab countries.

It has also been clear from the outset that meeting the challenge will encounter difficulties at different levels. There is first a knowledge and conceptual problem. What is meant by unstructured or informal labor? How is it expressed? What does it exactly include in the labor force? All these questions are asked in the absence of unstructured employment as a conceptual, statistical, political and fundamental struggle issue in the Arab countries, although this type of labor represents a large part of the total employment and continues to increase. Official statistics do not comply with International Labour Organisation (ILO) standards to monitor it, neither in surveys on labor force nor in those on family income. The efforts of social and economic researchers rarely address the characteristics and diversity of its types, as well as the subservience and power it creates. Most of trade union struggles are not based on securing dignity and the basic rights of those involved, but are more focused on formal workers, especially in the government sector, because they are easier organized in trade unions. Moreover, Arab governments do not consider it as the main subject of their policies, because it is an embarrassing subject which illustrates the gap between the role of the state set forth in regulations on labor, the social protection of citizens and redistribution, and the existing reality. It also points out to the inability of Arab governments for decades to launch a sustainable development that provides for living and prosperity. Therefore, in social struggles and in some government policies, there is often only a generic title, not a specific content, adapted from ILO literature on «decent work». In the face of every attempt to study it deeply, this informal employment which is an essential part of the «labor market» division in the postmodern and globalization era, especially in developing countries, is confused with smuggling, evasion of law and «informal» crime, which increases the perceived inferiority of this employment. Civil and economic rights are the core of the issue of informal labor, i.e. the right to health insurance, medical services and medicines, the right to pension when workers will be unable to work, the right to an income that provides a decent life, whether it is a wage or a profit on a simple trade, the right to housing, clean drinking water, sanitation, social services and infrastructure, and the right to education and rehabilitation to suit economic and technical developments. All these rights are guaranteed in the International Covenant on Economic, Social and Cultural Rights which is inherent and complementary to the International Bill of Human Rights, and are guaranteed by the Constitutions of the majority of Arab countries. However, only few workers enjoy these rights.

Securing these rights for all citizens through workers is the

primary role of the State in redistribution and social justice. 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 technological developments. This includes 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, whereas the role of the legislature is to enact legislations protecting the rights, and that of the judiciary is to enforce the International Law, Constitutions and laws. Of course, these two roles cannot be truly activated without the State advancing economic and social development and protecting countries against the effects of internal and global crises. This challenge has 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 the consequences on informal labor. The watch report addresses the issue of informal labor primarily in terms of rights, creating another challenge in monitoring the status of these rights that are absent in general, 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 reasons in the context of «openness» and neo-liberal and income-based policies, which began in the 1970s, coinciding with many phenomena, the most important of which was a «youth wave» that resulted from «baby boom» generations reaching the working age, large waves of emigration to many Arab countries, labor migration or asylum migration. Therefore, the growth rates of the urban labor force were very high, despite the fact that overall population growth rates have declined significantly. In many countries, a «youth tsunami» requires conscious voluntary policies to create «decent» jobs, originally linked to labor rights, but also to development, especially to the urbanization of «random» suburbs and cities, and peripheral areas of the country where informal labor has spread. First, the report monitors some of the overall data according to United Nations organizations. The population of Arab countries exceeded 380 million in 2015, and demographic growth rates have declined significantly in recent years. However, the population of Gulf countries has doubled, thanks to migrant labor; hence, GCC population represents now %14 of the total population of the Arab countries against %6 in 1950. Also, all Arab countries were not aware of their «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 relocation in the cities (Gulf States, Lebanon), while rural exodus to the city accelerates in other countries (Tunisia, Algeria, Syria, Yemen and Mauritania) and is accelerating in Egypt and Sudan. In all these latter cases, the urban population is growing at a much higher rate than the demographic growth rate.

In spite of the general weakness of women's participation to the economy, the Arab labor force is increasing annually by 3 million, down from a peak of 4 million in 2010 due to current crises. Most of this increase is not due to higher economic participation. The largest increase is seen in Gulf countries, whose labor force now accounts for %19 of the Arab labor force, compared to only %12 in 1990. Of course, most of this increase is composed of migrant labor. In contrast, some countries are experiencing a decline in economic participation, especially for women, as a result of rural exodus to cities. Here,

attention must be given to the impact of migrant refugees on reducing the participation rate, especially women, and the impact of migrant labor, as in Gulf countries, on increasing this measure. The report did not rely heavily on unemployment data, but on comparing the number of new annual arrivals to the labor force (3 million Arabs) with the number and quality of created jobs.

Data provided by the International Labor Organization (ILO) showed that the proportion of self-employment out of the 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 labor. In all cases, many Arab countries are experiencing high rates of poverty among workers (e.g. %75 in Yemen and %44 in Egypt). The report therefore relies on the absence of social coverage, particularly health insurance, as a standard for categorizing labor as informal. In addition, international data on this coverage remain fragmented and non-periodic, requiring special effort 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 population between 5 and 14 years).

Based on national and regional reports, the report examines informal working conditions in 13 Arab countries, showing their individual characteristics as well as their differences, which seemed huge among countries of the same 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 the size of the labor (and the labor force) that adapts mainly to the labor market, not the other way around, since %87 of the total labor force in Bahrain for example is migrant workers, whose employment is terminated when jobs are no more available. However, %37 of Bahraini workers are also informal, mostly self-employed or employers, with informal Bahraini waged workers, even in the public sector, such as kindergarten female workers whose status is documented in the Bahrain report. Also, %73 of migrant workers remain informal and are paid workers in the formal sector or at home. Therefore, the total percentage of informal labor to the total labor force in Bahrain is %65, the majority of which is waged. Since Bahraini women work mainly in the government sector, the chances of informality are better than the total for Bahraini females (%29) and worse than the total for the migrant women (%84). Although Bahrain is making efforts to comply with international labor standards, and to cover migrant workers with insurance, more than %60 of migrants arrived less than one year ago and are not granted health insurance. In general, concepts of participation to the labor force, especially for women, unemployment and informal labor, have a special meaning in Gulf countries, while the rights are common human and labor rights to all.

For their part, all Arab Maghreb countries have seen the «youth boom» and Mauritania continues to witness it. Urbanization has been completed only in Morocco and Mauritania, which are still seeing accelerated rural exodus to the cities. The waves of labor migration to Europe (except for Libya), which reached %0.5 of the population annually, played a key role in the past to absorb the newcomers into the labor force, but these migrations have almost ceased, except from Morocco. Thus, Maghreb countries receive annually about 500 thousand newcomers to the labor force, most of them are in

Algeria (%48 of the total Maghreb). 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 government employment rate of more than %40 of the total labor force (including women). Tunisia has a structured employment rate in the formal sector of around %50, especially for women, while Morocco has high proportions of family contributing workers and Mauritania has high rates of unskilled employers (especially women). With significant variations in the quality of employment, the proportion of informal workers and uninsured workers is %35 in Tunisia, %39 in Algeria, %80 in Morocco and %86 in Mauritania. However, the proportion of informal workers in Algeria rises to %66 if civil servants are excluded (and to %85 for females). 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 divided between paid labor and self-employment, as in Tunisia. In Morocco, prevalence is for waged informal labor and contributing family labor which affects women in particular. On the contrary, self-employment and entrepreneurship constitute the majority of informal labor (and labor in general) in Mauritania.

Overall, the situation of women remains more vulnerable. The percentage of informal female workers is %49 in Algeria, %83 in Morocco and %87 in Mauritania. Only in Tunisia, informal female workers are less by %20 than male informal workers, thanks to its social security system, which covers even agricultural workers; so if civil servants are excluded, the percentage of informality only drops to %28) %42 for women). The countries of the Nile Valley (like Morocco, but with higher percentages) are still predominantly rural, and their «youth wave» lasted for decades. These countries receive some 900,000 newcomers to the labor force each year. The percentage of informal labor in Egypt was estimated at %59 of the total employment, mostly waged work, especially the vulnerable and non-permanent waged labor. This is despite the fact that %30 of employment is in the public sector, although part of it is informal. The proportion of informal labor in Sudan is %77, with the predominance of self-employment and contributing family labor. It should be noted that in the case of Egypt, the proportion of informal female workers drops to %38, although there is a remarkable proportion (%18) of informal family labor; women exit the labor force with more informality. In Sudan, the proportion of informal female workers (%79) is slightly higher than that of men. In all cases, it seems that informality will be higher in both countries, in Egypt due to the post-revolution economic developments, and in Sudan as a result of the civil war and the heavy migration from Southern Sudan. The situation will be even worse with the accelerated pace of rural exodus to cities.

For their part, Levant countries are living in a state of extreme cruelty due to the invasion of Iraq, the wars in Syria and Yemen, and the massive internal and external migratory waves. This was at a time when most of these countries knew the peak of the «youth boom» and the accelerated rural exodus to cities, and thus the number of newcomers to the labor force is about 800 thousand per year.

In Iraq, the proportion of informal workers is %52 of the total labor (%48 for women), the majority of whom are waged workers in the informal sector. With the expansion of employment in the public sector after the war to more than %50) %41 for women), the proportion of informal labor outside the civil service rises to %96) %88 for women). In Jordan, the proportion of informal Jordanians is %50, the majority of whom are waged workers in the formal sector. With the majority of informal migrant workers, Palestinians and Syrians, most of whom are waged workers, the share of informal labor rises to %27) %57 for women). Outside the



civil service (%30 overall and %52 for women), the share of informal labor rises to %55) %81 for women).

The overall informality rate in Palestine (%60 in total) is not different from that in Jordan. However, the difference between the West Bank (%66) and the Gaza Strip (%43) is particularly significant, with government employment at %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 family labor, especially in the West Bank.

The most complicated situation is in Lebanon, where the share of Palestinian migrants is %6 of the total employment, Syrian refugees are at %18 and other migrants (mainly domestic workers) are at %13. The overall informality is %73, with more than %90 for emigrants and %59 for Lebanese. The share of Lebanese women in terms of informality (%44) is lower than that of men (%63), because they are concentrated in the formal sector, whether governmental or private. The situation in Lebanon stands out as a striking phenomenon for an average income country, with a high rate of self-employment, affecting %36 of Lebanese male workers. Poverty and child labor rates remain significant. Informal labor was monitored in Syria and Yemen prior to their civil wars. In Syria, the proportion of informal workers reached %66 of the total (%39 for women), almost evenly distributed between self-employment and waged labor in the informal sector. With %27 for those working in the public sector (%56 for women), the percentage of informality outside the public sector reaches %94) %89 for women), while the number of newcomers to the labor force was nearly 300,000. The ongoing conflict has resulted in the loss of half of the jobs between 2011 and 2015. In Yemen, the proportion of informal labor reached %81 in 2014-2013, also distributed between self-employment and waged labor, with a significant share of contributing family workers. Informality among women is greater (%83), with a significant proportion for contributing family labor and self-employment. Yemen is also witnessing new arrivals to the labor force between 250,000 and 280,000 per year.

The report also documents various cases of informal labor. In the case of self-employment, the situation of street vendors in several countries (symbolizing the Bouazizi case) highlights complex labor relations, some of which are linked to local administrations (workplace). Small-scale workshops, often used by many to earn a living, are also highlighted, as are some migrants without a residence permit. Some traditional industries highlight the situation of self-employed family labor, including industries that represent an immaterial heritage and activities reflecting a lot of innovation. Cases of waged informal labor were also highlighted in the government sector in Lebanon, Egypt, Bahrain, and other cases in Mauritania in the formal private sector. Issues of domestic female workers (as well as male domestic workers), waged family labor and child labor issues were also highlighted. The report documented the fight of trade unions and civil society organizations to defend the rights of these cases.

The report concludes that the percentages of informal labor in Arab countries under study are 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 seen in countries that are less strict in their laws and bureaucracy, and vice versa. Moreover, informality has expanded in all the studied Arab countries, while in the past two decades, these countries have seen «economic openness», easing of bureaucracy, engagement in globalization and «structural reform» policies led by the International Monetary Fund (IMF). Waged labor dominates informal labor in Arab countries, except in rare cases. This also contradicts the idea that

informal labor is essentially an option. Many young people have no choice but to engage in any type of labor 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 higher ratios of informal labor among young people. The option theory is also meaningless in countries where migrants, as imported labor, as in Gulf countries, or as refugees, as in Lebanon and Jordan, constitute the core part of informal labor. Waged labor also prevails in the case of females, which sheds a special light on the cultural perspective of women's low participation to the labor force. Will women refrain from such participation for cultural reasons or because their waged labor is unprotected? And because the labor market is full of male workers and is characterized by vulnerable and temporary labor?

Thus, «formality» consists mostly of including the waged labor in social security services, as well as in the collection of their revenues. Regarding government policies, the report asks: what prevents the establishment of a balanced system of social redistribution through insurance, which revenues include the informal labor that affects young people in particular and protects their expenses, especially older groups suffering from higher rates of illness or cases of stopping work? Why the opportunity of the «youth wave» today is not leveraged before the community «ages», as in some developed countries, and thus making more difficult the possibility of achieving the financial balance for such a system? Tunisia is a pioneer in this case; the strong trade union federation which strived to expand the horizontal coverage of social security has played a major role.

As for self-employment, the report distinguishes between anti-poverty policies and those stimulating economic activities and entrepreneurship. It asks why these and those are focused on microfinance, as poverty cannot be managed through these loans alone, while subsidies on basic commodities are lifted and indirect taxes are imposed. Incentives» policies go much further, not only through the provision of non-material services, such as legal assistance and technical expertise, including market research and support, and access to incubators, training and qualification, and even partial formality, but also through issues related to urbanization and territory development. The workplace is a fundamental issue in self-employment labor relations. The problems of street vendors depend on the organization of urban space as a public right. Private investment promotion is associated with territory development policies and economic policies that address crises resulting from «economic openness», technical jumps and large economic and social gaps between urban centers and peripheries, including 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, social and health insurance, government policies to combat poverty and stimulate entrepreneurship, and struggles for social and economic rights.

## 1. INFORMAL LABOR: IS IT INEVITABLE?

Arab societies did not witness the industrial revolution that Europe witnessed in the nineteenth century, which had laid down the working relations between the «owners» of this labor or 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' rights to association, strike, health, pensions, and so on.

Arab societies have known this type of labor relations since ancient times, especially in the commercial field which 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 country, 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 service or productive sector, benefits and rights, especially that 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 could create an industrial development revolution, until the era of globalization and information and communications technology. In the 1970s, the policies of opening up trade increased. The Arab countries reduced the role of the government in investing in the productive sector, privatized many government enterprises, even those that provide public services, and committed themselves to the so-called «structural reform» recommended by the International Monetary Fund, i.e. decreasing investment and current budgets. Contrary to the slogans behind openness, the domestic and foreign private sector did not make investments that 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»,<sup>1</sup> or the «neoliberal»<sup>2</sup> and «rentier»<sup>3</sup> era with 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 in university-age and in the labor force has become a significant proportion of the total population. The same happened in Europe when a baby boom took place after World War II in the 1960s and led to May 1968 in France and «Prague Spring» in Czechoslovakia. GCC countries have not really experienced this «youth wave» as much as they have seen the recruitment of migrant workers on demand; most of them stay for only a short time. However, they are gradually becoming the majority of the population. The second phenomenon was socio-economic, with the acceleration of rural exodus to cities in most Arab countries. Small farm holdings were no longer able to secure the livelihood of the second or third generation of their descendants. The agricultural sector as a whole has entered the world of the market, agricultural industries and modern technologies, with great neglect of the development of rural and peripheral areas, unlike the period of independence. 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 a suitable size of «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 «unstructured employment», also called «informal», which represents now an absolute majority of the labor force in the Arab countries, especially if we exclude civil service and agricultural labor

<sup>1</sup> In relation to the increase of oil prices after the 1973 war, and the significant increase of Arab countries' oil resources

<sup>2</sup> In relation to theories considering that markets (goods, funds, and labor) self-evaluate and control themselves with neither rules or incentives, nor a regulatory role for the State.

<sup>3</sup> That is the economy based primarily on the exploitation of natural resources instead of the real added value resulting from labor, investment and creativity; see, for example, George Corm: Taking Arab countries out of the rentier economy? (إخراج الدول العربية من الاقتصاد الريعي؟),

(the latter is also a traditional and informal labor). This will be tackled 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 for the gap between the annual employment requirements of the «youth tsunami» and the number of «decent» annual available employment opportunities, including access to social and economic rights, is minimal. But this is not the only reason. Modern technologies reduce the need for labor, especially the unskilled ones, and have destructive effects on «decent» jobs often absent from the literature of modernization, development and innovation.

On the other hand, informal workers are concentrated in an urban setting that has also grown rapidly and informally, in slums that surpassed the potential of states and local authorities in terms of urban and regional regulation. Therefore, «informal employment» cannot be addressed without a regional and urban organization that also deals with «unstructured urbanization»,<sup>4</sup> i.e. random urbanization, and gaps that have expanded significantly between peripheries and urban centers.

It is remarkable that the uprisings of the «Arab Spring» are largely due to the outbreak of structural instability. Peruvian economist Hernando de Soto pointed out that «what is happening in the Middle East is the revolution of the informal, those who have become outside the codified system and want to work in a system of codification that supports and can integrate them. However, this system has not yet been designed».<sup>5</sup> De Soto had a role in making some Arab policies on informal labor before the «Arab Spring», and major economic research centers in the 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. Is informal labor in Arab countries inevitable?

## 2. ARAB INFORMAL LABOR AS WATCHED BY THE UNITED NATIONS

The United Nations has raised the issue of informal labor, particularly through ILO, and has been included in Sustainable Development Goals.<sup>6</sup> 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 income 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.

Le Monde Diplomatique, Arab version, April 2010, [http://www.georgescorm.com/personal/download.php?file=al\\_kabass.pdf](http://www.georgescorm.com/personal/download.php?file=al_kabass.pdf)

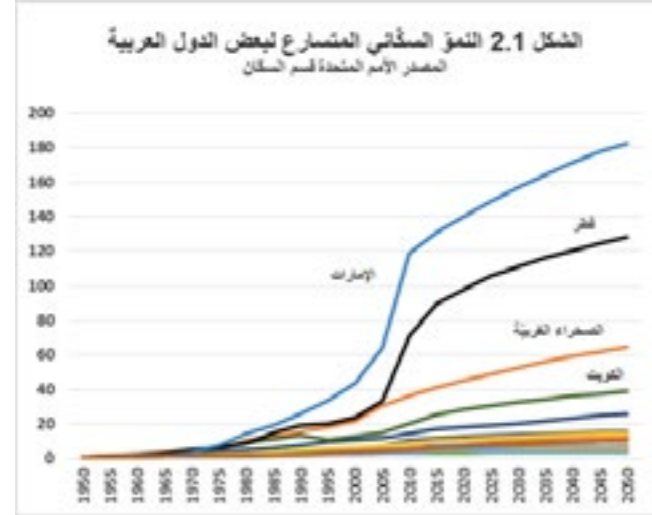
4. Roy & Alsayyad 2004.

5. Stan Alcorn: Hernando de Soto on the Middle East's "informal" revolution; Marketplace, June 20, 2011, <http://www.marketplace.org/topics/business/economy-40/heraldo-de-so-to-middle-east-informal-revolution>

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



### 0.1. Population and demographic growth



In 1950, the total population of the Arab countries was 70 million<sup>7</sup> (i.e. %2.8 of the world population). It reached 380 million in %2.5) 2015), and the United Nations expects this number to exceed 630 million in %6.5) <sup>8</sup>2050 of the world's population), almost the entire population of the European continent<sup>9</sup>.



Between 1950 and 2015, the population of some Arab countries grew considerably, but this growth was accelerating exponentially in the Gulf countries (Figure 1.1). The UAE population has doubled 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 emigration from other Arab countries, but even more so after the 1970s from non-Arab countries, especially Asian ones.

It is worth noting that the concept of «population» includes not only residing nationals but all residents. The migrations of citizens abroad, as well as the waves of immigration to the concerned country are taken into account, whether it is a migration of refugees or for work.

Thus, demographic and social comparisons cannot be conducted in the same way between Gulf States and Levant, 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 (17 times between 1950 and 2015) who represent now a major part of the population.

The present report will therefore make a distinction in the

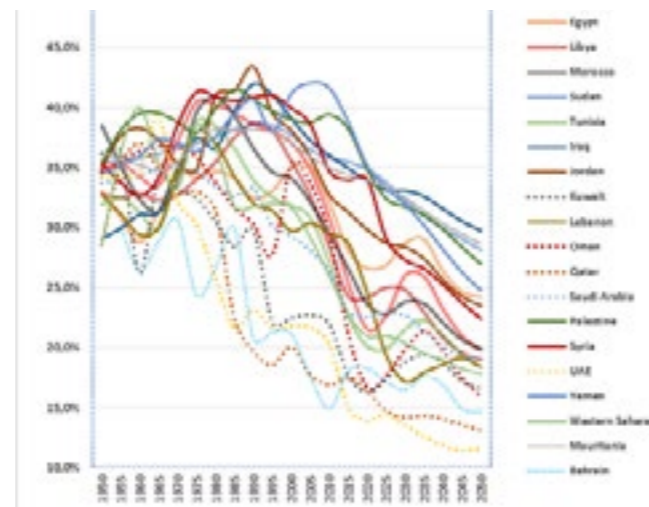
analysis between The Levant, Nile Valley and Maghreb countries on one hand and Gulf States on the other hand.

#### 2.2 Youth wave

Demographic growth resulted in baby boom jumps that later turned into «youth waves». But the Arab countries did not know this «youth wave»<sup>10</sup> in the same circumstances and periods.

Figure 2.3 Youth evolution (24-15) out of the active population (64-15) in Arab countries

Source: Population Division – United Nations



Gulf States witnessed it early in the 1950s and its effects disappeared in recent decades, with the exception of Oman which witnessed 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 24-15 years out of the working age population (64-15 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 %35 (figure 2.3).

The wave of youth in Levant countries<sup>11</sup> is more acute and late: Palestine 1985) %42), Iraq 1990) %42), Jordan 1990) %43), and Syria 1995-1975) %41; 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 2010-2005.

This means that since 1990, Arab countries have seen an increase in the number of young people (24-15 years) exceeding one million per year (140,000 for Gulf States and 890,000 for Levant and Maghreb countries). If rehabilitated and integrated into the labor force, they would have been an asset for these countries, knowing that this percentage will drop significantly after 2030.



#### 2.3 Rural exodus to cities and urban population growth

Gulf States had the fastest growing population in cities (figure 2.4). Only Oman, the country with the largest agricultural

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

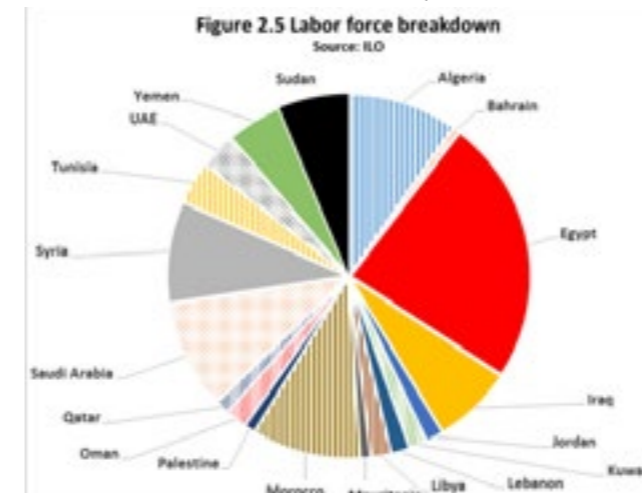
sector among them, is currently witnessing rural exodus to cities. In the Maghreb<sup>12</sup>, Libya and Western Sahara witnessed developments similar to the Gulf, while other countries are now experiencing accelerated rural exodus to the cities as a result of social and economic changes.

Lebanon and Jordan were unique among Levant 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 development with the wars it has known since the 1980s, while rural exodus to cities continued to accelerate in Syria and Yemen. In contrast, Egypt and Sudan are expected to see again an accelerated migration in the coming decades.

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

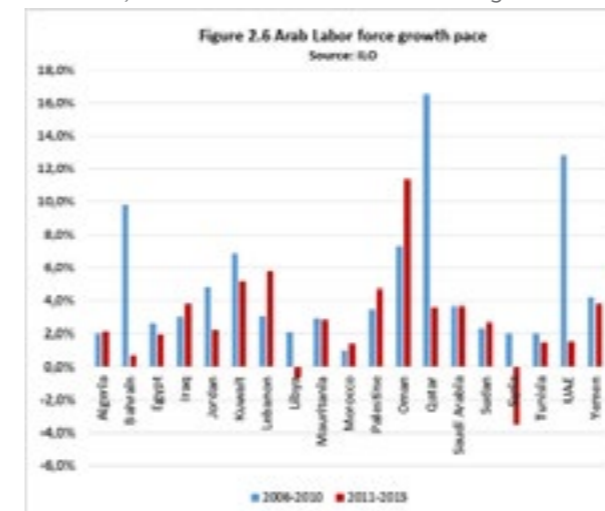
#### 2.4 Labor force evolution

According to ILO data and its future estimates<sup>13</sup>, the labor force<sup>14</sup> in the Arab countries in 2015 reached 127 million (figure 2.5) and is expected to reach 141 million in 2020. The total annual increase reached 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.

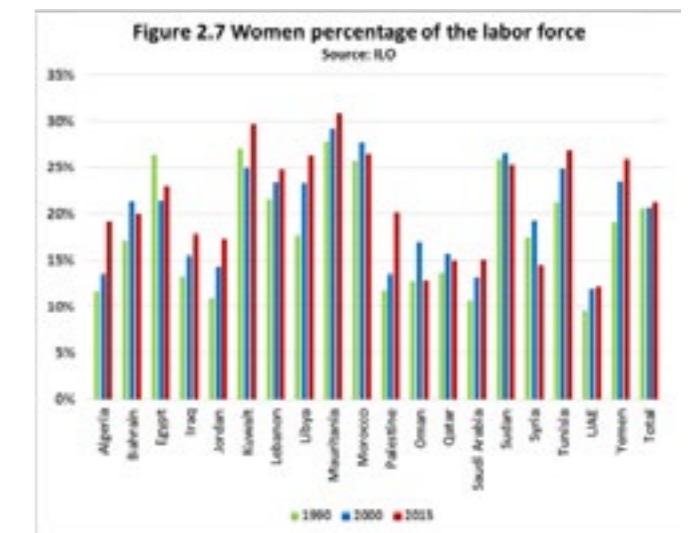
The largest increase is witnessed in Gulf countries, the same as for the population. Their labor force represented %12 of the total Arab labor force in 1990, but reached %17 in 2010 and %19 in 2015. The Maghrebs share of the total labor force declined from %29 to %24 between 1990 and 2015 (figure 2.6). Therefore, Arab countries witnessed an average annual



12. Maghreb countries include Algeria, Morocco, Western Sahara, Tunisia, Mauritania, & 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, for example, for Syrian workers in Lebanon prior to the crisis, in the labor force calculations of the sending and receiving country.

increase in the labor force of 3.4 million between 2006 and 2010 (figure 6), including %22 for women. But this annual average increase fell to 2.9 million between 2011 and 2015, including %24 for women, especially that Syria and Libya have lost a significant part of their labor force, and the increase rate has diminished in countries like Bahrain, Egypt, Jordan and Tunisia, which can clearly be linked to the ramifications of the «Arab Spring». Even Gulf countries, which account for one-third of the overall growth of the Arab labor force, have been relatively slow to grow their labor force, from %16.5 in -2006 2010 to %3.6 in 2015-2011 for Qatar, and from %12.8 to %1.5 for the UAE, and from %9.8 to %0.8 for Bahrain...

While the share of women in the labor force has improved



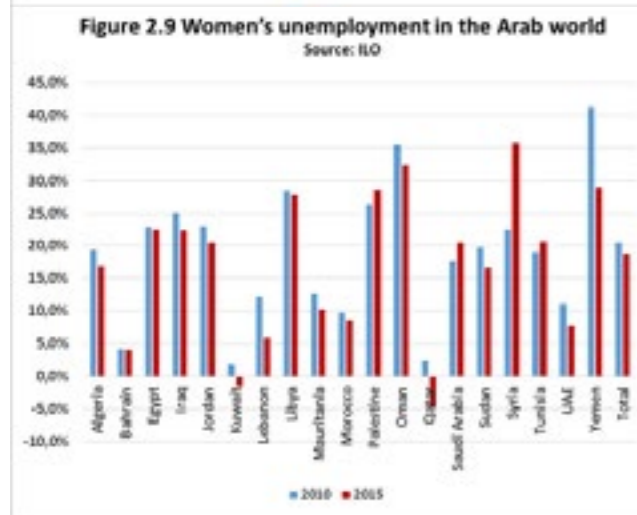
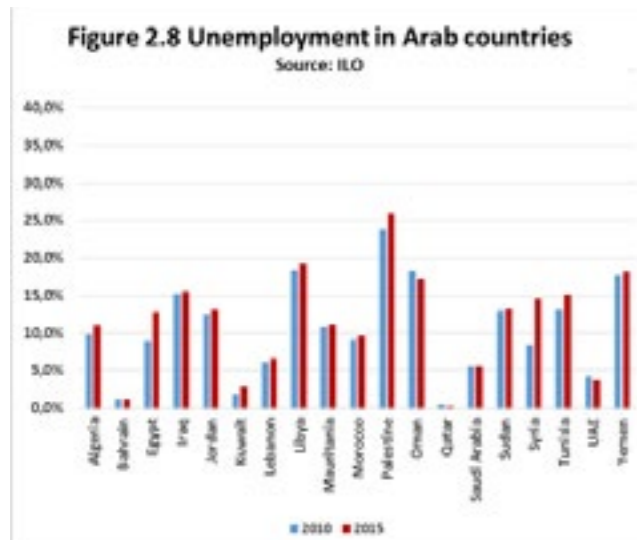
in many Arab countries, many countries are seeing a drop (such as Egypt, Sudan, Syria and Oman), with the overall share of women in the Arab labor force almost constant for more than two decades (figure 2.7). It should be noted that the development of the labor force follows many variables. Rural exodus to cities, if accelerated, may reduce the overall labor force of a country, as a part of the agricultural labor force moves to cities and remains away from economic participation. This phenomenon affects women significantly. Internal conflicts, embargos and wars can take out large parts of the population from the labor force, both due to reduced opportunities of economic participation or displacement and emigration. It is worth noting that in the latter case, emigrants would come out of the population of the country of origin and appear within the population of the host country. On the other hand, it should be noted 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 recent years as a result of the repercussions of the «Arab Spring», Arab countries today need to create about 3 million jobs annually to keep unemployment at existing levels, including nearly one million jobs in the Gulf and 500 thousand in Maghreb countries.

#### 2.5 Workers and unemployment in Arab countries

The number of workers in Arab countries in 2010 reached 101 million, then 112 million in 2015 (including %19 of women). In other words, the overall unemployment rate increased 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).

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.  
10. Aita 2015.

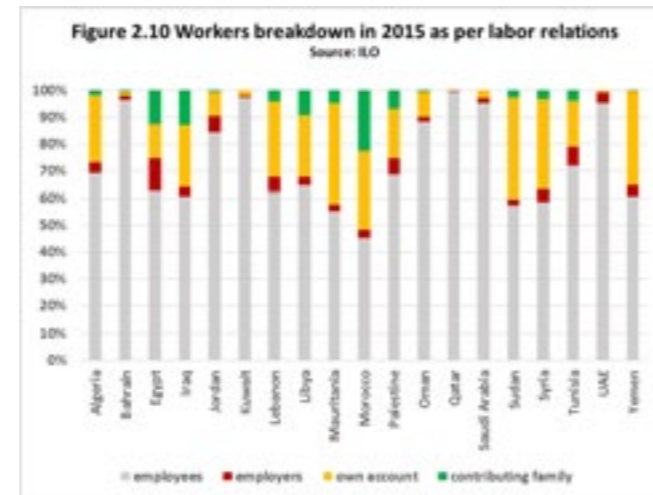




opportunities, i.e. 700,000 less new arrivals. In the Gulf, job opportunities were almost equivalent to those of expatriates, with the exception of Saudi Arabia and Oman. It is worth mentioning that the majority of expatriates in the Gulf are workers who are recruited from abroad. Other Arab countries are experiencing a gap between the numbers of newcomers and created jobs.

**2.6 Informal labor and own account employment**

ILO does not provide accurate statistics and expectations for informal labor in Arab countries, especially since most of these countries do not conduct surveys and do not publish data in this regard<sup>18</sup>. However, ILO documents the distribution of workers by labor relations<sup>19</sup> 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 can give an initial idea of informal labor (in developing countries, it is about half of the informal labor, and the second half is for the



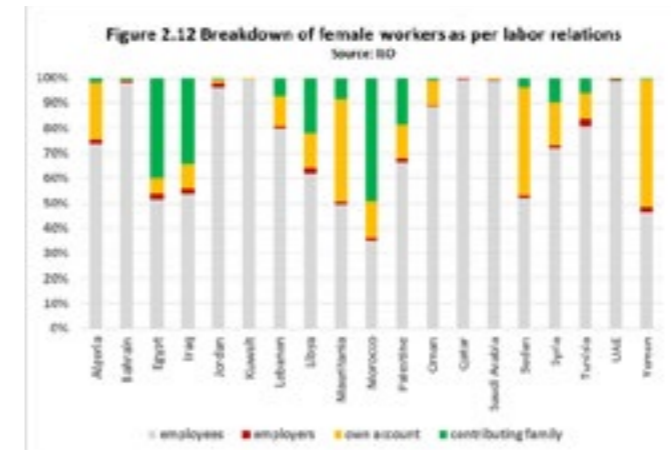
informal waged labor). ILO data account for only a small percentage of own account employment in Gulf states, the highest was in Oman at about %11 in 1990, decreasing to %9 in 2015 (figure 2.11), followed by Saudi Arabia with %3 in 2015. In the Maghreb, about a quarter of workers work for their own account. Only Mauritania had a high rate of %43 in 1990 that went down to %38 in 2015. Own account workers are also about a quarter of those employed in most Levant and Nile Valley countries. But 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, which are going through a war, as well as Morocco and Egypt – relatively.

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

Own account women are more numerous than men in most Arab countries (figure 2.12), especially in Egypt. Women are also characterized by a large proportion of family contributing workers (unwaged in general); this is noticeable in Egypt, Iraq, Morocco and Libya, and outperforms that of women working for their own account.

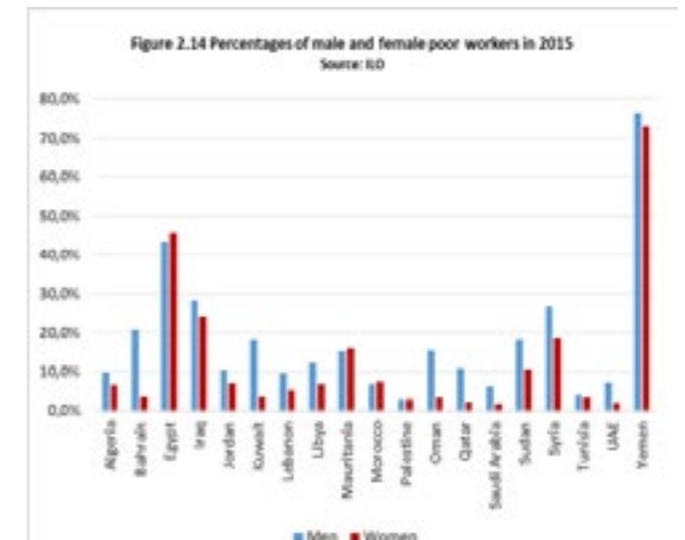
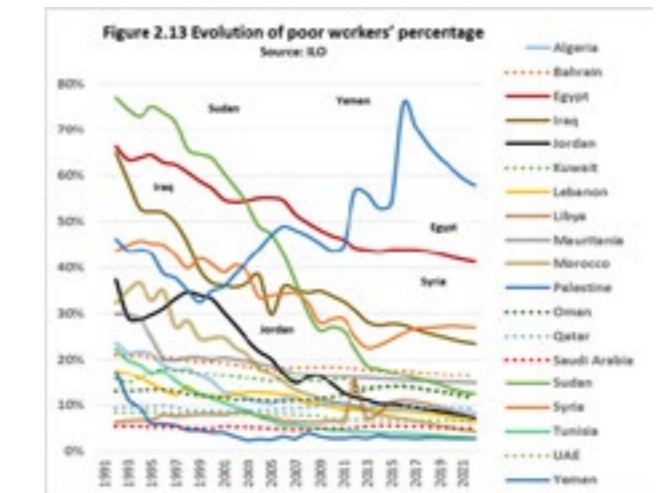
Based on these partial data which include agricultural labor and employment in the government sector, a preliminary reading shows two parts of informal labor (i.e. own account and contributing family labor) that represent in non-GCC Arab countries between one quarter and half of male workers, and often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

ILO classifies poverty data at work for most Arab countries into two categories: extreme poverty (less than \$ 1.9 per day in purchasing power parity) and average poverty (between \$ 1.9 and \$ 3.1 per day in purchasing power parity) knowing that the figure is linked to the worker's income and not the family



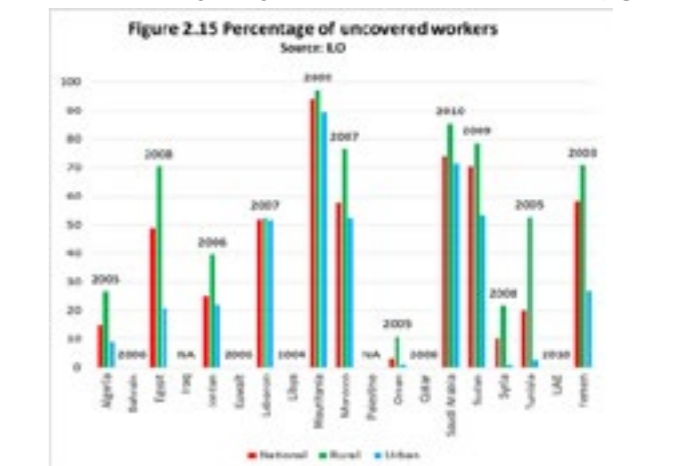
he supports, and which can be large. According to this data (figures 2.13 and 2.14), the total proportion of both categories does not exceed %20 in GCC countries, with the highest percentage in Bahrain, where the proportion of poor workers reached %18 in 2015, but is declining now. In Kuwait and Oman,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

The situation of workers in the Levant 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 (contrary to the perceived reality of informal workers who represent the majority of workers). 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 show that only %24 of workers in Syria are poor. Overall, working women are poorer than men, except for Egypt and Mauritania.

Of course, the informality of labor and the lack of access to rights are linked to poverty, and data about 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**

ILO also observes data on the social health coverage gap, that is, the proportion of people without access to health insurance or free healthcare in hospitals (without gender detail). These data are partial and official data were documented for countries for only one year<sup>20</sup> - the most recent in 2010 (figure



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

However, the situation varies widely by country. The overall unemployment rate in Gulf countries rose from %5.5 to %5.9 (while it remained almost constant for women<sup>15</sup>). Only Oman was characterized by high and declining unemployment rates, %18.3 and %17.3, respectively (%35.4 and %32.3 for women). In Maghreb countries, unemployment increased from %10.7 to %11.6. Of course, Libya and Tunisia experienced the largest increase. Unemployment for Maghreb women fell from %15.6 to %14.6. Other Arab countries experienced higher levels of unemployment and larger increases, from %11.3 in 2010 to %13.9 in 2015, particularly Palestine. But these percentages 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 Arab countries. Job seekers rarely receive unemployment benefits in the developed countries<sup>16</sup> (as in Algeria, for example) and rarely get a new job. Most statistics indicate that most of the unemployed are so sustainably. Therefore, it is preferable in this report to compare the number of newcomers to the labor force with the number of available jobs, rather than to go into unemployment, especially according to its current definition<sup>17</sup>. ILO estimates that the number of job opportunities available in Arab countries increased by 3.4 million between 2005 and 2010, compared to the same number of new entrants to the labor force. However, most of this increase was in favor of men, while employment opportunities for women decreased by %17 in comparison with the growth of their labor force. However, 2010 and 2015 brought only 2.2 million

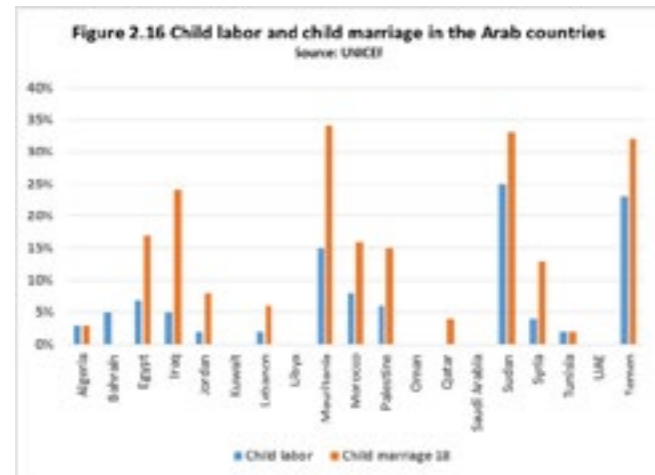
15. In Kuwait and Qatar, the estimation of women employment is higher than the estimation of women labor force.  
16. Samir Aita: Is unemployment significant in our societies (هل البطالة لها معنى في مجتمعاتنا), Le Monde Diplomatique, Arab version, February 2010, in Samir Aita, 2017, الشاغرة واجب.  
17. Unemployed are statistically defined by ILO as people 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 for the open partial data including comprehensive labor force surveys files, in addition to income and expenses surveys and other surveys. 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



2.15). In Gulf countries, healthcare covers 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) is 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 covered by health insurance. In the Maghreb, Mauritania and Morocco are characterized by high rates of no coverage, reaching more than %50 of the urban population. In Algeria and Tunisia, such proportions are low, particularly for rural areas (and therefore agricultural workers), while before the revolution and the war, Libya enjoyed full health coverage. In Levant and Nile Valley countries, Sudan, Yemen and Lebanon<sup>21</sup> are characterized by a lack of health coverage for more than half of their population. Egypt and Syria are far more underserved in rural areas, although the two countries have a widespread free health system since the 1960s. In the remaining part of the report, the lack of health coverage index will be adopted as a basic criterion to measure the size of informal labor in Arab countries.

**2.9 Child labor**

UNICEF considers that child labor is between 5 and 15 years. Thus, the highest percentages (average 2015-2009) 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 in Egypt), except for most of Gulf countries and Libya, where these statistics assume that the rate of child labor is zero. UNICEF also links child labor to the child marriage (percentage of women married at the age of 18), with marriage rates that rise 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 WATCH REPORTS 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 Levant. A common methodology<sup>22</sup> has been used for these national reports. The preparation of

the watch report also included regional reports on some key themes covering all countries. This general regional report was complemented by other data drawn from the most recent published results of labor force surveys.

**3.1 Informal labor in GCC, Bahrain example**

Bahrain's report highlights the many peculiarities of Gulf countries in comparison with other Arab countries. The population growth is very high as a result of migration (some of which are naturalized). Non-Bahrainis<sup>23</sup> have even become the majority of the population since %90 .2008 of the migrant population is economically active, with a gender imbalance because the majority of those expatriates are male workers, knowing that their percentage reached %62 in 2015. Therefore, Bahrain does not experience the youth tsunami that many Arab countries are witnessing because most of the workers are over 25 years of age. The number of non-Bahraini males aged 39-25 is five times that of Bahraini males of the same age. Another GCC peculiarity in Bahrain is that the labor force participation rate is high compared with the average of Arab countries, not only for men because 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 service<sup>24</sup> , compared with about one-third of men) is reflected in high participation rates, and most migrant female workers (though fewer than men) came to the country for work. Thus, the percentage of economic participation of female nationals was %35 in 2015<sup>25</sup> , while %50 of female foreign residents in Bahrain are active in comparison with %89 for male residents (%100 of those in the working age). This gives the concept of «population» participation in the labor force a special meaning in all Gulf States<sup>26</sup> .

The annual number of Bahrainis who join the labor force is only a few thousand (about 8,000 recently, roughly the same rate as the number of working-age nationals)<sup>27</sup> , while an annual increase of 59,000 workers per year was seen between 2006 and 2010 (instead of 130,000 between 2001 and 2010<sup>28</sup> (, then only 6 thousand between 2011 and 2015 (for women 1,000 and 400 respectively). This shows a decline in migrant labor. In contrast, almost the same numbers of jobs created each year 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 the total employment is non-Bahraini whose residencies are cancelled when no more job opportunities are available for them. This phenomenon includes all economic activities, agriculture and fishing (%94 of migrant workers), 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 the total workers (%3 for women), which 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, and if they exist, informal labor is not monitored in line with international standards. 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 changes (the 2008 economic crisis and the repercussions

23. It is worth noting that those of Arab origins account for 1% to 2% of the 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.  
 25. Especially that Bahrain committed to CEDAW through a royal decree since 2002.  
 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), which makes the participation at 72% (87% for males and 44% for females), refer to http://www.data.gov.bh/  
 27. ILO data that are compliant with the numbers of Bahrainis who are newly registered in the social security according to Hassan el Ali 2017  
 28. Hassan el Ali 2017.

of the popular uprisings in 2011 and 2012). In these surveys, only the categories of own account employment and low-numbered family work, as reported to the ILO, are classified as informal.

Thus, Bahrain's report showed 3,000 Bahrainis who work for their own account, as well as 20 thousand workers who are unclassified as waged workers or employers, according to 2010 census. The latter and their increasing numbers are attributed to the phenomenon of business spread through modern means of communication and information, and so authorities created 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 obliged to register for health and social security. Furthermore, employers and self-employed (13,000 in 2010, and 37,000 in 2015) are not required to register in the social security, despite a recent decision taken by the Council of Ministers<sup>29</sup> encouraging Bahrainis to do so optionally. The report also detected waged Bahraini workers in the government sector, considered informal because their contracts are temporary and renewed every six months to evade their registration in the social security. The majority of those who are concerned with this case are women working in nurseries and kindergartens. However, the report did not detect informal waged Bahraini workers in the private sector, but detected productive Bahraini families working informally. Thus, all these informal groups made up between %29<sup>30</sup> and %37<sup>31</sup> of Bahraini workers in 2015.

On the other hand, Bahrain's report documented the phenomenon of «bulk»<sup>32</sup> employment, which is the problem of migrants whose regular stay and contracts ended, and are waged or work for their own account illegally. Official statistics do not detect this phenomenon, but the CEO of the Labour Market Regulatory Authority had publicly estimated its number in 2014 at 50 thousand (i.e. %10 of the total migrant workers). In addition, Bahrain's report has detected the officially documented domestic labor (waged), which has increased rapidly in recent years to reach 111,000 in %20<sup>33</sup> 2015 of all migrant foreign workers),<sup>33</sup> %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, and Bahrain and other Gulf countries have not yet ratified the Convention concerning Decent Work for Domestic Workers<sup>34</sup> . As for the other waged workers, Bahrain's report shows that %64 of them started working less than a year ago<sup>35</sup> , and that %77 of them started working less than three years ago. The social security registration was mandatory for migrant workers but included only accident and health insurance<sup>36</sup> . 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 of migrant workers to move from one sponsor to another if the 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 are entitled to compensation for dismissal. The report also noted a wage gap between Bahrainis and non-Bahrainis,

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)  
 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

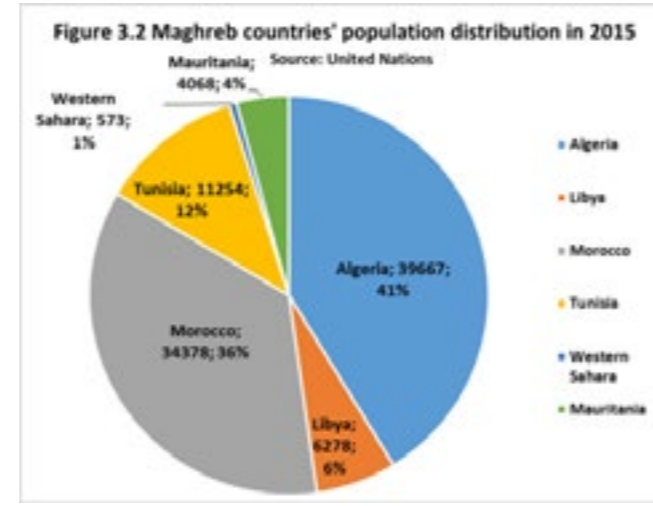
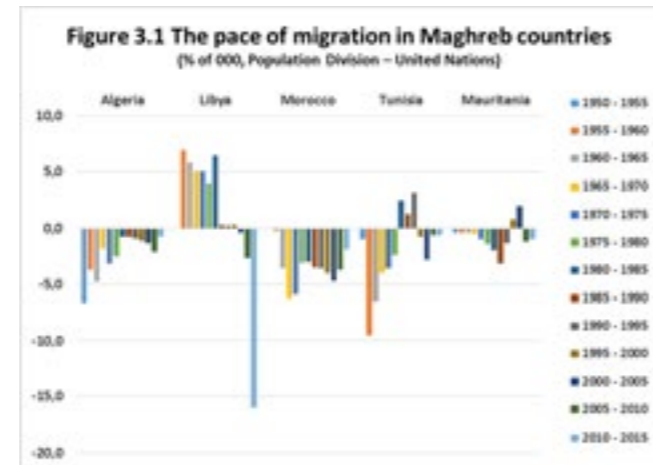
where average wages of migrants do not reach half the average wage of Bahrainis, and the situation worsens in small enterprises employing %40 of waged migrant workers. However, Bahrain's report did not classify any part of migrant workers as informal labor, especially since Bahrain's position is different from that of other Gulf States with a greater commitment to respecting international labor laws, although this obligation is not complete in comparison with the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families<sup>37</sup> . However, it is not really possible to consider all migrant workers as formal because they do not enjoy their full rights and because there is discrimination with Bahrainis, especially migrant workers who have been working for less than one year, but only receive the minimum rights only after one year in Bahrain. This report will consider informal waged migrant workers who have been working for less than a year. Based on all of these data, informal labor for Bahrainis and non-Bahrainis can be distributed as shown in the tables below. Thus, the ratio of informal employment reaches %65 of the total workers or %71 of those working outside the government sector. Two-thirds (%65) of migrant workers are informal, and their majority (%52) are waged workers who have been working for less than one year and are replaced by other workers, and do not enjoy their full economic and social rights, and live in vulnerable conditions. %20 of them are contributing family workers (%16 of the total workers). It is worth noting that the majority of the latter are female workers, accounting for %64 of all migrant 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.

Table 3.1: Analyzing the categories of informal labor in Bahrain

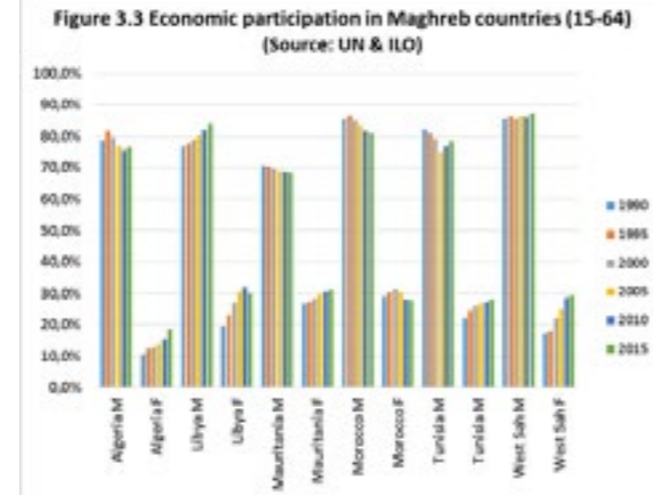
2015	Number of workers	% of total	% of total	% of total
Informal labor	21	0.2%	0%	0%
Waged migrant workers	1	0.0%	0%	0%
Self-employed	6	0.0%	0%	0%
Domestic labor	1	0.0%	0%	0%
Family workers	1	0.0%	0%	0%
Government sector	4	0.0%	0%	0%
Private sector	4	0.0%	0%	0%
Total	28	0.0%	0%	0%
Informal labor	21	0.2%	0%	0%
Waged migrant workers	1	0.0%	0%	0%
Self-employed	6	0.0%	0%	0%
Domestic labor	1	0.0%	0%	0%
Family workers	1	0.0%	0%	0%
Government sector	4	0.0%	0%	0%
Private sector	4	0.0%	0%	0%
Total	28	0.0%	0%	0%
Informal labor	21	0.2%	0%	0%
Waged migrant workers	1	0.0%	0%	0%
Self-employed	6	0.0%	0%	0%
Domestic labor	1	0.0%	0%	0%
Family workers	1	0.0%	0%	0%
Government sector	4	0.0%	0%	0%
Private sector	4	0.0%	0%	0%
Total	28	0.0%	0%	0%



### 3.2 Informal labor in Maghreb countries



The national watch reports included Morocco (including Western Sahara), Algeria, Tunisia<sup>41</sup> and Mauritania, without Libya. The population growth rates were much weaker than those of Gulf countries<sup>42</sup> (recently between %1.1 and %1.4 in Morocco, %1.6 and %1.9 in Algeria, %1.0 and %1.1 in Tunisia, and between %1.5 and %0.04 in Libya), and the highest was in Mauritania (%2.5 to %2.6<sup>43</sup>).



The population growth rate was greatly affected by migration, which was more than %0.5 annually, before it stopped in some Maghreb countries<sup>44</sup> or changed unevenly (Figure 3.1). Otherwise, the demographic pressure would be greater

of the reality, the case of Algeria (طموح السياسات). العمل غير المهيكل، طموح السياسات، حالة الجزائر (وصفوية الواقع، حالة الجزائر).  
 44. See for example Algeria's report, Monzer Lassassi and Khaled Menna 2016, in the context of analyzing the changes of unemployment rates.

Employment existing in the registration		Type of the employer/owner	
Registered/contracted	Unregistered	Individual	Company
41%	59%	15%	44%

For women, informal labor is concentrated in female employers who own %41 of commercial registers and to a lesser degree in own account employment. Informal labor accounts for %29 of Bahraini working females, less than the total for Bahraini males. However, the percentage would be %56 if the government sector is excluded, while %84 of migrant women work informally. Informality is concentrated in domestic labor, and female domestic workers represent %42 of the total number of female migrant workers. Unlike men, their numbers are less in the waged informal labor, where %61 of female workers also have less than one year in Bahrain. Thus, the overall proportion of women's informal labor reaches %65, or %80 excluding the government sector (table 3.3).

Category	Number	Percentage
Total	2517	64.7%

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 it. But UNICEF reports that %4.6 of children (14-5 years old) work (%6.3 for males and %3 for females).

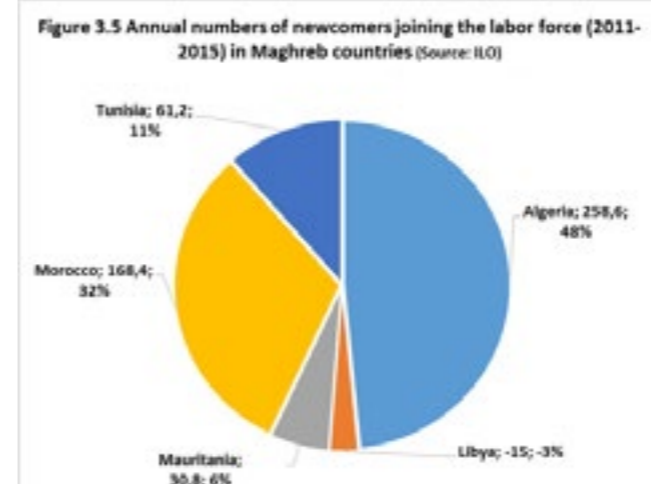
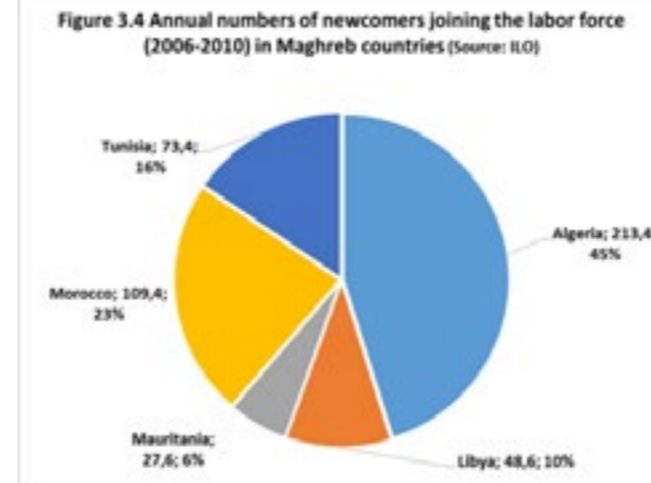
In all cases, the watch report analysis through the example of Bahrain suggests that informal labor in GCC countries is much broader than what is observed in ILO data and has specificities distinguishing it from the rest of the Arab countries, especially for the national population, and particularly migrant workers who are more numerous than nationals and who inflate

economic participation, and whose rights remain problematic.  
 38. Hassan el Ali 2017, the same percentage was taken from the total of informal employers.  
 39. <https://www.dol.gov/sites/default/files/images/ilab/child-labor/Bahrain.pdf>  
 40. [https://www.unicef.org/infobycountry/bahrain\\_statistics.html](https://www.unicef.org/infobycountry/bahrain_statistics.html)  
 41. A complete report on Tunisia has not been produced and was replaced by a series of recent reports produced for other purposes. See Sami Awadi 2016: Which indicators to measure the effectiveness of social dialogue? (أي مؤشرات لقياس فعالية الحوار الاجتماعي؟) And Karim Traboulsi 2016: Tunisian women in the informal economy: reality and possible solutions from a trade union perspective (المرأة العاملة التونسية في الاقتصاد غير المنظم: الواقع والحلول الممكنة) (من منظور نقابي).  
 42. In fact, Western Sahara has experienced significant population growth rates, especially since its internationally unrecognized annexation to Morocco.  
 43. For 2005-2010 and 2010-2015 respectively according to UN data, whereas the national watch report includes demographic growth levels higher than those in Algeria (2.15%); See Monzer Lassassi and Khaled Menna 2016: Informal labor, policies ambitions and the difficulty

for some Maghreb countries, such as Morocco. Extensive migrations post Arab Spring disturbances will also have long-term effects, particularly on Libya and Tunisia. Thus, the smallest population growth in Tunisia in previous decades was in favor of Algeria, whose share of the total population of the Maghreb increased from %35 in 1950 to %40 in 2015, without changing Morocco's share (figure 3.2).

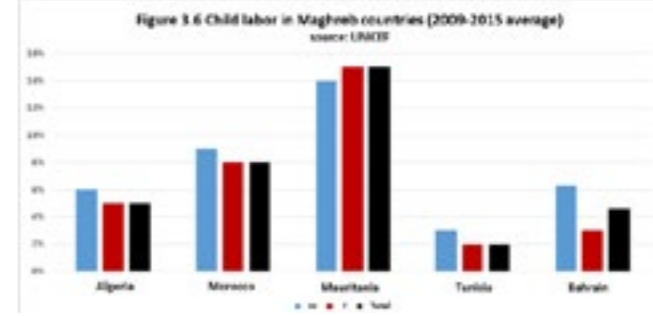
All Maghreb countries have witnessed the phenomenon of «youth boom» which culminated in the 1970s, but have been more time-bound in Algeria and is still going on somewhat in Mauritania. Rural exodus to cities continues in Morocco and Mauritania, and to a lesser extent in Tunisia, unlike Libya and Algeria, where urbanization has exceeded %75 of the total population since the early 1980s.

The participation of men in the labor force in Mauritania remains lower than Maghreb's average. The level of women's 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 annual number of newcomers to the labor force in the Maghreb reached 472 thousand in 2010-2005, rising to 504 thousand in 2015-2010 despite the decline in the size of the labor force in Libya as a result of the war and the diminishing growth in Tunisia after the revolution (figures 3.4 and 3.5).



45. Especially when emigration stopped and women's participation increased, knowing that it was originally relatively weak.  
 46. According to Algeria's report, Monzer Lassassi and Khaled Menna 2016 and official data, whereas ILO make estimations of around 11 million.  
 47. 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 ILO data. See above paragraph 2.8.  
 48. From a legal perspective, the index of non-registration in the social security will be adopted in this report as a baseline index to measure informal labor.  
 49. Or 61% of those who do not work in agriculture and the governmental sector were not socially covered in 2015 against 70% in 2005. According to a study in 2013, this percentage was 63.5% in 2007; see Bellache 2013.  
 50. 25% of total workers, the two third works in urban areas; this percentage complies with Fortuny & Al Husseini 2010.  
 51. It was 95% in 2005.  
 52. Algeria's watch report, Monzer Lassassi and Khaled Menna 2016, indicates an increase

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). And in Mauritania, this is particularly applicable to women, unlike other countries. Remarkably, child labor is higher in Bahrain than it is in Tunisia, and even for males in Algeria (figure 3.6).



### The case of Algeria

Most of the demand for employment in Maghreb countries is now from Algeria<sup>45</sup>, where the number of workers in 2015 reached 10.6 million,<sup>46</sup> %69 of whom are waged workers (%92 for women), %25 work for their own account, %4 are employers (%8 only for women) and %2 are contributing family workers. This is due to the contraction of agricultural work. The total number of informal workers who are not declared in the social security accounts for %49) %39 in 2005<sup>47</sup>) of all workers (or %33 of those who are not working in agriculture). In other words, informal labor<sup>48</sup> in Algeria accounts for %39 of the total workforce. 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 %38.1) 2005). The overall informal labor rate in Algeria declined between 2005 and 2015. However, this is mainly due to the decline in agricultural labor and family work and to increased employment in the government sector, all of them significantly, and to a lesser extent to employment support policies. Thus, these informal labor rates if applied to those who do not work in the government sector would be %66 in 2015, compared to %78 in 2005<sup>49</sup>. A significant portion of those working outside agriculture and the government sector work for their own account or are employers or contributing family workers (the so-called «independent workers», who made up about %39<sup>50</sup> of them in 2015). The rest 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 the total non-governmental waged labor). This likely means that part of the waged work in the government sector (thus structured, and in the case of Algeria, %66 of waged labor)<sup>51</sup> is also non-permanent! The available data do not allow measuring it, especially that they do not document well the informal sector institutions.

However, available data shed some light on the quality of non-permanent employment in the past decade in Algeria, where the number of created jobs increased by %40 over the number of newcomers in 2010-2006 (an increase of only %14 for women), and then was %20 less than the number of newcomers in 2015-2011 according to ILO<sup>52</sup>. General unemployment has declined, but has increased significantly for young people and those with higher qualifications, especially for women. The National Employment Survey also showed that %59 of the active population never worked (%72

in the job opportunities created by the National Employment Agency from 180 thousand in 2010 to 308 thousand in 2014. The difference may be that ILO's statistics are for net job opportunities, i.e. including those who leave their jobs for retirement or for the end of their employment. The job opportunities of the National Employment Agency are only for waged labor. In this context, subsidized labor contracts, in which the government stimulates employment, do not constitute 10% of all the created opportunities.



of women) and %41 of those who had a job were unable to keep it. Thus, the approximate general picture of informal labor in Algeria<sup>53</sup> (as a percentage of total employment, reaching %39 of total workers or %66 of non-government workers) is shown in table 3.1. In comparison with Bahrain, the bigger relative proportion of own account employment within informal labor is remarkable.

Employment according to the working situation										
Members of producer cooperatives		Waged workers		Contributing family		Employers		Own account		Type of the production unit
Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	
?	?	34.8%	1.4%	2.4%	?	17.5%	?	?	?	Formal sector enterprises Informal sector enterprises Family sector

For women, official statistics show that permanent female waged workers are fewer than those employed 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 labor reached %49 of the total in %85) 2015 excluding the government sector), more than half (%54) is non-permanent waged labor, and more than one third (%39) is own account employment, noting the low official estimates of family labor (%4 in 2015) and contradiction between references<sup>54</sup>. Finally, Algeria's 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 the 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 2015<sup>55</sup>, while its contribution to non-agricultural GDP in 2012 was estimated at %30.4<sup>56</sup>.

Tunisia	Mauritania	Algeria	Morocco	Distribution of workers
77.8%	27.8%	69.8%	45.0%	Waged workers
18.0%	10.8%	42.1%	8.7%	Civil servants
20.8%	54.6%	25.0%	27.7%	Own account
?	?	4.0%	2.5%	Employers
1.3%	17.6%	2.0%	22.0%	Contributing family
?	?	?	0.5%	Trainees
		0.0%	2.3%	Other cases
15.4%	18.8%	8.3%	38.9%	Agricultural workers

### The case of Morocco<sup>57</sup>

Morocco ranks second in demand for employment in Maghreb countries, with demand increasing annually by %1.2 in the labor force compared to %2.2 in Algeria. Of course, rural exodus to cities and emigration play an important role in this difference. The total number of workers in Morocco exceeded in 2015 that of Algeria (11.1 million, or %49 of the population between 15 and 64 years, 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

53. For this table, the estimations of informal workers (not socially covered) were 70% for own account employment, 70% for employers, and 95% for family labor, due to data included in Bellach 2010 and Bellache 2013, which results in 24% for informal waged workers and 61% for those who do not work for the government.  
54. Bellache 2013  
55. Estimations as per the calculations of the mass of cash, see Othmane & Mama 2016; these estimations are similar to those of the World Bank

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 were 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.

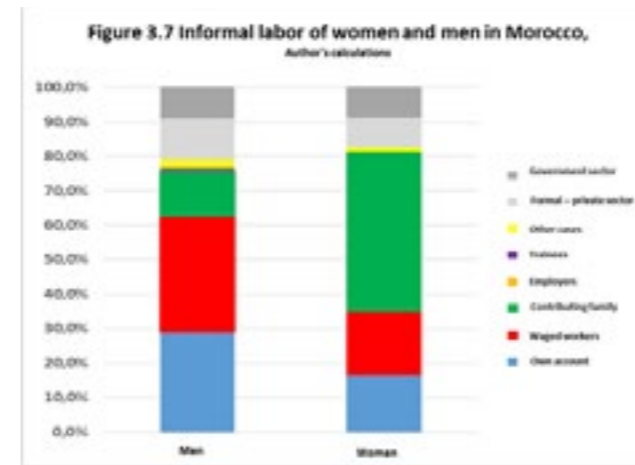
Thus, Morocco's<sup>58</sup> employment characteristics differ significantly from Algeria, both in the much smaller proportion of government employment, and therefore in waged employment, or in the large share of agricultural employment<sup>59</sup>, and the large proportion of contributing family workers<sup>60</sup>. 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 2010-2006 by %30 and then declined below the demand for employment by %18 in 2015-2011.

Officially, in %80, 2012<sup>61</sup> of workers were without social security in Morocco<sup>62</sup> (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 poor. %83 of working women are informal (%90 of non-government female workers), %56 in urban areas and %99 in rural areas%64. %63 of waged workers do not have employment contracts, especially in the private sector (%70). Thus, the approximate general picture of informal labor in Morocco<sup>64</sup> (as a percentage of total employment) is shown in table 3.6.

Employment according to the working situation										
Members of producer cooperatives		Waged workers		Contributing family		Employers		Own account		Type of the production unit
Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	
2.3%	?	7.7%	22.0%	?	?	25.5%	?	?	?	Formal sector enterprises Informal sector enterprises Family sector

Almost two thirds of waged workers (%58) are informal, the majority of whom (%73) are in urban areas, with a significant share of waged labor in agriculture (888 thousand workers). Official statistics also indicate that a proportion of waged workers in the public service are informal<sup>65</sup>. Most of contributing family workers are unwaged and work in rural areas<sup>66</sup>. Own account workers are divided between urban (%44) and rural (%56) areas, and work with few wage earners in more than 1.55 million informal enterprises<sup>67</sup>. The contribution of the informal sector formed by these enterprises to GDP was estimated at %42.9 in 2015 (compared between %14 and %17 in official statistics). Compared with Algeria, Morocco has a much more informal workforce with regard to waged workers, even if it is calculated outside the civil service. It also attests to a larger size of non-self-employed and contributing family workers. The role of contributing family workers is even more important when compared to the distribution of informal labor between women and men<sup>68</sup>. This type of unwaged labor constitutes almost half of the informal, mostly rural, employment of women and is the biggest problem (figure 3.7).

56. Charmes 2012.  
57. It should be noted that Morocco's official data include that of Western Sahara, as opposed to United Nations data which include the Sahara separately.  
58. Data are taken from official data HCP 2014, in addition to Morocco's report, Fawzi Bu Khraiss, 2017  
59. According to Fawzi Bu Khraiss, 2017, the share of agricultural work in Morocco was 4.43% in 2006 and 8.39% in 2011.  
60. In spite of some doubts about the few official numbers of contributing family workers in Algeria  
61. 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  
62. <http://blog.ojraweb.com/protection-sociale-au-maroc-74-millions-de-personnes-sans-retraite/>  
63. MEAS 2014-b  
64. For this table, estimations were used according to MEAS 2014-b.  
65. MEAS 2014-b  
66. Moroccan surveys do not independently monitor waged domestic labor, i.e. domestic female workers, although the phenomenon is common in Morocco. They may have been integrated into waged employment in the informal sector.  
67. According to official statistics for 2007, see MEAS 2014-a.



For child labor, the watch report for Morocco indicates that the High Commissioner for Planning indicates that %1.5 of children between 14-7 years were working (69 thousand in total) in 2014 compared to %9.7 in 1999, while UNICEF is still documenting this figure at an average of %8 for 2015-2009. But this is an issue tackled and fought for by civil society organizations, some of which indicate that 600 thousand children are still working in Morocco<sup>70</sup> (!).

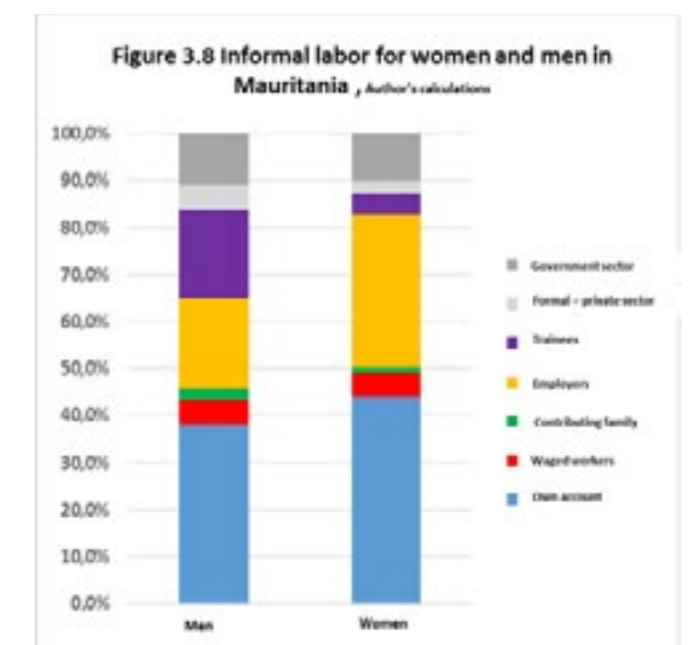
### The case of Mauritania

The annual demand for labor in Mauritania<sup>71</sup> does not represent a large part of total demand in Maghreb countries, but Mauritania has the highest annual growth rate of the labor force %2.9<sup>72</sup> annually in the last decade, including %3.3 for the women's labor force). The proportion of young people to the total population remains high (%34), while migration rates abroad are weak, sometimes even adverse, as Mauritania receives immigrants<sup>73</sup>. Workers in this country make up %44 of the population aged %27) 64-15 for women), only %6 of whom are waged. In contrast to 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 sector labor force<sup>74</sup> in 2014 at %86.4 of the total<sup>75</sup>, the main engine of the economy, and %43 of the workers are poor, especially the older ones. Young people aged 30-20 constitute %57.5 of informal sector workers, helping to lift them out of poverty and create job opportunities for large numbers of newcomers to the labor force. The civil service constitutes %10.8 of the labor force, and the private sector employs only %4.3. The rest of the employees are in public or mixed companies. Mauritania surveys also consider %35.9 of employment as fragile and unsustainable. Thus, the general overview of the informal labor in Mauritania<sup>76</sup> (as a percentage of total employment) is shown in figure 3.8, i.e. %85 of the total labor force and %95 of non-government workers. This figure rises to %87 for women and %97 for non-government female workers.

Employment according to the working situation										
Members of producer cooperatives		Waged workers		Contributing family		Employers		Own account		Type of the production unit
Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	
?	?	17.3%	1%	31.5%	40.6%	?	?	?	?	Formal sector enterprises Informal sector enterprises Family sector

68. Estimations as per the calculations of the mass of cash, see Othmane & Mama 2016; these estimations are similar to those of the World Bank  
69. Based on HCP 2013  
70. <https://www.youtube.com/watch?v=V3rhH-0aHxo>  
71. Among the specificities of Mauritania is that 52% of the population are women.  
72. According to ILO data  
73. Fah 2010; Poutignat & Streiff-Fénart 2014

What distinguishes Mauritania is the larger share of own account employment, informal employers and the great weakness of the share of contributing family labor (in comparison with Morocco for example). Also striking is the predominance of women's labor over informal employment<sup>77</sup> (%51) of informal labor at the national level and %63 in rural areas, figure 3.8).



With regard to child labor, the watch report for Mauritania documents many cases of child labor and official statistics cover only the employment rate of %2.7 for children between 10 and 17 years (!), while UNICEF gives %15 for children between 5 and 14 years. Other official data<sup>78</sup> indicate that %7.8 of those aged 17-10 are working (%39 female).

### The case of Tunisia

Tunisia has seen strong growth in demand for labor (%1.8 per year in the last decade) that has exceeded the youth wave for decades (youth aged between 15 and 24 represented only %23 of the 64-15 age group in 2015) and its demographic growth is the weakest in the region (%1 annually). But Tunisia has seen a significant influx of expatriates since the events in Libya, turning the migration outcome into a strain on the country<sup>79</sup>. Workers in Tunisia make up to %44 of those aged 64-15 (only %21 for women<sup>80</sup>). However, job offers, which met almost %85 of the needs in 2010-2006, fell to meet only %59 of the needs in 2015-2011<sup>81</sup>, 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 the 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 active (%1.9 annually). Tunisia's social security system is the most advanced in Maghreb countries and in the Arab world in general, covering even agricultural workers, whether independent or waged (agricultural labor accounts for %15.7 of the total). The official surveys estimated that the proportion of workers who were not socially covered in Tunisia in 2014 was between %32 and

74. Despite the magnitude of this percentage, official surveys do not make clear whether there is an addition of informal labor in the formal sector, private or public, and data are not broken down by gender. However, it will be assumed that this percentage is for the total informal labor.  
75. ONS Mauritania 2014  
76. For this table, estimations were used according to ONS Mauritania 2014.  
77. ONS Mauritania 2014  
78. ONS Mauritania 2014  
79. However available surveys, including the last one conducted in 2014, do not allow following up migrant labor in Tunisia.  
80. 28.6% in other estimates, compared to 71.4% for men, with 22.2% of unemployment for women versus 11.4% for men, see Karim Trabolsi 2016  
81. ILO data and also CRES 2016



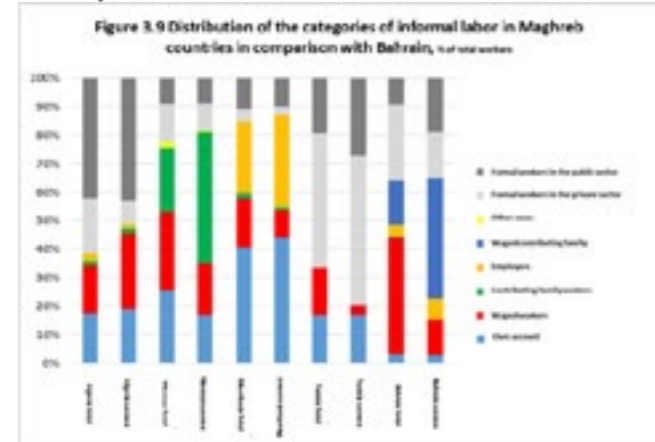
%32.5) %35 for women compared to %35.5 for men<sup>82</sup>, table 3.8), of whom %46 are waged workers. It is worth noting the huge lack of social security in the agricultural sector, reaching %63. Moreover, %60 of men younger than 40 years and %80 of women work in an informal manner<sup>83</sup>. Thus, the proportion of informal workers outside the government and the public sector is %43, and is %37 outside agriculture, government and public sector. The approximate general picture of informal labor in Tunisia<sup>84</sup> (as a percentage of total labor) is as in the following table. However, as in the case of Mauritania, the share of migrants in informal labor and their working conditions are not documented. The size of the informal economy in Tunisia in 2013 was estimated at %38 of GDP<sup>85</sup>, up from %34 before the revolution.

Employment according to the working situation										
Number of enterprises		Waged workers		Unwaged workers		Entrepreneurs		Own account		Type of the production unit
Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	
?	?	?	7.1%	?	?	?	?	11.1%	?	Formal sector enterprises
			9.3%							Informal sector enterprises

There have been many changes, especially in the period following the Tunisian revolution. The proportion of informal workers increased in the last decade, after being only at %30 in 2004. However, it increased only for men, and declined significantly for women. The surveys also showed a decline in the own account labor for men and an expansion in this regard for women. In contrast, unwaged labor for men increased, but almost disappeared for women<sup>86</sup>. 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 labor varies greatly between Maghreb countries, both in terms of the total size or in the distribution among categories or the characteristics of women's cases. It is clear that these differences come first from the size of agricultural labor and civil service, but also from other factors related to the extent of the institutional spread of social security in the country. What is remarkable if we compare Maghreb countries with Bahrain (figure 3.9) is the important size of own account employment and the low waged family labor<sup>87</sup>. Aside from the case of Tunisia, women are likely to be more informal than men.



82. Karim Trabolsi 2016, based on the data of 2014 survey for the highest estimations and CRES 2016 for the lowest estimations  
 83. CRES 2016  
 84. For this table, estimations were used according to CRES 2016  
 85. Karim Trabolsi 2016  
 86. According to the results of the last survey in 2014; however, significant discrepancies were observed in informal labor data between this survey and the previous one, as well as with social security data. See CRES 2016.

### 3.3 Informal labor in Nile Valley countries

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

The characteristics of the «youth boom» differed between the two countries and from other Arab countries. Egypt has witnessed it for several decades (from the 1960s until 2010). In Sudan, it was more acute and for a longer period than in Egypt (24-15 years to 64-15 years, still %36 in 2015). Nile Valley countries (with Yemen alone) are characterized by the fact that the majority of the population is still living in the countryside, %57 in Egypt<sup>88</sup> and %66 in Sudan, although the latter is seeing accelerated rural exodus to cities. 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).

The total annual number of newcomers to the labor force in the two countries reached 910 thousand in 2010-2006, 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 the level of child labor (14-5 years) at %7 in Egypt and %25 in Sudan, making the latter the worst among the Arab countries after Somalia.

### The case of Egypt

% of informal workers	% of total workers	ELMPS 2012	
		Formal	Informal
	26%		Civil service
	4%		Public sector
	11%		Waged formal labor in the private sector
25%	15%		Unstructured waged formal labor
25%	17%		Vulnerable waged labor
3%	2%		Contributing family workers outside agriculture
8%	5%		Contributing family workers in agriculture
14%	8%		Own account workers outside agriculture
3%	2%		Own account workers in agriculture
17%	10%		Entrepreneurs
100%	100%		Total workers
	59%		Total informal workers

The demand for job opportunities in Egypt almost met demand in 2010-2006, and then declined to less than half of the demand in 2015-2011, despite the shrinking 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 64-15 years reaches %47 (only %19 for women). Thus, the number of male workers in Egypt in 2012 reached about 24 million, while there were only about 4 million female workers. Estimates of the share of the informal sector of GDP in Egypt are highly variable, and range between %35 and %68<sup>89</sup>. It is also difficult to have a clear idea of the size of informal workers, despite the existence of important research centers

87. With the exception of Morocco, where it is not clear if the waged family labor is included in the contributing family labor (see Morocco's paragraph above)  
 88. Although there is much debate about the meaning of rural housing statistically, for that most of the villages have become large communities.  
 89. Kassem 2014, Schneider, Buehn, Montenegro 2010

in the country. An analysis of labor found that the percentage of such workers was estimated at %59 at least in 2012, in comparison with %53 in 1998, based on the ELMPS surveys conducted in these two years<sup>90</sup> (see table 3.9). However, it is not clear if all formal 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 contracts<sup>91</sup>, knowing that a part of waged workers in the government sector are informal<sup>92</sup>. Reports from the National Organization for Social Insurance, the Health Insurance Organization or the Ministry of Social Solidarity do not help clarifying the picture more for employees who benefit from health insurance, other than that health services cover %58 of the population.

Studies<sup>93</sup> have estimated informal labor in the non-agricultural sector at %61 (which accounts for almost %68 of the total employment, i.e. most of the waged formal labor in the private sector is unstructured) indicating that %91 of the youth labor

% of informal female workers	% of total female workers	ELMPS 2012	
		Formal	Informal
	49%		Civil service
	3%		Public sector
	7%		Waged formal labor in the private sector
18%	7%		Unstructured waged formal labor
6%	2%		Vulnerable waged labor
8%	3%		Contributing family workers outside agriculture
36%	15%		Contributing family workers in agriculture
20%	8%		Own account workers outside agriculture
4%	2%		Own account workers in agriculture
7%	3%		Entrepreneurs
	100%		Total workers
100%	41%		Total informal workers

is informal, although most of it is in the formal sector. Other studies<sup>96</sup> have shown that the share of vulnerable waged labor out of total employment doubled between 2006 and 2012 due to the implications of recent developments (from %8 to %17 of total employment), which is most closely related to poverty. %79 of the 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 labor<sup>97</sup>. Thus, waged labor prevails over informal labor in Egypt (because it is the predominant element for male labor), with many pending questions about the classification of labor conditions in the widespread family sector (maids, gatekeepers, etc.) that seems not covered by surveys.

The informal labor rate for women is only %41 of the total female workers (see table 3.10), which is much lower than for men, with %52 of women employed in the government and public sector. A remarkable study<sup>98</sup> analyzed women's informal labor in Egypt, noting that the informal sector does not even provide women with the informal job opportunities provided to men, making work for the family their only refuge. Unemployment officially affects %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 job opportunities lacking women's social protection (paid maternity leave, etc.). The study also showed a significant difference between the regions in terms

90. Kassem 2014  
 91. 45% of them work in enterprises having less than 4 workers.  
 92. See Egypt's watch report, Reem Abdel Halim & Saud Omar 2017  
 93. It says that 5.8 million are insured, including 3 million who are waged (i.e. only 13% of the total workers) and 5.5 million who should benefit from this insurance.  
 94. <http://www.hio.gov.eg/Ar/covers/Pages/Charts4.aspx>  
 95. Kolster 2016  
 96. Assaad & Craft 2013  
 97. 52% of female workers work for the government and the public sector.  
 98. Salwa Antari and Nafissa Dussouki 2015

Alexandria and the Canal, respectively, compared to %51.4 in Rural Upper Egypt, with an increase in the share of family labor for men since 1998 and a decrease for men. Therefore, Upper Egypt accounts for %63 of the family labor for women, especially in agriculture.

An official survey conducted in cooperation with ILO<sup>99</sup> 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 family labor, especially in the agricultural sector and one-third of waged labor). The share of females is less than one-third (%83 is family and agricultural labor). Thus, the overall picture of Egypt's informal labor shown in table 3.11 is dominated by informal labor; informal labor outside agriculture amounts to %50, and to %79 outside agriculture, civil service and the public sector! The situation is very different for women, where contributing family labor 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.

Employment according to the working situation										
Number of enterprises		Waged workers		Unwaged workers		Entrepreneurs		Own account		Type of the production unit
Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	
?	?	31.3%	7.8%	10.0%	?	10.0%	?	?	?	Formal sector enterprises
										Informal sector enterprises

Employment according to the working situation										
Number of enterprises		Waged workers		Unwaged workers		Entrepreneurs		Own account		Type of the production unit
Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	
?	?	5.8%	18.3%	1.1%	?	10.0%	?	?	?	Formal sector enterprises
										Informal sector enterprises

### 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, as the country is still in the midst of the youth wave with the acceleration of exodus to cities. %41 of the population is between 15 and 64 years (only %19 of women)<sup>100</sup>. Remarkably, employment opportunities for women have doubled between 2011 and 2015 in comparison with the previous period, but the demand for women's labor has also doubled and women's opportunities remained unmet. The last labor force<sup>101</sup> survey conducted in 2011 estimated that %74 of those who did or did not work<sup>102</sup> had no social security, %80 had no social security, and %70 had no protection against work hazards, while workers in the government and public sector account for %20 of the total workforce with %44.6 for agricultural workers. The survey also provided data on the distribution of informal labor in Sudan, with the most severe conditions in South Darfur and the best in Khartoum. Thus, the overall picture of informal labor in Sudan, as seen in figure 3.13, shows an informal labor rate of (%82) %77 outside the government sector).

99. CAPMAS & ILO 2012-a  
 100. (MHRDL 2013).  
 101. MHRDL 2013.  
 102. Their number exceeds that of current workers by 18%. These percentages will be adopted for the informal labor.



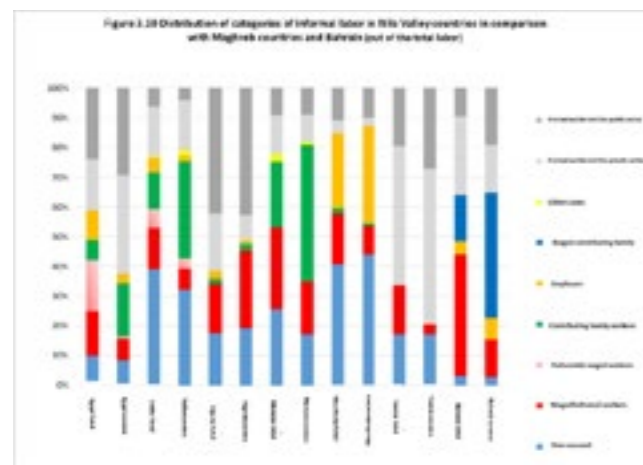
**Table 3.10 Percentages of categories of informal labor in Sudan (out of the total labor)**

Employment according to the working situation										Type of the production unit
Members of producer enterprises		Waged workers		Contributing family workers		Employees		Own account		
Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal sector enterprises
?			28.9%		12.1%		4.9%		39.2%	
										Household

The survey also showed that %30 of workers live below the poverty line<sup>103</sup>, and that %51 of workers work in fragile and unstable situations (%65 of working women). %13.3 of children aged 14-10 are also in the labor force, especially those who belong to the nomadic tribes or live in the peasantry, i.e. 230 thousand children at these ages work (especially males). The 2008 survey<sup>104</sup> showed that children account for %7 of the labor force in Sudan, about 800,000 workers, in rural businesses, often as domestic workers.

### Overview of Nile Valley countries

Informal labor rankings in Sudan are similar to those of Morocco (figure 3.10), with a greater role for own account employment and less for unwaged family labor. Egypt is characterized by a weak share of women's informal labor, but with significant disparities with Tunisia, where women's economic participation rates are high.



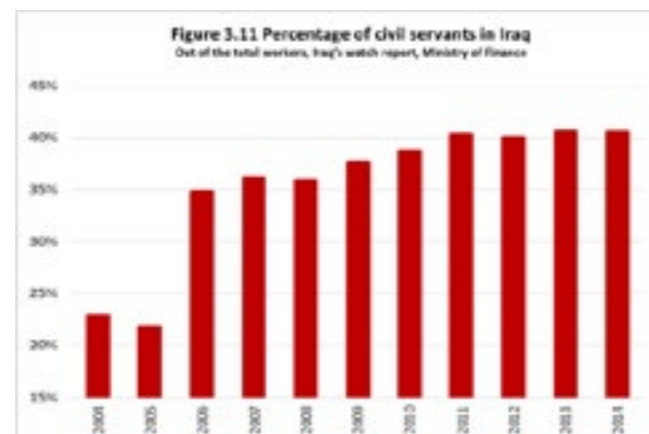
### 3.4 Informal Labor in the Levant

With 69 million people in 2015, Levant 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 volatilities of the Arab Spring and wars which 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 other countries to absorb the large numbers of refugees. Yemen also experienced a war but most of its effects remained at the internal demographic level. Thus, after the crises of Palestinian displacement, all the inhabitants of Levant countries experienced severe demographic conditions, radically changing the economic activity and the conditions of the labor force. All these countries have seen a «youth wave» with a population of 24-15 years over %30 and up to %40 in Yemen, and here too, apart from Lebanon, which had lived this

wave prior to its civil war in the early 1970s. Rural exodus to urban areas has also accelerated in Levant countries, with the exception of Lebanon and Jordan, where urban population has exceeded %80 of the total since decades, while for example %66 of Yemenis remain rural. In all countries, however, internal migrations accelerated with wars and rural areas were emptied in many areas. 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 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 Levant countries allows for following up on the effects of war, major fluctuations, and labor-intensive migrations on labor and informal labor, requiring at least some necessary ad hoc studies to explore the most effective ways of reconstruction, especially the reconstruction of the economic activity and the labor force.

### The case of Iraq:



Iraq has known successive bloody wars since the late 1960s. Among Levant countries, its economy is 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 declining from %18 in the 1960s to %5 today, and its workers from %32 to %8 of the total workers (%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 ISIS.

The Iraqi private sector, with all its components, contributes only by %25 to 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 reemerged significantly. Today, more than %40 of all workers (and more than %50 of female workers)<sup>105</sup> are employed by the government and the public sector, while the latest household survey found that %53 of Iraqis work in the government (%50.5) and the public sector (%2.9<sup>106</sup>). Remarkably, household surveys showed that only %46 of workers aged 15 and above were covered by the pension and social security system. This means that informal labor in Iraq amounts to almost %55 of the total labor force, and that part of the government and public sector workers remain informal<sup>107</sup>.

105. Iraq' watch report, Hanaa Abdel Jabbar Saleh 2016: the national report on informal labor in Iraq  
 106. 10 years old and more; see household survey in Iraq 2012, especially after the large recruitment campaigns after the invasion  
 107. What is clearly watched by Iraq's watch report  
 108. Iraq' watch report, Hanaa Abdel Jabbar Saleh 2016  
 109. Iraq' watch report, Hanaa Abdel Jabbar Saleh 2016  
 110. Calculations in Iraq' watch report, Hanaa Abdel Jabbar Saleh 2016

Wars have exacerbated poverty, which in 2014 reached<sup>108</sup> %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 %65 of the private sector's product. 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 (24-15 years), especially as the participation of young women has declined by half. This should be linked to the decline in 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<sup>109</sup>, which means frustration for 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 labor for youth groups, %96 for 19-15 years (with an economic participation rate of %18) and %80 for those between 19 and 25 (with an economic participation rate of %42). Informal labor increases 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 labor in Iraq is shown in table 3.14<sup>110</sup> (in 2012 before the spread of ISIS); it amounts to %52 and to %88 out of government sector.

**Table 3.14 Percentages of categories of informal labor in Iraq (out of the total labor)**

Employment according to the working situation										Type of the production unit
Members of producer enterprises		Waged workers		Contributing family workers		Employees		Own account		
Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal sector enterprises
	0.8%		32.4%		2.8%		2.7%		11.5%	
										Household

In this context, formal workers represent %47 of waged workers (%74 of total workers), %70 of own account workers (%18 of total workers), %53 of the employers (%5 of total workers), and all contributing family workers (%4). As for women alone, the overall picture of their informal labor is as shown in figure 3.15<sup>111</sup>, with a total of %48 and %96 outside the government sector.

**Table 3.15 Percentages of categories of women's informal labor in Iraq (out of the total labor)**

Employment according to the working situation										Type of the production unit
Members of producer enterprises		Waged workers		Contributing family workers		Employees		Own account		
Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal sector enterprises
	0.8%		26.7%		12.9%		0.6%		2.4%	
										Household

Surveys<sup>112</sup> show numbers of newcomers that are higher than those observed by ILO for 243) 2010-2006 thousand per year versus 211 thousand) and less for 279) 2015-2011 thousand versus 321 thousand), although this period saw the displacement of Syrians to Iraq, especially from northern Syria, knowing that many of them were engaged in the labor force<sup>113</sup>. But available surveys do not monitor this migrant labor. In the case of women, the estimates of newcomers in the first period (46 thousand per year) converge, with a decrease in female participation for the next period (41 thousand newcomers

111. Iraq' watch report, Hanaa Abdel Jabbar Saleh 2016  
 112. Calculations in Iraq' watch report, Hanaa Abdel Jabbar Saleh 2016  
 113. Particularly to Kurdistan Iraq  
 114. Household survey according to Iraq' watch report, Hanaa Abdel Jabbar Saleh 2016  
 115. See household survey in Iraq 2012

versus 63 thousand expected by the ILO). Estimates of the number of jobs created are also closer among exporters. However, 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 new jobs created were informal.

The phenomenon of child labor<sup>114</sup> is also prevalent in Iraq, where the percentage of workers is between %0.6 for 8 year-children and %6.9 for 14 year-children. This phenomenon covers males (e.g. %10.5 of those aged 14 years) more than females (%2.8 of those aged 14). The governorates of Babel (%7.1), Kirkuk (%5.5), Maysan (%3.5) and Wasit (%2.6) were the highest for those aged 14-6. Surveys on the overall percentage of child labor between 6 and 14 years show a percentage of %2<sup>115</sup> (compared to %5 monitored by UNICEF), %3 for males and %1 for females, mostly in rural areas.

### The case of Jordan

**Table 3.16 Distribution of Jordanian workers according to their working situation in 2014 (% of the total Jordanian workers)**

Total	Females	Males	
87.4%	96.8%	85.6%	Waged workers
39.6%	51.5%	37.3%	Including in the public sector
42.5%	42.6%	42.4%	Including in the formal private sector
4.5%	0.6%	5.2%	Including in the informal private sector
0.9%	2.0%	0.6%	Including in other sectors
4.4%	1.3%	4.9%	Employers
8.0%	1.7%	9.2%	Own account
0.1%	0.0%	0.1%	Contributing family workers
0.2%	0.2%	0.2%	Unwaged workers

Jordan has witnessed successive waves of asylum and migration from Palestine as a result of the 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 formed a significant part of Jordan's population. Non-naturalized Palestinians constituted more than %10 of Jordan's population, and %28 of the population were registered as refugees at UNRWA. Iraqi and Syrian refugees came in similar numbers in 2007 and 2013-2012 respectively.

Therefore, it is difficult to obtain clear information about the informal labor in the country, especially since the results of the labor force surveys and the annual statistical books only included, even before the recent migration waves of Iraqis and Syrians, detailed data about Jordanian workers. These do not make clarifications according to informal labor criteria. Moreover, these data do not clarify the size of the Jordanian informal labor in the formal private sector (table 3.16<sup>116</sup>). Surveys only specify the labor size of migrants in comparison with the total labor force (equal to %12 in 2014), and the share of the main nationalities (%57 for Egyptians and %9 for Syrians, the majority of whom are males). Paradoxically, surveys also show that the number of work permits granted to non-Jordanians exceeded %29 of the total workers in 2014. In 2012, the Ministry of Planning and International Cooperation, in cooperation with the Economic and Social Council and other international organizations, published a panoramic study on informal labor based on the 2010 Labor Force Survey<sup>117</sup>. This study showed that %67.2 of workers in Jordan are not covered by health insurance, which allows to measure the size of the informal labor. The same study indicates that the proportion of informal labor reaches %44 of the total workers! %23 of working males and %15 of working females are informal. In

116. Department of Statistics: Jordan's annual statistical book, 2015  
 117. MPIC 2012.



%73 ,2010 of Jordanian males and %93 of Jordanian females were 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 discrepancy between these figures (in one report) and the absence of any reference to non-Jordanian workers (Palestinians, Iraqis and Egyptians at the time) do not allow for clarification of the size and classification of informal labor in Jordan. A year ago, a statistician in the Department of Statistics criticized the way in which women's economic participation and their informal labor were being curtailed<sup>118</sup>.

In 2015, ILO conducted a study to analyze the impact of the large numbers of Syrian refugees on the Jordanian labor market<sup>119</sup>. 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 2010-2008. 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 sector, which is a large employer, has not witnessed a decline in the proportion of Jordanian labor, and new job opportunities have been created with the arrival of new Syrian expatriates<sup>120</sup> as a result of investments by Syrian 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 of the fact that informal labor constitutes %50 of the Jordanian total labor force (without taking into consideration the %67.2 who are not covered by health insurance), that %55 of Jordanian workers and non-Syrian migrants (%12) in the private sector are informal, and that Syrian immigrants constitute %20 of the total labor force. Thus, the overall picture of informal labor in Jordan comes as a percentage of the total labor force in the country as in the following table. The total informal labor in Jordan constitutes %57 of the total number of workers (%81 outside the government sector amounting to %30). Of course, this is a rough estimate that does not take into account, for example, refugee contributing family workers.

Table 9.17 Percentages of categories of informal labor in Jordan (out of the total labor)

Employment according to the working situation												
Sector	Waged workers				Self-employed				Own account workers and employers			
	Male		Female		Male		Female		Male		Female	
	Government	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Private	12%	14%	0%	0%	0%	0%	0%	0%	12%	0%	0%	
Total	12%	14%	0%	0%	0%	0%	0%	0%	12%	0%	0%	

It is worth noting that all reports confirm that the rate of informal labor for women (%26.7) is much lower than for men, with 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 will be %55. In most cases, it has increased slightly with 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 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 children<sup>121</sup>. Other estimates indicate that between 30 and 100 thousand Syrian children joined the labor force<sup>122</sup>. Two recent studies detailed child labor in Jordan, whether Syrian, Palestinian or Jordanian<sup>123</sup>, indicating the importance of the phenomenon.

**The case of Palestine**

In spite of occupation, fragmentation and dependency, Palestine (West Bank and Gaza Strip) is characterized by periodic and organized surveys and statistics, most of them according to international standards, so that data published by the Palestinian Authority and by international organizations are often consistent. Thus, it is clear that Palestine is still in the midst of the «youth eruption», with the urbanization of the population almost complete. The population aged 24-15 exceeds %39 of those aged 64-15, while more than %75 of Palestinians live in cities. Unemployment rates in Palestine reach a record of %25.9<sup>124</sup> in general and %36.2 for females. This is despite the fact that women's participation in the labor force remains low, %18.3 in West Bank and %19.7 in Gaza Strip (%72.7 and %70.7, respectively, for males). Women's participation has increased relatively in recent years from %13 in 2002 to %18.8 in 2015. Thus, demand for labor is accelerating, with the number of newcomers increasing from about 33 thousand in 2010-2006 to 53 thousand in -2011<sup>125</sup> 2015, 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 new newcomers increasing from about 7 thousand in 2010-2006 to 15 thousand in the next period, i.e., a 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, almost %70 of the jobs needed are created (%50 of the jobs required for women), which explains 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 of the workers in Gaza Strip (%22 in total). About %17 of the workers in West Bank are employed in Israel and in the settlements (particularly – %64 – in construction), while workers from Gaza Strip are not allowed to work in these areas. This significant percentage (%12 of the total Palestinian working population) of those working in Israel and the settlements depend on the current 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. 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 immigration, which resulted in the phenomenon of immigration boats to Europe and the accompanying sinking disasters. As for informal labor, the last dedicated survey goes back to 2008<sup>126</sup>. It showed that

121. Save & UNICEF 2015 based on UN data in 2013  
 122. Jordan's report, Ahmad Awad 2016: Evaluating the informal sector in Jordan in terms of job opportunities and economy, based on a position paper entitled "Child labor in Jordan", 2015, Labor Watch, website: <http://www.labor-watch.net/ar/paper/346>  
 123. ILO 2014-a and UNICEF & Save 2014.  
 124. Palestine's watch report, Firas Jaber and Iyad Al Riyahi 2016: Informal labor in the Occupied Palestinian Territories, based on the labor force survey 2015.  
 125. ILO data comply in general with the data included in Palestine's watch report. But the latter points to 100 thousand newcomers in 2014 and 70 thousand in 2015.  
 126. Palestinian Central Bureau of Statistics 2008

Table 3.18 Distribution of workers in Palestine according to their working situation and formally defined labor survey 2008

القطاع	الرجال	النساء	العمالة	البنات
Waged workers				
Public sector	30%	21%	22%	37%
Formal workers in the formal private sector	9%	9%	10%	16%
Informal workers in the formal private sector	27%	43%	40%	27%
Own account workers and employers				
Formal	1%	10%	9%	5%
Informal	10%	11%	11%	11%
Unwaged contributing family workers	23%	5%	9%	5%
Informal workers total	60%	60%	60%	43%

the proportion of informal workers reached %65.8) %59.9 in West Bank and %42.5 in Gaza Strip). The difference between the two regions is due mainly to the size of government employment in Gaza. Informal labor concerns most men in West Bank (%67 working males) and 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 shows that the majority of informal workers work in the formal sector and that this phenomenon affects West Bank more than Gaza Strip. However, it is not clear from the results of the survey the role played by labor in Israel and the settlements. No more accurate analysis is allowed, especially since the percentage of informality is equal in Palestine between women and men! herefore, the overall picture of informal labor in Palestine is shown in table 3.19. The rate of informal labor in Palestine reaches %61 and %88 outside the government sector. It is worth noting that West Bank acquires %82 of the total informal labor, while its employees constitute %75 of all workers in Palestine. Women work less informally (%57) because their share of the civil service is greater (%30 versus %22 for males).

Table 3.19 Percentage of categories of informal labor in Palestine (out of the total labor)

Sector	Waged workers				Self-employed				Own account workers and employers			
	Male		Female		Male		Female		Male		Female	
	Government	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Private	61%	88%	61%	88%	61%	88%	61%	88%	61%	88%	61%	
Total	61%	88%	61%	88%	61%	88%	61%	88%	61%	88%	61%	

On the other hand, the official survey estimates that the informal sector contributes to GDP by %9.1<sup>127</sup> (mostly in construction and agriculture), while other estimates range between %57 and %88<sup>128</sup>, and the issue remains subject to analysis and discussion<sup>129</sup>. 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 Central Bureau of Statistics indicates that there are 41 thousand children under the age of 15 working according to 2004 survey<sup>130</sup>, constituting %3.1 of the population in the relevant age group and more than %7 of the 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 in settlements<sup>131</sup>. In addition, %25.7 of Palestinians suffer from poverty, with a high prevalence in Gaza Strip due to the siege and repeated aggression (%38 compared to %18.3 for West Bank). The extreme poverty rate is %23) %14.1 in Gaza Strip and %8.8 in West Bank). 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

127. Palestine's watch report, Firas Jaber and Iyad Al Riyahi 2016  
 128. Sabra, Eltalla & Alfara 2015  
 129. See Bilal Falah 2014: The informal sector in the Occupied Palestinian Territories  
 130. They dropped to 33 thousand in 2007, Mouin Ahmad Rajab and Ahmad Farouk Elfara 2009: The policy if Palestinian labor force between theory and application  
 131. ILO 2014-b.  
 132. Palestinian Central Bureau of Statistics 2016

individuals have incomes below the national poverty line (%59.2 in Gaza Strip and %24.6 in West Bank)<sup>132</sup>. These also result from a systematic Israeli policy against Gaza Strip. Statistics show as well that poverty is rising for those living in the camps (%32.4), which is weaker in rural areas (%21.9 only!). Poverty, of course, increases with the lack of participation in the labor force, unemployment and informal labor.

**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 and sectarian dimensions of the Lebanese population structure and the sensitivity of the country towards the Palestinian refugees, but also due to the remarkable size of Syrian employment in Lebanon, periodically before the conflict in Syria and in the long term since the great wave of displacement, with remarkable waves of Lebanese immigration. Lebanon has a population of different conditions, all of whom are involved in the labor force: Lebanese, Palestinian refugees (between 260 and 280 thousand in 2012, about %8 of the population<sup>133</sup> increased by 80 thousand in 2013 with Palestinian refugees from Syria, increasing the percentage to over %9, all of them are registered at UNRWA), Syrians, especially after the recent massive displacement during the Syrian conflict (928 thousand in late 880 ,2013 thousand of whom are registered at UNHCR, or about %25 of the population), as well as Iraqis and other migrants and Asian or African workers, particularly female domestic workers as in the Gulf states (at least 250 thousand female domestic workers, according to a recent report)<sup>134</sup>. Lebanon, including its Palestinian population, knew its youth wave in the 1970s and then overpassed it; young people aged between 15 and 24 today account for less than %29 of the population, especially as immigration rates, mostly for 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 then with the waves of Iraqi migration, followed by Syrian migration dominated by young people, especially males<sup>135</sup>; thus, migration now accounts for two-thirds of the demographic growth in Lebanon<sup>136</sup>. 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<sup>137</sup> data, the number of newcomers to the labor force reached 44 thousand per year in 2010-2006 (nearly a third of them are women). The number of those newcomers increased significantly to approximately 110 thousand annually in 2015-2011 (also one-third of them are women). This brought the average annual increase of the labor force in the two periods to %7) %5 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 opportunities for increasing female domestic workers. Labor force participation varies among population groups, %43 for Lebanese (2007 survey), %42 for Palestinian<sup>138</sup>s (2011 survey, slightly lower with those from Syria) and %47 for Syrians<sup>139</sup>2013 survey). This difference is very clear for females, %15, %21 and %19, respectively<sup>140</sup>. Most Syrian females were not working before and had to work because of their living conditions. Unemployment rates vary from %9 for Lebanese<sup>141</sup> and

133. ILO 2012 134. ILO 2016. 135. ILO 2014-c.  
 136. Ajluni & Kawar 2015. 137. <http://www.ilo.org/ilostat/> 138. ILO 2012-a  
 139. ILO 2012-a. 140. ILO 2012 & ILO 2014-c.  
 141. According to Abou Jaoude 2015, noting that the cluster survey before the Syrian refugees' influx gave 6.4%, whereas the World Bank points to 11% in the same period and the reports of the Ministry of Labor to 20% to 25%.  
 142. This unemployment rate is lower than unemployment rates in the Palestinian Territories, in spite of the restrictions imposed in Lebanon on employing Palestinians in many professions.  
 143. 250 thousand female migrant workers and around 30 thousand from other nationalities, see ILO 2014-c and ILO 2016

118. Al-Budirate 2009  
 119. Stave & Hillesund 2015 and Errighi & Griesse 2016  
 120. It is remarkable that the results of this unpublished survey do not correspond to the data provided by 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 demand for employment. The labor force in Jordan has grown in the last decade at an average rate of 3.4% per year, the highest rate in Arab countries.



Palestinians<sup>142</sup> to %30 for Syrians<sup>143</sup>. Here, differences also deepen for women, %14, %18 and %68, respectively<sup>144</sup>. Thus, based on the distributed surveys, it can be assumed that the current workers in Lebanon (2.2 million) consist of 1.4 million Lebanese (63 percent of the total), 130 thousand Palestinians (6 percent), 400 thousand Syrians<sup>145</sup> (18 percent) and 280 thousand other foreigners<sup>146</sup> (%13). In other words, migrant workers account for one-third of workers in Lebanon and the number of other migrant workers exceeds that of Palestinians and is less than that of 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 figures<sup>147</sup>. Data on the percentage of Lebanese covered by health and social insurance are conflicting. It is noted that %66.9 of waged workers are not covered by any health insurance system<sup>148</sup>, 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 who are not covered by any health system, and these figures go back to 2007. More recent figures indicate that the proportion of Lebanese informal workers<sup>149</sup> is %59<sup>150</sup>, Palestinians %95, Syrians %99, and %90 for 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 leverage this service. In other words, the proportion of informal workers reaches %73 of total workers in Lebanon 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 %53) %69 for males and %70 for women).

Table 3.20: Distribution of workers in Lebanon according to their nationality, gender, and working situation

Nationality	Total workers		Male		Female	
	Number	%	Number	%	Number	%
Lebanese	1,400,000	63%	1,100,000	63%	300,000	63%
Syrian	400,000	18%	300,000	18%	100,000	18%
Palestinian	130,000	6%	100,000	6%	30,000	6%
Other foreigners	280,000	13%	200,000	13%	80,000	13%
<b>Total</b>	<b>2,210,000</b>	<b>100%</b>	<b>1,700,000</b>	<b>100%</b>	<b>510,000</b>	<b>100%</b>

This table represents approximately the current situation without being able to track the changes that have occurred since 2011 and their effects. It should be noted that 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 contractors<sup>153</sup>. The increase in the proportion of Lebanese working for their own account in a middle-income country caught ILO's attention, especially since %88 of those workers prefer to remain on their own account and %66 of waged workers wish to move to the own account employment<sup>154</sup>. What catches the attention as well is ILO's low estimation of the share of own account labor for Syrian refugees<sup>155</sup>, 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. Thus, the overall picture of informal labor in Lebanon is based on previous data as shown in table 3.21, with an equivalent share for own account labor and waged informal labor for Lebanese, and the predominance

144. These data were reviewed with the Lebanese researcher Kamal Hamdan who draw the attention to the rising estimations of the economic participation of Syrian refugees in comparison with that of 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 one for Palestinians in 2011.  
145. This figure includes the Syrian workers in Lebanon before the conflict in Syria. According to 2012 survey (ILO 2014-c), 20% of Syrian workers used to work in Lebanon before the conflict.

of waged labor among migrant workers. For women, the

Table 3.22: Percentage of categories of women's informal labor in Lebanon (out of the total labor)

Employment according to the working situation	Waged workers		Own account	
	Formal	Informal	Formal	Informal
Government sector	0%	0%	0%	0%
Private sector	0%	0%	0%	0%
Domestic workers	0%	0%	0%	0%
Other	0%	0%	0%	0%
<b>Total</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

waged labor of migrant workers is predominant (table 3.22). On the other hand, the World Bank has estimated the share of the informal sector in GDP at more than %36<sup>156</sup>, but it is not clear whether this estimate includes criminal activities (drugs, human trafficking, etc.). The 2009 cluster survey<sup>157</sup> showed that %1.7 of Lebanese children between 5 and 14 worked; UNESCO adopted a similar figure, %2 for 14-6 years. However, Syrian children labor has spread in Lebanon since the wave of displacement and reached %8<sup>158</sup> for workers aged between 10 and 14 years. This estimate is increasing, especially since %60 of children in this age group are not enrolled in schools. In terms of poverty, a recent report<sup>159</sup> indicated that %29 of Lebanon's population lives in poverty and %8 in extreme poverty. This figure is consistent with a report by the Department of Statistics and the World Bank based on the Household Expenditure Survey conducted in 2011 and 2012<sup>160</sup>. Other studies<sup>161</sup>, however, point to a poverty level of %35 for 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 line<sup>162</sup>. In addition, poverty among Lebanese, especially in the areas where refugees are concentrated, aggravated.

### The case of Syria

The conflict in Syria which broke out six years ago led to catastrophic conditions for the population and to fundamental socio-economic changes. It was clear that the «youth tsunami» & the acceleration of rural exodus, 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, & the spread of informal labor, were all among the major factors<sup>163</sup> that resulted in the uprising early 2011 and turned in mid2012- to a war. In 2010, the population of Syria (including Palestinian and Iraqi refugees) reached 21.8 million, with population growth rates remaining high<sup>164</sup> at %2.9 overall. The proportion of youth aged 24-15 was also high, at %40. Rural exodus has seen major leaps, particularly in 2004-2003, which has seen «counter-agrarian reform»<sup>165</sup> & thus hundreds of thousands have left their villages, in addition to an exceptional drought<sup>166</sup> in 2008-2007. These migrations have led to a significant decline in economic participation rates, with many agricultural workers leaving the labor force<sup>167</sup>. 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<sup>168</sup>. Thus, between 2001 and 2008, Syria lost %43 of the agricultural labor. In comparison to some 300 thousand newcomers to the labor force<sup>169</sup> annually in the urban area, only about 65 thousand jobs were created annually, with only 10 thousand formal jobs. The impact of these transformations has been the harshest on women's labor<sup>170</sup>. However, the effects of these successive shocks (agrarian reform, stopping the Anti-Unemployment Authority, 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 a circular informal labor in Lebanon (seasonal work, construction, etc.). But these jobs have also been volatile, especially when Syrian forces left Lebanon in 2005. The image of informal labor in Syria prior to the outbreak of the uprising and the conflict is shown in table 3.23<sup>171</sup>, with a total of %65.6 or %89 of private sector workers, knowing that informal labor in the private sector amounts to %52.

Table 3.23: Percentage of categories of informal labor in Syria in 2010 (out of the total labor)

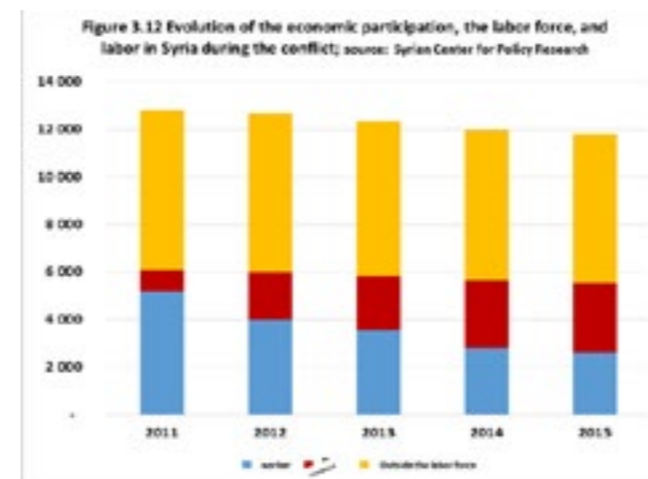
Employment according to the working situation	Waged workers		Own account	
	Formal	Informal	Formal	Informal
Government sector	0%	0%	0%	0%
Private sector	0%	0%	0%	0%
Domestic workers	0%	0%	0%	0%
Other	0%	0%	0%	0%
<b>Total</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

The approximate picture of women's informal labor in 2010 is shown in table 3.24, and does not exceed %39 of the total female labor because %56 of working women are in the government and the public sector. Women's informal labor is divided between waged labor, own account, and contributing family labor.

Table 3.24: Percentage of categories of informal labor in Syria in 2010 (out of the total labor)

Employment according to the working situation	Waged workers		Own account	
	Formal	Informal	Formal	Informal
Government sector	0%	0%	0%	0%
Private sector	0%	0%	0%	0%
Domestic workers	0%	0%	0%	0%
Other	0%	0%	0%	0%
<b>Total</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

It is interesting to note that the highest percentage of informal labor is in the governorates of Aleppo (especially its countryside), Idlib and Raqqa; all of which have witnessed major social developments during the conflict in Syria<sup>172</sup>.



Only %33 of total workers are covered by social security. However, social security has become insufficient, as the conditions of benefitting from health insurance<sup>173</sup> have been gradually modified and the return on pensions was reduced<sup>174</sup>. Therefore, %33 of workers and their families were reported to be extremely poor (as a minimum), and this severe poverty also affects formal workers, although it is higher for informal ones. Half of the workers are below the poverty line, and %56.5 are informal workers. UNESCO also noted that %4 of children between 6 and 14 years do work. However, child labor has spread significantly

146. It is worth noting that these estimations almost comply with ILO statistical estimations on the total number of workers.  
147. Aita 2016.  
148. Abou Jaoude 2015  
149. According to the definition of the lack of coverage of health and social insurance  
150. The World Bank noted in a recent report that the rate of informality is 56.2%, see World Bank 2014-b. It has been assumed that 20% of own account workers are formal.

with the conflict inside Syria and among Syrian refugees in neighboring countries. The long-lasting conflict in Syria led to waves of migration and refugees abroad, and to the displacement of large numbers of Syrians within the Syrian territories<sup>175</sup>. The war also destroyed many industrial and productive facilities and infrastructure and paralyzed the economic mechanism of Syria widely. This was followed by a decline in the number of Syrians of working age (despite the demographic growth of residents) to %8 by the end of 2015, and the number of workers halved (most of them in informal labor), while the number of unemployed increased by more than three times<sup>176</sup> (figure 3.12). Thus, a large percentage of Syrian workers and families are poor, even very poor, and depend on international aid. Many people from all conflicting parties have engaged in illegal acts linked to the economics of violence. These acts (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.) acquire a total of %17 of all workers. All of this had disastrous effects on women's and children's labor.

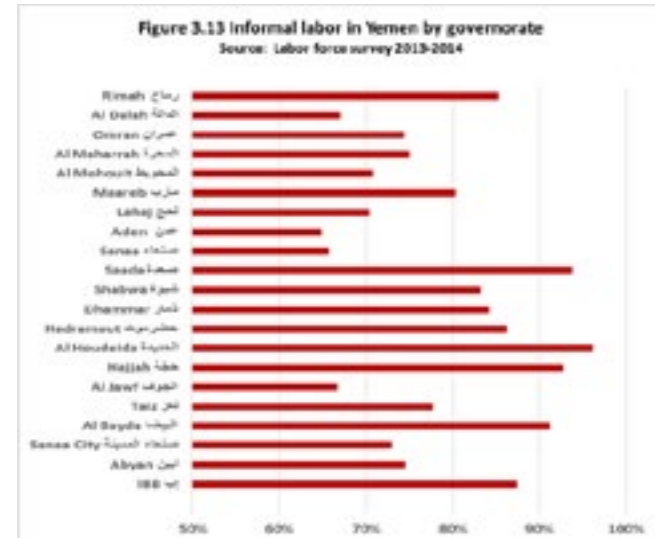
### The case of Yemen

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 reduced to %2.5 annually. It is also at the peak of its youth eruption, with young people (24-15 years out of 64-15 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 a phenomenon of rural exodus<sup>177</sup>, where the urban population is growing at a rate of more than %4 annually. Yemen also witnessed a large wave of emigration, especially to Gulf countries, until the mid1970-s, 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 workers, mostly male, who make up only %2 of the labor force and less than %1 of the population. Participation to the labor force remains weak in Yemen, %36 overall, and only %6 for women (the lowest among countries covered by this study)<sup>178</sup>. 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 noticed that the number of newcomers to the labor force, which reached more than 250 thousand<sup>179</sup> per year in 2010-2006, has not changed, and has increased slightly since the revolution to some 280 thousand. Young women constitute %27, indicating a trend towards women's increasing participation. A report by the United Nations Development Program (UNDP)<sup>180</sup> states 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 more newcomers annually. For its part, a study by the Yemeni Ministry of Planning<sup>181</sup> 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 %12.3) %13.5 for males and %26.1 for women). However, the comparison between the various Yemeni governorates is striking, and thus the link between the socio-economic situation and the conflict's developments can also be demonstrated in Yemen. The governorates of Al Dalah, Saada, Al Jawf, Al Maharrar

151. According to ILO 2012-a, this is the result for Palestinians of the non-reciprocity in the Palestinian Territories!  
152. In the absence of detailed data, this estimate shows that all workers in the government sector are formal, 100% of employers and 80% of own account workers. Thus, this estimate often reduces the informal labor.  
153. Abou Jaoude 2015  
154. Abou Jaoude 2015  
155. ILO 2014-c.  
156. ILO 2014-c.



and Maareb have unemployment rates of up to twice the national average. According to the Labor Force Survey for %81, 2014-2013<sup>162</sup> 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), and here the youth also 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 workers in the government and public sector, and %12.7 in government and defense jobs, and %3 who are



informal. Informal labor in agriculture accounts for only %35 of the total informal labor (about half of them engaged in income-generating khat<sup>163</sup> 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, including %31 who work in government institutions and the public sector, knowing that a significant part of them are informal<sup>164</sup>. In other words, the contribution of the private sector to waged labor is only %19. It is noted that informal labor 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 labor 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, is unique. 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 their households) and own account working women is highlighted. More than half of female

Table 3.25 Percentages of categories of informal labor in Yemen in 2013-2014 (out of the total labor)

Employment according to the working situation										Type of the production	
Numbers of productive operations		Waged workers		Contributing family workers		Employees		Own account			
Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal sector	Non-formal sector
			14%								
			17%	11%							
					7%						
											31%

156. World Bank 2014-a, Abou Jaoude 2015.  
 157. Central Administration of Statistics in Lebanon 2010  
 158. ILO 2014-c. 159. Al-Jamal & Eicholtz 2016. 160. CAS 2016.  
 161. ILO 2012-a. 162. LO 2014-c. 163. Aita 2009.  
 164. Syria's watch report, Rabih Nasr and Zaki Mahshi 2016: Informal labor in Syria  
 165. Aita 2009, op. cit.  
 166. There is considerable debate about the main cause of Syria's massive migration wave

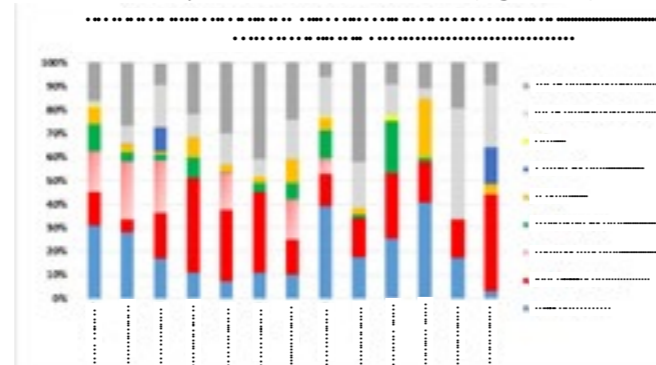
Table 3.26 Percentages of categories of women's informal labor in Yemen in 2013-2014 (out of the total female labor)

Employment according to the working situation										Type of the production	
Numbers of productive operations		Waged workers		Contributing family workers		Employees		Own account			
Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	Formal sector	Non-formal sector
			14%								
			17%	11%							
					7%						
											31%

On the other hand, the latest survey on poverty in Yemen was conducted in 2005<sup>165</sup>, 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 in urban areas, and the highest poverty rate (%64) was observed in Oman 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 women<sup>166</sup>. 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 it with the repercussions of the war in Syria, it turns out to be a real humanitarian disaster.

### 3.5 Overview of informal labor in the countries under study

In most 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 medium 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).

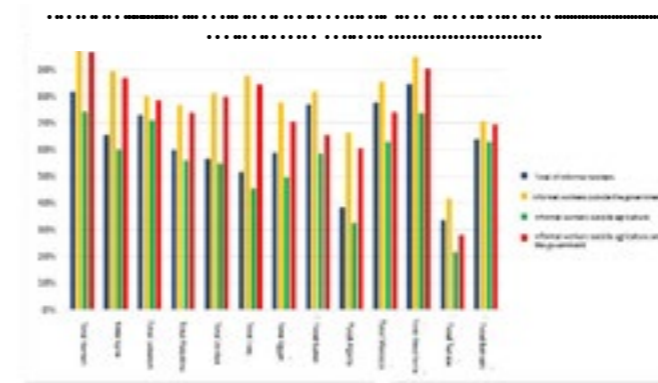


But the situation is different if we exclude formal government labor. Tunisia's percentage of informal labor goes up to %42, while Algeria has %66. This change results from the fact that the ratio of public sector employment is %19 in Tunisia and %43 in Algeria. With this exception, Iraq reaches %88, Jordan %81, Egypt %78 and Bahrain %71. Yemen, Syria, Sudan and Mauritania stand out with high rates of self-employment (between %30 and %40 of the total employment). 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).

between 2000 and 2010, between the effects of agrarian reform and the effects of drought; see Aita 2016.  
 167. The proportion of workers in the agricultural sector between 2001 and 2010 decreased from 30% to 14%. In 2006, the Anti-Unemployment Authority, which represented a significant attempt to employ under conditions of agricultural labor collapse, was abolished, see Aita 2009.  
 168. Syria's watch report and Aita 2009

The share of informal labor is the highest in Bahrain (%56 of the total employment) and in Lebanon (%52). In both cases, migrant labor is more 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 government employment capacity in Algeria (noting that part of this employment is not as formal as in other countries), and weak waged job opportunities in Mauritania.

According to the survey results, Morocco has a large percentage of unwaged family labor (%22), while the proportion remains significant in Sudan (%12), Yemen (%11), Palestine (%9) and Egypt (%7). Surveys also monitor the proportion of informal employers (%25).



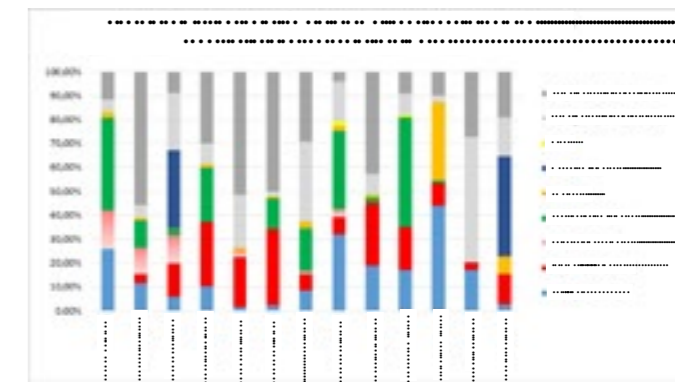
In all cases, the results of this analysis differ significantly from the known data on informal labor in the MENA countries<sup>167</sup>, which account for %47 for the informal non-agricultural labor. This percentage rises to %74 in Yemen and Mauritania, %71 in Lebanon, %63 in Morocco and Bahrain, %60 in Syria, %59 in Sudan and %56 in Palestine. Only Tunisia has a low proportion (%22) of informal labor outside agriculture. However, these proportions often increase if civil service and agriculture are excluded (Figure 3.15). But this percentage only rises to %28 in Tunisia.

These comparisons mainly concern the men's informal labor with the general weakness of women's economic participation in Arab countries. However, the situation differs when women's informal labor types are compared alone (Figure 3.16).

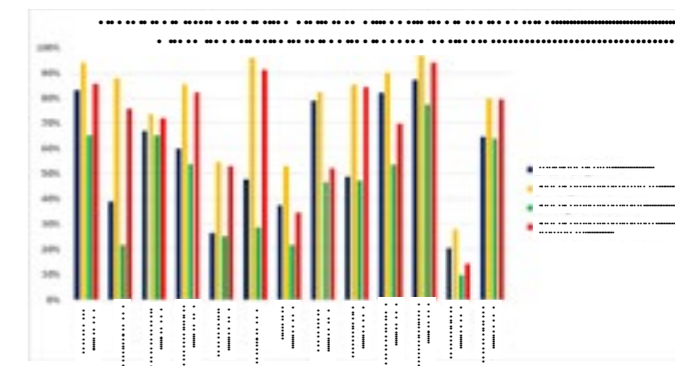
For females, only Mauritania and Sudan keep high rates of self-employment (%44 and %32). In Yemen, the proportion drops to %26, followed by Algeria (%19), Tunisia (%17), Morocco (%17) and Syria (%12). In the remaining Arab countries, the percentage of self-employed women remains below %10, with the lowest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

For women's unwaged informal labor, the highest proportions 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 percentage of women's informal waged labor higher than the total (higher than that of males). The share of women's informal waged labor in Jordan also rises 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.

169. 257 thousand for Syrian residents, up to 324 thousand with Palestinian refugees in Syria and non-naturalized Kurds, and 353 thousand with Iraqis who arrived after the invasion of the country. See Samir Aita 2009: Labor and Unemployment in Syria and Aita 2009. ILO detected an average of (only) 110 thousand newcomers per year to the labor force in 2006-2010, all males! And this figure mostly includes the simultaneous decline in the agricultural labor force. 170. Aita 2010.  
 171. Syria's watch report, Rabih Nasr and Zaki Mahshi 2016: Informal labor in Syria  
 172. The Anti-Unemployment Authority used to focus on it. Idlib has become the stronghold of "Al-Nusra Front" (Jabhat Fateh al-Sham later) and Raqqa the stronghold of ISIS.  
 173. Insured in governmental hospitals and dispensaries that were free for all and then turned into a partially paid system, which prevented the weakest categories from benefiting from these services.



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



These results are also different from those known on women's informal labor in the MENA countries<sup>168</sup>, which account for %35 of women's informal non-agricultural labor. The proportion in Mauritania is %65, %78 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 Syria (%22), Egypt (%22), Jordan (%25) and Iraq (%29). However, in these latter cases, women prefer to work 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 waged informal labor rights, especially in the case of family waged labor, promote and grant rights to self-employment, as well as to 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 labor.

### 4. Description of informal labor in the Arab countries

The previous chapter highlighted the fact that informal labor constitutes the majority of labor relations in the Arab countries, especially outside agriculture and the governmental sector. Watch reports have presented case studies, with the overall scene covering most of informal labor types. This chapter presents these cases and types to illustrate

174. Returns on pensions only constitute 4.6% of the family average income! See Syria's watch report  
 175. Syrian Center for Policy Research 2016: Forced dispersion, the human condition in Syria  
 176. Syria's watch report, Rabih Nasr and Zaki Mahshi 2016  
 177. The share of agriculture in employment decreased from 44% in 1999 to 29% in 2013-2014; see ILO Yemen 2015.  
 178. Statistics and surveys in 2004 and 2010 gave female participation rates ranging between 8% and 10%, but these include women who work at home for their own needs, who were eliminated as defined by ICLS 19 in the 2013-2014 survey results. 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.



their characteristics and differences, precisely because the mechanisms for defending the rights of their workers and the policies to secure these rights and livelihoods can vary greatly.

#### 4.1 Self-employment

Street vendors

Morocco watch report<sup>189</sup> focuses on street vendors, a case that dominated labor relations in the Arab countries after Bouazizi's suicide in Tunisia in 2010. In 2016, Morocco witnessed the suicide of «the seller of Baghreer May Fatiha»<sup>190</sup> (Moroccan pancakes consumed during the month of Ramadan) in the same way of self-burning and for the same reasons, which shook the society and authorities. Moroccans use the term «butterfly» to describe those self-employed workers.

The report shows that there are three dimensions of labor relations for this type of informal labor: the workplace and the means of work (i.e. the chariot that displays the goods), the sold goods and the mechanism for obtaining them. The workplace is particularly important because the possibility of selling the product is directly related to it, where the seller must stand in a place frequented by a large audience (e.g. in a public square or near a bus station, a train station or near a mosque) to increase the possibilities of selling the goods and made more money. Thus, the situation shows that the place-related labor relation is essentially a relation with the governmental or local authorities that regulate the presence in these places which are a «public domain». So this street trade constitutes in a way or another an «illegal exploitation of the public domain»<sup>191</sup>, in which the interests of street vendors conflict with the public interest in ensuring that people, vehicles and urbanization are not obstructed. However, street vendors are more concentrated in popular neighborhoods and slums, which are not originally organized and decent. The interests of street vendors also conflict with the interests of the owners of regular shops who pay wages, municipal fees and government taxes.

Morocco's report also shows that engaging in street sales is not an option but a means of guaranteeing the livelihood of the poorest groups and does not require high qualifications (although some university graduates such as Bouazizi have been involved, especially in peripheral cities away from capitals), particularly a high constant capital (chariot price) or turnover (the price of daily goods). With the regression of activity in agriculture and industry in the Arab countries, basic job opportunities are concentrated in trade and services. Therefore, street vendors acquire a significant part of jobs. They provide cheap goods for popular categories that are not able to buy from official shops and malls.

However, this conflict of interest was rarely tackled<sup>192</sup>, and surveys were rarely conducted to identify its problems and find solutions to ensure the livelihood of vendors as well as the public interest and other interests. In fact, the main policy towards street vendors is both lenient and overlooking and characterized by repression campaigns resulting in the confiscation of the means of work and goods, which is a disaster for workers. The inclusion of this kind of labor in social security is hindered by obstacles in the texts of laws that restrict social security benefits to waged workers only<sup>193</sup>.

Box 4.1

«The problem now is getting seed and tools,» says Hawaa

179. Compare with Syria's figures 180. UNDP 2006. 181. MPIC 2010. 182. ILO Yemen 2015. 183. IFAD 2010. 184.The government sector saw a jump in employment, especially after the unification of Yemen, from 166 thousand for both parts of Yemen before unification to 322 thousand in 1995. It continued to develop until it reached 533 thousand in 2013-2014. Most of this government employment is for graduates of higher education, which represents the biggest opportunity for women to work. This is strongly criticized by the World Bank. See World Bank mission to Yemen, 1996.

Issa, the -50year-old widow and mother of six children. She spends the morning cleaning a piece of land to prepare it for agriculture, and spends her evenings selling tea and coffee. «I collect money so I can buy seeds and I will start farming once I get enough to buy the seeds... It may take a long time. The price of seeds is high compared to the cup of tea that Hawaa sells and its only customer today is the author of this story CICR, Internal exodus facing military conflicts: facing the challenges, May 2010

Surveys of this type of informal labor can also highlight the other dimensions of labor relations. There are situations where the means of work is not owned by the street vendor, or even the sold item. Therefore, the street vendor is an informal worker who receives a wage or a share of sales profits. Sudan's report<sup>194</sup> focuses on another case of self-employment, the case of female tea vendors, who are also street vendors (Box 4.1). Their number in Khartoum alone is 14 thousand<sup>195</sup>. The importance of this situation is underscored by the acceleration of rural exodus to the city, the waves of displacement caused by wars, internal armed conflicts and environmental repercussions (natural drought or agricultural water monopoly<sup>196</sup>). A survey<sup>197</sup> of female tea vendors in Khartoum found that %89 of them were 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 career, and almost half of them are unmarried who are 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 stay in public places. Nevertheless, they are arbitrarily subjected to campaigns by the police and the authorities (they call it «Qasha» in Sudan), including the confiscation of their means of work and the few quantities of tea. The case of female tea vendors caught the eye after the US Department of State chose in 2016 Ms. Awadiya Mohammed Koko as one of the ten most courageous women in the world, a struggling female tea vendor who founded the Cooperative Association for Tea and Food female Vendors and the Multi-Purpose Women's Cooperative Association. Yemen's report<sup>198</sup> also referred to similar cases such as bread, henna, vegetable and maize vendors on the sidewalks, showing that children are heavily engaged in this type of work, such as selling napkins and beads on the roads and in public squares.

Palestine's report<sup>199</sup> drew attention to the situation of «female grape vendors»<sup>200</sup> 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, while Palestinian markets are filled with Israeli grapes from 1948 territories.

Iraq's report<sup>201</sup> also focused on the situation of street vendors (the official designation is «mobile units»), who were surveyed<sup>202</sup> in 2015, including all of Iraq's provinces except Anbar, Saladin and Nineveh, which were controlled by ISIS. Thus, 772 markets for these vendors and about 38,000 «mobile units» were observed. 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 vendors have a small semi-fixed selling place («kiosk»). The commodity sold in %44 of cases is food or drink. However,

185. Gov Yemen 2007.

186. Yemen's watch report

187, 188. Chen 2017.

190. <https://youtu.be/kBZ0FKXD5cs>

191,189.2017 فوري بوخريص

192. Salahdine & al. 1991.

193. 2017. نقش الظهير (القانون) 1-72-184 لعام 1972 كما ورد في فوري بوخريص

194. حسن أحمد عبد العاطي وأشرف عثمان محمد الحسن 2016.

195. 2013. وزارة التنمية الاجتماعية، السودان

196. Aita 2016.

197. 2013. وزارة التنمية الاجتماعية السودان

198. علي النصيري 2016

199. فراس جابر وإياد الرباعي 2016

200. فراس جابر وإياد الرباعي 2016

201. هناء عبد الجبار صالح 2016

202. الجهاز المركزي للإحصاء العراق -2015ب.

203. 3.1 الفقرة.

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

unlike Sudan, the majority of street vendors are males (%95); Maysan governorate has the highest percentage of female street vendors (%22). The survey also shows 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 an option but a need to earn a living. These vendors suffer from various difficulties, the most 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 subsidies, as well as the unstable security situation.

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

For Bahrain, reference was made<sup>203</sup> to the significant number of migrants without legal residence («bulk employment» or «free visa») whose term of residence expired and who are engaged in works such as washing cars and 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 country. The worker borrows money to pay the high price of the visa. Secondly, there is a problem with the «guarantor», the owner of the register based on which workers are brought for a typical two-year period, and who shares the price of the visa with the migrant worker, and receives «royalties» for each extension, although the law prohibits this practice. Third, there is a problem with traders who provide them with the goods they sell on the roads. And last but not least, the problem is with government authorities, allowing traders and «sponsors» to exploit the loopholes of law or leniency, while the conditions of these workers are not settled even if they stay for a long time in Bahrain. The problems of these workers transcend the issues of labor relations, as their living conditions are often inhumane<sup>204</sup>. Thus, Bahrain's report recorded 50 cases of suicide among migrant workers in 2012 compared to 22 cases in 2011.

Box 4.2

A young Pakistani man, Assem Ziah, did not expect to be one day sitting on the street and referred to as bulk labor. But four months without salary in his company put him in an unexpected situation. Ziah had an official paper stating that he was asking the company he worked with for his unpaid salary. He therefore stopped working for it and is currently without legal work to provide for his needs and those of his family in Pakistan. So his only way to find 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: “We are poor people who want 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.” This indicates the limited number of customers. “Every day, there are 150 workers. But 70 got a job and the rest return home. In Bahrain, there are no jobs”, he clarified.

196. Aita 2016.

197. 2013. وزارة التنمية الاجتماعية السودان

198. علي النصيري 2016

199. فراس جابر وإياد الرباعي 2016

200. فراس جابر وإياد الرباعي 2016

201. هناء عبد الجبار صالح 2016

202. الجهاز المركزي للإحصاء العراق -2015ب.

203. 3.1 الفقرة.

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

Bahrain watch report, Hassan Al Ali, 2017.

#### Family self-employment

Iraq's report sheds light on another aspect of self-employment, which is family self-employment. 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 survey<sup>205</sup> 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, and 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 looking after this sector accounted for %36 of the total. The most important activities of these families are dairy manufacturing (agricultural sector), followed by sewing clothes and gowns.

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

Syria's report<sup>206</sup> highlights another aspect through the analysis of the «Al-Aghbany» 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-Aghbani» merchant who looks after marketing. Self-employed female workers work by piece or by the embroidered fabric meter most of the time. 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 the participation in foreign exhibitions, security instability, etc.). However, cooperatives and associations have emerged in spite of the sustainable conflict and started employing part of former female workers and marketing their products directly in foreign markets, developing sometimes product forms. Jordan's<sup>207</sup> report also referred to two cases of family self-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. It refers to how to use the “Women's Fund” loans to help create such businesses and meet the needs. Her involvement in this work was not optional 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. But 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 ...

205. الجهاز المركزي للإحصاء، العراق 2012: مسح الصناعات البيئية.

206. ربيع نصر وركي محشي 2016.

207. أحمد عوض 2016.

208. ربيع فخرى 2017.

209. ربيع فخرى 2017.



because they are refugees.

Lebanon's report also draws attention to the situation of Palestinian women in the camps and 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's<sup>209</sup> report is unique in detailing waged informal labor 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 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 labor), 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 begun on a temporary basis, but has become a sustainable reality since several decades with the freeze on government employment. Some of these, especially in service utilities, are employed indirectly through subcontractors who recruit them informally. Thus, the report mentioned 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 workers.

This creates a real problem in labor relations, where the interests of government permanent workers contradict those of informal workers. This results in confusion and bias in trade union struggles, for example in demanding a wage adjustment equivalent to inflation, because permanent workers constitute the majority of union members.

Lebanon's report also refers to wage earners who are 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 living today 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's<sup>210</sup> 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 to the baker, «the kneader», «the kharat» (the cutter) «the salhaji» (the one who separates bread), «the tuwalji» (the one who distributes the bread) and the difference in calculating the costs between one bakery and another. The workers of municipal bakeries are not entitled to social insurance because employment contracts are collective and not individual, and the names of those who are covered are manipulated, and are not paid for official holidays and leaves, including sick leaves. But their relations are supposed to be regulated by Law 12 of 2003 («Unified Labor Law») and Law 79 of 1975 on social insurance 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 federation, and the Ministry of Supply and Internal Trade count on a committee that determines in the districts who can work in the bakeries. They also issue the health insurance card. In this case, the problem of labor relations is related to the wage description and the right to wage, holidays and benefits, including the right to social insurance and independent collective bargaining. Workers in the second case which is detailed in Egypt's report, are miners and quarries' workers who are subject to the Unified Labor Law<sup>211</sup> and to a law of their own, No. 27 of 1981. There is no social security for these workers, especially since the employment of workers is often through subcontractors («custody» in Egyptian). It highlights the many problems in the labor relations in this case, starting with the issues of transportation to the workplace, working hours and its many risks. These include social security and employment contract with the main employer (public and private sectors), including subjecting them to the «hard labor law» (Decision No. 270 of 2007).

Bahrain's<sup>212</sup> report indicates that 2,500 to 3,000 Bahraini female teachers and sitters work in kindergartens as per contracts that are renewed annually. They are not allowed to claim annual leave and social security. The head of the Kindergarten Syndicate points out that, contrary to the law, kindergartens' workers are denied their official leaves. Workers are also forced to pay their share and the employer's share of the social security without benefiting from its services. This inequity includes many female workers and part-time workers.

## Waged formal labor in the informal sector

Regarding the amendment of the conditions organizing the relation of the employer 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». And regarding the increasing costs of domestic labor, Humaidan said: «The costs increased in the Gulf, and we conducted a study on the reasons for the high cost, which turned out to be from the exporting countries. After research with the exporting countries, it turned out that the reason are 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 office or quadruple by adding the embassy, Humaidan responded: «Introducing embassies in the contracting is prohibited internationally, and we ask them not to interfere in the relation between the worker and the employer. A phenomenon has emerged with Filipino domestic workers. Many escape cases were seen. 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 the embassy. The Deputy Consul at the Filipino Embassy 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, the sponsor is dealt with. If the latter refuses to deal with us, we resort to the 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 Filipino Embassy in Bahrain, despite recurrent complaints from citizens about these practices.

Bahrain watch report, Hassan Al Ali, 2017

Mauritania's<sup>213</sup> report says that a car repairing workshops in the municipality of Luxor in Nouakchott includes an employer, six paid workers and two trainees who are not paid for their professional experience and expertise. The enterprise is informal and informal waged workers do not receive any social security. While the report points out the pressure on wages and working conditions that come 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 Mauritians but with less than half the wage.

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

## Informal labor in the family sector

The phenomenon of domestic workers, whose majority are working, is widely spread in the Arab countries. Bahrain's<sup>214</sup> report mentioned 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 phenomenon is the result of the conditions often experienced by domestic workers, but is also related to human trafficking and exploiting women in nightclubs and prostitution. Here, too, the complexities of labor relations 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 are highlighted.

Jordan's<sup>215</sup> report also describes the case of «Hanan,» a Syrian refugee whose husband died in the war and is now supporting as single domestic worker her daughter who is obliged to accompany her.

## 4.3 Working children

Jordan's<sup>215</sup> report refers to the case of «Muhannad», 13, 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 father became disabled due to an injury. Despite his hard work, he prefers it more than his previous job where he was subjected to physical and sexual assault. «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 seller of «Mulukhiyah and spinach» or desserts according to the season, because the wage 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 and selling mobile phones. In the countryside, they are grazing, hunting and selling cattle and coal for food or clothing.

In Sudan, it was pointed out that<sup>217</sup> 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 has overstepped the parents because of drought and civil wars.

# 5. POLICIES REGARDING INFORMAL LABOR AND STRUGGLES FOR THEIR RIGHTS

## 5.1 Informal labor in the Arab countries and relevant theoretical debate

The previous chapters have shown that informal labor is the main reality in the nature of labor in the Arab countries, especially labor outside government departments and the public sector. The various types of this informal labor have also been shown, particularly between waged labor and self-employment, and between nationals and other residents, whether migrant workers, immigrants or refugees. Hence, government policies and social struggles to achieve the rights of its employees cannot be included in a single mechanism, but rather in many mechanisms depending on the multiple types of this informal labor and the working relationships that govern it.

It is useful first to present the results of informal labor data and explain its types within the discussion of schools of thought that revolve around it. The large proportion of informal labor and the scarcity of formal workers in the formal private sector refutes the saying of the dualist school about a non-related duality in the labor market, particularly that there is no real growth in the Arab countries in «modern» industries and facilities<sup>218</sup>. Self-employment is not only a safety valve; it is also the working reality of a large proportion of workers, which is almost equal to the wage-earning part, excluding civil service and agricultural labor. However, the recommendations of this school remain right in the need to protect workers on the social level and secure infrastructure for them. Labor conditions in Arab countries are more applicable to the structuralist school which considers that the expansion of informality is related to the development of the structure of global capitalism and its production relationship. In fact, the informal labor outside the agricultural sector was more widespread in the Arab countries in the post1970-s when all Arab economies entered into globalization and «economic openness» broadly. However, rent seeking dominates Arab economies, whether from natural resources (oil, gas, phosphate, etc.), or the location (Suez Canal); and productive capitalism is not local but global. It was noted that the proportion of private investments in GDP did not increase with privatization policies the same as the decline in the proportion of public investment<sup>219</sup>. But here, too, the school's recommendations remain right to hold governments accountable for tackling this informal imbalance and regulating labor relations. But it also requires the organization of other labor relations, i.e. for companies and employers, through an «industrial policy» to 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 and entrepreneurs. It is true that bureaucracy is too heavy

213. محمد أحمد المصوبوي 2017.

214. حسن العالي 2017.

215. أحمد عوض 2016.

216. أحمد عوض 2016.

217. حسن أحمد عبد العاطي وأشرف عثمان محمد الحسن 2016.

218. سمير العيطة: منهجية تقرير الرأصد. 2015.

219. Achcar 2013.

210. ريم عبد الطليم وسعود عمر 2017.

211. القانون 12 لعام 2003.

212. حسن العالي 2017.



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 developed, as well as legislations on entrepreneurship. But does this 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 accelerated rural exodus to the city)? An analysis of similar Arab situations in terms of the prevalence of informal labor, with a large variation in legislation, shows that the problem is 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. But the question is about the value of these assets, especially the unstructured, if the majority of economic activities lie in trade and services. And also what precedes what? Providing services to citizens, including social security, or collecting taxes, fees and social deductions for the public budget?

Finally, the data of the Arab countries contradict the basic premise of the voluntarist school, which believes that most of the informal activity is optional to avoid taxes and fees, and balance costs and benefits. This is precisely because the majority of informal workers have no other choice, especially young people and women, with the large gap between the numbers of newcomers to the labor force and the number of opportunities created, including informal ones. Thus, policies cannot be put in place or struggles on informal labor cannot be developed solely based on market orientation and enterprises formality or informality. The waged formal labor in formal enterprises, even governmental ones, is 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 labor, especially social and health insurance, and to formulate policies and present all relevant struggles simultaneously. Thus, the issue lies not only in the formality of the enterprises themselves, but in seeing 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 relevant to informal labor

Governmental policies towards informal labor are twofold, and the second is often neglected. The first part 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 business. The second part concerns labor market institutions in an integrated sense. These institutions are not restricted to employment offices, but include all institutions concerned with control in the workplace (the same as the control of the pharmaceutical or food industry) and the application of legislations. These also include institutions that study the projects of self-employed or small and medium enterprises, granting loans to business expansion, or oversight of these institutions to carry out the required purpose. In addition, there are the institutions which resolve labor disputes through public or arbitration courts. Of course, frameworks and legislations cannot improve the reality if there are no executive institutions based on the implementation of legislations and the introduction of incentive policies and if there are no institutions to resolve disputes. With regard to these governmental policies, the most striking thing in most Arab countries is that informal labor is not a central issue for governments to develop policies in their two aspects, despite the existence of specialized labor ministries. The first proof is the absence of specialized surveys

to show its types, developments and characteristics, except for rare cases and due to pressure by international organizations. The overview of the role of ministries of labor is limited to securing job opportunities and neglecting their supervisory role in securing and maintaining workers' rights.

### Social and health insurance

Arab governments' policies often tackle the activation of employment and social welfare, but some of them have strategic visions with the ILO for «decent work»<sup>220</sup>. However, there is seldom talk of the horizontal expansion of social and health insurance, which covers civil servants in all countries since the independence. The ILO Convention No. 102 of 1952 concerning minimum 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 has historically evolved on this level<sup>221</sup>. From the system of securing civil servants inherited from the colonial era, the early 1960s saw the creation of social security funds for private sector workers (formal)<sup>222</sup>. 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, as well as aid and subsidization systems for basic materials aimed at combating poverty. These systems became effective only through institutions that control the implementation. In Tunisia, the cost of redistribution systems is estimated at %8 of GDP, and aid and subsidization systems are estimated 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. And even the real value of pensions for the civil service eroded due to not linking these pensions to inflation. Most Arab governments are focusing their efforts on aid and subsidization systems or on employment promotion programs. There has been little real analysis of the income and expenditure on the expansion of social security systems, 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 low direct tax revenues and the low taxes on property and wealth. There are risks of succumbing to this pressure, not only in terms of inequity but also in increasing the share of informal labor and diminishing revenues, leading to social explosions and internal wars. Beyond the questions about the imperatives of whether or not formalizing informal labor, a fundamental question is rarely asked. Since most of Arab countries are characterized by their youth, i.e. the proportion of the young population is high within the working-age population, what prevents the establishment of a balanced social redistribution system which revenues include the informal labor that affects young people in particular and which expenses protect especially the older groups suffering more from sickness or from stopping work? Why not taking advantage of the opportunity of the «youth wave» today before the community «ages», as in some developed countries, and then the possibility of achieving the

financial balance for such a system becomes more difficult? Notably, current policies and discussions with IMF, the World Bank and ILO, do not address this issue, and are confined to analyzing tax systems, revenues and expenditures, without a comprehensive view of the totality of «social contributions». No one finds it difficult to impose a sales tax or a value added tax as «indirect social deductions» covering all with only the public budget as equivalent, rather than the broader contribution of social security as a «social deduction» for which specific and tangible services are available.

### Incentive policies towards informal labor

Other policies include the fight against poverty as well as the stimulation and activation of small and medium-sized enterprises (SMEs), particularly through micro-credit. These policies are divided between revitalizing the creation of new enterprises and the activation of existing institutions. Some researchers<sup>223</sup> note the inherent dilemma of policies towards informal labor. Expanding the coverage of social security may frustrate young small entrepreneurs to expand their activities and employ permanent workers, and on the contrary, 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. Morocco has experienced microfinance since the 1990s (through «Moukawalati» program for example), currently providing about %50 of all microcredit in the Middle East and North Africa. These loans are supervised by local associations supported by the government as well as by international organizations. It includes hundreds of thousands of self-employed (%66 women), especially in rural and marginal areas. In fact, these policies replace government subsidies for basic materials 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 share of informal labor in Morocco (%78 of the total employment, %82 for females and more than %80 outside the civil service) and of poverty does not indicate that this policy is not as effective as it is expected to be. Morocco's comparison with other countries (pre-crisis Syria, Jordan, Egypt, etc.) has some positive results, especially for the poorest, particularly in the cases of drought disasters or accelerated rural exodus to the city. However, it is confronted by institutional problems (controlling distribution organizations, including by the Central Bank, the lack of correlation between loan distribution associations and labor market institutions, the lack of confidence in the State to provide social services and replacing it sometimes with institutions restricted to some classes, 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 self-employed and employers. Therefore, these policies are often confused with those of microcredit. However, the policies of stimulating entrepreneurship are already in the process of being partially structured against non-physical services such as providing legal aid and technical expertise, including market research and support, access to incubators, training and qualification. The issue of structuring these policies is a fundamental one. Turkey for example has granted incentives under the form of exemptions from social deductions (taxes, duties, and insurance deductions) for a certain period (five years in the case of Turkey) so that enterprises can reach a natural formality with their establishment in the economic market. Moreover, (as in the case of Turkey) the manipulations of

225. Roy & Alsayyad 2004.

some entrepreneurs and the closure of their enterprises after five years are resolved by allowing them to start new enterprises to continue to benefit from the incentives. There are 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). This requires action by experienced and effective labor market institutions, either directly from the State or through civil institutions.

In fact, in these policies, a fundamental issue in labor relations is absent, i.e. the place. It is not possible to deal the same way with a person who has a permanent enterprise in the public place, a person who works from home, and street vendors. The issue of the location of the enterprise (workplace) is in turn linked to urbanization and territory development. A permanent enterprise requires providing 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 only applies if the entire urban area is composed of informal<sup>225</sup> «slums». The issue is the same in the case of working from home, but there is a problem in the mixing of things between home's sanctity and the economic activity. In the case of street vendors, the partial structuring lies in the management of public space, especially by municipalities. Thus, the Bouazizi incident does not represent a structural problem in the sense of officially registering the enterprise and not including the seller in social security, as it highlighted the problem of public space management, and beyond that, urbanization and territory development, and the gap between the major urban centers and peripheral areas and slums.

It is natural for street vendors to move into busy squares or in high traffic places to expand their customer base. The fundamental contradiction here is within the government policies: should street vendors leave the places to keep passers-by comfortable, or should self-employment be encouraged to earn a living? The main responsibility for resolving this contradiction lies with the governmental and municipal administration in urbanization, by 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 possible 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 young vendors are removed from the market. Who is responsible when major companies like Uber come and eliminate the work of the taxi owners? Is it left to the market to control itself or are alternative jobs and livelihood an essential concern for municipal and governmental departments?

This is for normal business activities. But the issue is even broader for territory development. Who is responsible for the quality of economic activities that can be developed in the peripheries, where informal labor is often the largest? Who is making policies that take advantage of the characteristics of these areas, including the rehabilitation of a distinctive craftsmanship, and linking them to infrastructure and transport in the central regions?

It is clear that the policies of stimulating entrepreneurship require far beyond typical «incubators» and even Active Labor Market Policies, which mainly include economic policies that compensate for the fact that private investment is low in the face of declining government investment since independence and address crises resulting from «economic openness» and technical jumps and large economic and social gaps between urban centers and parties, including slums.

The greatest risk is that in the absence of these integrated

226. Charmes 2010.

220. ILO 2012-b, ILO 2010, Ajluni & Kawar 2015, etc.

221. CRES 2016.

222. 14/12/1960 في 60-33و 60-30 القوانين.

223. Charmes 2010.

224. 2017 فوزي بوخريص.



policies, the social unrest that has exploded with the Arab Spring will continue without stability. How 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 on the right track in 2010<sup>226</sup> and things have aggravated since then 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 suicide, can draw public attention to the issues of informal workers. However, it is soon possible to relieve this individual «event» among other events that the media exaggerate every day. Thus, rights cannot be achieved without a mobilization of informal workers and 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. However, the interests of those formal workers contradict with other informal people, restricting their issues to wage levels versus inflation and benefits preservation. It is true that the rise in the official wage limit or the stabilization of benefits raises the level of wages for all and creates pressure to improve the conditions of informal labor; however, the fundamental problems in the division of the labor market between the formal and informal labor remain and can deepen.

On the other hand, most national unions are not independent of the government and its bodies, which undermines their ability to defend the workers' causes, especially those who are not properly qualified, and to place their interests and rights as their priority.

### 5.4 Highlights of some Arab countries

#### Bahrain

In Bahrain, as in the rest of the GCC, the issue of the division of the labor market between citizens and foreign workers has emerged as a major issue a long time ago. Hence, issues such as Bahrainization, Saudization, Kuwaitization, and so on emerged. The strategic studies<sup>227</sup> requested by the government have concluded that division and disparity are due to the cheap foreign labor and the lack of necessary skills among Bahrainis. The solution lies in economic reform and the expansion of productive economic activities, on the one hand, and the reform of education, including vocational rehabilitation, on the other hand, and on the reform of the labor market on the third, especially by significantly increasing the cost of foreign workers administratively. Based on the third pillar, the Labor Market Regulatory Authority<sup>228</sup> was established in 2006. Part of the revenues of this body, especially on foreign labor, is allocated to an employment fund known as Tamkeen. However, negotiations between the government and the private sector have led to a drastic reduction<sup>229</sup> in foreign labor fees, eroding the main objective of the labor market reform. Bahrain has seen a rapid growth in foreign labor rather than vice versa<sup>230</sup>. While these fees were sufficient to ensure the full structuring of foreign workers, that is, to grant them a full right to their social security, 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 stage where collective bargaining plays an important role<sup>231</sup>. 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 (the police for instance). Bahrain also acceded to 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 blindness. 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 workplace to make sure that standards are applied. In addition, it is not clear who is the one to complain to, individually or collectively, in the event of violation of rights and whether the powers 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 rights<sup>232</sup> while the issue of rights is local?

Nevertheless, Bahrain remains the best among Gulf countries in its efforts to respect human rights, economic and social rights and international standards, as well as the inclusion of foreign workers in insurance even if this is conditional. In 2004-2003, the “Committee of Informal Economy” was established, a unique initiative in the Arab countries, which 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 work of this Committee stopped and it was not replaced by a permanent committee. However, its temporary presence highlighted the importance of informal labor 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 1970s<sup>233</sup> until 2002. The General Federation of Bahrain Trade Unions was established in 2004 under the project which transformed Bahrain from emirate to kingdom. There are no data on trade union membership, especially for their coverage of foreign workers. It is interesting to note, however, that the problems of the division of the labor market between citizens and foreigners (especially from the Indian subcontinent) date back to the period before independence. Contradiction between the two categories resulted from strikes by Bahraini industry workers (oil, aluminum and airlines). The General Federation has fought several struggles in support of foreign workers, most of whom are informal, i.e. struggles over official terms to replace the term of foreign workers with migrant workers and the term of domestic workers with domestic employment. There are also the struggles to include domestic labor within the Labor Law in 2005, including their right to trade union organization; the struggles in 2009 to implement Article 25 of the Labor Market Regulatory Authority Law, which provides for the free shift 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 Convention 189 adopted by the International Labor Conference; and struggles for the 50,000 informal «Free Visa» workers. Trade union struggles

233. أنشأ اتحاد العمل البحرينيّ العام 1954 ولكنه تمّ حلّه رسميّاً منذ الاستقلال.

234. حسن العالي 2017.

235. راجع الفقرة 3.1. واللائحة أنّ الحجج المقّدمة للتمييز تتعلّق بعدم رغبة المهاجرين في الإقامة الطويلة وتعلّم اللغة العرّبية. مع تعييب السجّال عن سياسة مقصودة باستبعاد العاملين من بلدان عربيّة أخرى

also included the rights of female non-Bahraini workers, such as those working in kindergartens. However, even within trade unions, debate still exists over the definition of non-Bahraini labor<sup>234</sup>. Is it migrant labor or temporary migrant labor? Of course, the rights of these workers vary according to the definition. Also, there is no clear struggle over the informality of self-employment and entrepreneurship that concerns Bahraini males and females more than the informality of waged labor<sup>235</sup>. It is not clear whether these male or female workers are organized in trade unions to defend their rights.

### Morocco

Morocco has a large population with limited natural resources; it is a major source of migrant labor, and also a labor hosting country, albeit less. Among the Arab countries, it established a ministry concerned nominally with informality, i.e. the Ministry of Industry, Trade, Investment and Digital Economy, with a delegated Minister for micro-entrepreneurship and the integration of the informal sector. In addition, there is another ministry for the traditional industry, the social and solidarity economy and the 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)<sup>236</sup>. Microfinance and related civil associations expanded. Morocco now provides more than %50 of the total micro-credit across the MENA region with about 820,000 customers to expand to more than 3 million. However, this expansion has created many cases of excessive indebtedness and default<sup>237</sup>, especially since the majority (%66) of the debtors are women. In addition, support programs have been launched for entrepreneurship initiatives, especially for young people, as well as for Moukawalati initiative. However, achievements after years of work show limited impact (3,400 beneficiaries only). There are also many similar programs and others to modernize trade, outside the nearby trade in neighborhoods. Despite some successes in entrepreneurship, which have attracted media attention, this focus on small employers and self-employed workers has been a major aspect of informal labor in Morocco. The majority of informal workers are waged workers in the formal sector or family contributing workers. The problem remains the issue of granting social insurance to all informal workers who account for %80 of all workers, %67 of non-agricultural workers, and %58 of waged workers. This lack of social protection affects women working more than men<sup>238</sup>, so that microcredit programs appear to be in the fight against poverty and extreme poverty more than in the context of 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 (self-employed and informal employers) have long remained out of professional or union organization. Recently, however, some informal trade unions have been established, such as the “National Coordination Body of Street Vendors and Pavement Traders”<sup>239</sup>, 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. Even these struggles led to the introduction

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

237. فوزي بوزخري 2017.

238. راجع الفقرة 3.2 أعلاه.

239. <https://www.facebook.com/tansssikia/>

240. فوزي بوزخري 2017.

241. راجع الفقرة 3.3 أعلاه.

of a «national program for the economy of proximity» that organizes street vendors into categories and creates markets close to them. However, this proposal and the studies that were set up for it did not result into a policy adopted by the State. The King of Morocco personally rejected the strategy by considering it «unconvincing» and that «the National Coordination Body of Street Vendors and Pavement Traders»<sup>240</sup> was not established. In any case, the policies in place, such as the trade union struggles, remain without the challenge of %80 of Moroccan workers in informal situations, especially as the main challenge is social security, which is essentially a policy of distribution 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 Morocco's one 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 informal labor<sup>241</sup>. 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 by a «Financial and administrative rule of informal labor employment and care units»<sup>242</sup> 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 concerned with wages. But the results of this policy are unclear, especially with the problems and struggles of one of the main target types of labor: quarries' workers<sup>243</sup>. The same applies to other policies, such as subcontracting where article 16 of the Labor Code No. 12 of 2003 prohibits subcontracting. However, the reality remained strongly contrary to the text of the law. In terms of struggles, independent trade unions remain restricted in Egypt. It is not allowed to contract collectively with employers. This is restricted to the Egyptian Trade Union Federation. Remarkably, some government resolutions explicitly state that unions must be committed without being the result of a negotiated agreement. Despite all this, Egyptian secondary and independent trade unions, as well as some of the civil associations, have had many struggles to defend the rights of informal workers, both for waged workers<sup>244</sup> and self-employed workers<sup>245</sup>.

### Other cases

In Algeria, informal labor does not seem to be the focus of government policies and trade union struggles, specifically due to public sector inflation, and the overall low proportion of informal labor (%39 of total workers). Policies are focused on expanding government employment and financial support to enterprises recruiting young people and to young entrepreneurial initiatives. However, the rate of informal labor, excluding the civil service, 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

242. <http://site.eastlaws.com/GeneralSearch/Home/ArticlesDetails?MasterID=354935>

243. راجع الفقرة 4.2 أعلاه.

244. راجع جالتي عمّال المقالع والمحاجر وعمّال المخازير والأفران في الفقرة 4.2 أعلاه.

245. راجع حالة جمعيّة البعّي الأطفمة في محافظة المنيا في تقرير الرّاصد عن مصر، ريم عبد الحليم وسعود عمر 2017.

246. وزارة الشؤون الاقتصاديّة والتنمية، موريتانيا 2013.

247. قانون التأمينات الاجتماعيّة رقم 26 لعام 1991 والقرار المعدّل العام 2003، راجع علي النصيري 2016.

248. و 2016. [http://www.ilo.org/beirut/media-centre/news/WCMS\\_364150/lang-ar/index.htm](http://www.ilo.org/beirut/media-centre/news/WCMS_364150/lang-ar/index.htm).

227. دراسة شركة ماكينزي لولّي عهد البحرين بحسب حسن العالي 2017.

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

229. De Bel-Air 2015.

230. Hertog 2014.

231. Louer 2015.

232. راجع الفقرة 4.3 أعلاه.



informal labor away from the country's primary effort to combat poverty<sup>246</sup> and to create opportunities for young people to earn a living. Every labor outside the government is rarely formal. Thus, the rights of informal workers are presented only in terms of basic human rights, including first equality, not only between women and men, but also social groups of population categories, with class differences between them: Mauritians versus African migrants, the policies of "Mauritizing" job opportunities, and the «Haratin» (Muslim slaves) compared to «white» and «blue» and so on. The situation is not so different in Sudan and Yemen where the priority of government policies is to fight poverty and create jobs for young people. So health insurance can only come through health services that the government and civil associations are trying to secure on a large scale. This is despite the fact that the social security law provides for the contribution of employers and workers, even by one worker<sup>247</sup>. For its part, Jordan recently launched, in April 2015, a «National Framework for the Informal Sector» in cooperation with ILO, «which includes an integrated methodology to formalize the informal sector»<sup>248</sup>. 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 «self-employed and informal workers»<sup>249</sup>, pending its endorsement by the Parliament. A strategic roadmap for social protection 2019-2015, including the inclusion of the «informal sector in social security,» has been developed, and unions and civil society organizations have participated in the workshops and efforts that have led to these public policies. In Iraq, like Jordan, there are micro-credit programs and other programs to support young entrepreneurs.

Even this minimal policy effort towards informal labor 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 Palestinian refugees, UNHCR and other UN organizations for 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 pay their contribution together<sup>250</sup>. This is in spite of the efforts made by civil organizations and some trade unions, and in spite of a national campaign and extensive community debate. However, this trade union and community effort has led to some partial improvements in the law. 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 «Anti-Unemployment Authority» established in 2004 in Syria with a capital exceeding one billion US dollars and that quickly expanded in micro-loans after the crisis of large rural exodus to cities in 2004-2003. It was abruptly suspended in 2006 and replaced by the "Syrian Secretariat for Development"<sup>251</sup> run by the wife of the President.

## 6. CONCLUSIONS AND RECOMMENDATIONS

249. هبة عبد الجبار صالح 2016.

250. 2016. مارس جابر وإياد الرياحي.

251. [http://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%B4%D8%B3%D9%88%D8%B1%D9%8A%D8%A9\\_%D9%84%D9%B4%D8%AA%D9%86%D9%85%D9%8A%D8%A9](http://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%B4%D8%B3%D9%88%D8%B1%D9%8A%D8%A9_%D9%84%D9%B4%D8%AA%D9%86%D9%85%D9%8A%D8%A9)

## Conclusions

This regional report, as well as other national and regional social and economic rights watch reports, highlights some of the problems of informal labor in Arab countries. It confirms that the availability of accurate information on informal labor remains a daunting task in Arab countries, due to the scarcity of periodic surveys of the labor force and not adhering to ILO standards. It is true that these surveys need experience and institutions that work systematically to collect them, but the results of many other surveys on GDP, financial flows, and so forth are periodically issued. This raises questions about the reasons for this weakness in labor force surveys.

The report also highlights that the proportion of informal labor versus total employment is 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 reason for this difference is the estimation of the formality of migrant workers in the Gulf, the size of migrant workers that remain largely informal in some countries such as Lebanon and Jordan, the formality of civil servants in many countries such as Algeria, Iraq, and many other details that are not clearly reflected in labor force surveys. This is in addition to the fact that the unrest that followed the «Arab Spring» and wars have exacerbated informality in recent years and has not been monitored by the surveys so far. Of course, the importance of the (largely informal) agricultural labor affects the differences between countries in terms of informal employment, but the proportion of informal labor remains large in all, even in urban labor. Public service has a greater impact. The proportion of informal labor outside agriculture and public sector in most Arab countries exceeds %70, making informal labor 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 proportion of informal labor out of the total female labor is often lower than that of men. This is because women are more involved in civil service and in the public sector, precisely in order to obtain social and economic rights that they do not receive in other types of work. Thus, the effect of the phenomenon of civil service on females is very large. The share of informal labor increases if civil service is excluded (and sometimes multiplied) by a lot more than agricultural work.

These findings contradict one of the stereotypes of informal labor, i.e. that it results from the rigor of laws and bureaucracy. The highest levels of informality occur in the States where a less level of laws and bureaucracy is applied, 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 reform» 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 labor in Arab countries. This also negates the idea that informal labor is essentially an option. With the lack of formal job opportunities compared to the number of newcomers, as a result 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 on the urban labor market to evade formality. Thus, all reference studies monitor the higher ratios of waged informal labor among young people. The option 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 family contributing workers (who follow an employer but do not earn real wages) are included in the paid employment perspective. This sheds special light not only on the issue of informal labor as an option, but also on the cultural perspective of women's low participation to the labor force. Will women refrain from such participation for cultural reasons or because their waged labor is unprotected? And because the labor market is full of male workers and is characterized by vulnerable and temporary labor? These findings also shed light on the need or not for formalizing the informal labor. The issue is mostly not an issue of entrepreneurship and enterprises formalization, but is about securing the rights of waged workers, and framing labor relations between the worker and the employer through labor force institutions. Of course, waged labor (including vulnerable or unwaged labor) is the work 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 self-employed. 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 consist of domestic labor and private formal labor, including the government, and from subcontracting labor to a formal private sector. In some cases, insurance funds receive 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 labor, i.e. waged labor, lies in the comprehensiveness of social security services, as in the collection of its revenues. There is a pioneering Tunisian experience in this area. A strong trade union federation which is striving to expand the coverage of social insurance horizontally plays a great role. The other major category of informal labor in Arab countries consists of self-employed and employers, who make up a significant proportion in Mauritania, Sudan, Yemen and Morocco. Female informal labor is less than male labor, with the exception of Mauritania. The issue here is actually that of economic enterprises and revitalization and development of their productivity, in addition to the inclusion of social rights and security for the owners of these enterprises and their employees. This type of employment can be optional, 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 many poor street vendors who earn their living from this activity to a minimum, such as the Bouazizi case in Tunisia. Labor relations also take 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 and incubators in particular. The concept of «formality» takes in this case the dimensions of territory development and urbanization, both in urban and rural areas, 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 exodus to the cities, or to address the problems of «slums» in which these migrants are located, and 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 negotiating climate to avoid the successive

explosions that began with the "Arab Spring".

## Recommendations

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

## Struggles

- Civil society organizations and Arab unions should intensify their awareness campaigns, both internally and externally, on the fact that informal labor is the reality of labor relations prevailing in Arab countries, so that governments and international organizations consider the rights of these male and female workers in their priorities and policies. This awareness includes shedding light on living in slums and on the development gap between urban centers and peripheral areas.
- Awareness must also be intensified based on the fact that 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. This includes a focus on the concepts of public rights, public services and public space.
- Arab civil society organizations 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 and regional and governmental authorities. This includes promoting the trade union organization of migrant workers, whether those who came to work or refugees.
- Arab civil society organizations 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 female workers.
- Arab civil society organizations and unions should prioritize the inclusion of informal workers, self-employed, and 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 civil society organizations and unions must place all social deductions at the same negotiating table, in order to tackle subsidization policies, indirect taxes, and social security at the same time.
- Arab civil society organizations and trade unions should adopt policies to combat poverty and stimulate entrepreneurship within a comprehensive development perspective, including development and urbanization of cities and territory development to bridge the gap between centers and peripheries and diversify local economies, so that this comprehensive development perspective becomes the subject of dialogue and negotiation with local, regional and governmental authorities.
- Arab civil society organizations and unions must adopt a position that considers the workplace an essential part of labor relations and that it enters in collective bargaining, both for street vendors and for work from home and within the family.
- Arab civil society organizations and unions should engage in dialogues with chambers of commerce and industry at the