

INFORMAL LABOR

YEMEN

Dr. Ali Mohammed al-Nusairi
Ministry of Social Affairs and Labor Relations,
Labor Relations Department, Yemen

The national report on the phenomenon of labor (female and male workers) in the informal sector in the Republic of Yemen will be included in the 3rd Arab Watch Report on economic and social rights, through which the Arab NGOs Network aims to analyze and diagnose the reality and development of informal labor in the Arab region, including Yemen. This report monitors the various national policies governing this informal and unprotected sector, which did not receive the essential attention of these policies and the development programs and projects, despite the prominence of the role it plays, its growth in the last few years and the countless demands calling for structural reforms to develop and improve the sector's performance. Today, this sector practically competes with the public and the private sectors in terms of its capacity to absorb and embrace female and male workers outside the public and private sectors, who were suspended or laid off because of the political and economic crises, and the events ensuing from conflicts and war.

Male and female informal workers and their families are not covered by legal and social protection policies to which they are entitled, as part of the social security programs adopted by the government in its public policies. They are not covered by any qualitative law providing all guarantees, benefits and privileges, since they are not officially registered among the overall labor force, except for the general surveys, statistical surveys or specialized qualitative statistical surveys, or in the demographic statistics that only reveal a fragment of data and statistical indicators. These indicators are not based on gender considerations, which diminishes their effectiveness and value. In fact, these indicators could support the relevant stakeholders in drafting employment policies to serve this category of male and female workers in the informal labor. Informal workers typically practice limited investment activities, or work in small and micro enterprises, in the family business, as employees, or self-employed, all earning a modest income and a symbolic wage. This activity is governed by local market policies correlated with the unstable political, economic, and security conditions. It aggravates in times of war, armed conflicts, and fighting between the different conflicting parties, as is the case today in many Arab countries, including Yemen. Thus, many of these male and female workers face layoffs, total or partial unemployment, and different forms of arbitrariness and exploitation, especially employees, since the relation between the employer and the employee is not covered by any labor code shaping this relation and ensuring their economic and social rights. In fact, women in this regard are more vulnerable to exploitation, embezzlement, violence and discrimination. Women's ordeal becomes more pressuring when facing sexual harassment, abuse or rape perpetrated by the employer. However, the most dangerous issue is when employers in this sector hire children under the working legal age, putting them in the face of all types of violence and exploitation, since no laws were adopted to protect them from doing such jobs. The working-age population in Yemen (15 years old and above) reached around 13,400,000 Yemenis in 2014-2013. The percentage of men scored a little over half of the total population, around %50.8 of a population of 26687000, based on the survey of 2015, with an annual population growth rate of %3.7. The labor force survey of 2014-2013 confirmed that around half of workers are employees and almost %42.2 are either self-employed or contributing family members. The labor force was intensively concentrated in the services sector with %55.6, especially trade with %22.7 and public administration with %12.7. Agriculture contributed to %29.2 of the overall number of workers, compared to %14.5 for the industrial sector. The general unemployment rate reached %13.5, soaring in the case of women with %26.1 compared to %12.3 for men. Youth unemployment rate reached %25.3, twofold the average

unemployment rate on the national level. Given the absence of statistical indicators relevant to this sector, it is difficult to uncover the size of development, measure the annual growth of informal male and female workers, to enable the relevant government institutions to direct the work course, draft public policies, especially the informal labor employment policies, that are usually neglected and undoubtedly marginalized in similar policies. These indicators would also enable developers to draft economic, social and development programs and projects. We can determine the growth of the informal labor by presenting certain facts and indicators contributing to the expansion and growth of the sector, represented by the following:

- The government's inability to provide employment opportunities for male and female job seekers.
 - The Yemeni government's implementation of privatization policies targeting successful economic institutions, turning them to the private sector. An important percentage of the labor force has been laid off, especially female workers, given the absence of organizing laws protecting these male and female workers.
- The researcher tackles 8 case studies in this report, through which he attempts to analyze and diagnose every case, reaching the results and characteristics common to these male and female workers. The researcher concludes that they share the following attributes, characteristics and circumstances:
- They are the less educated and underprivileged.
 - Male and female workers live in poor neighborhoods and regions.
 - These workers lack social and legal protection services and family protection programs for themselves and their family members.
 - Workers in the sector tend to have higher birth rates and higher fertility rate.
 - Dependency rates are high among its members.
 - Education, ration, and health programs are out of reach.
 - Employees in this sector do not benefit from health insurance services in case of work injury.
 - They do not receive social security services.
 - They do not receive free medical services.
 - They do not get a pension after retirement.
 - They do not get sick leaves.
 - Workers are subject to layoffs and arbitrary suspension from work.

The Yemeni government took interest in drafting public policies to support male and female workers in the public and private sectors as part of a package of development programs, plans, and projects, especially at the legal level. The government issued laws organizing this kind of labor, but at the same time did not award workers in the informal sector – a vital and prominent sector – the same level of importance it granted the other two sectors. More dauntingly, this sector did not figure among the government's priorities. For example, the Yemeni government adopted some policies of limited impact on these categories, by establishing the social safety network program, as part of the National Poverty Reduction Strategy (PRSP) policies. The government has set the priority components of this network, comprised of the following:

- Programs and projects funded by foreign donations.
 - Programs and activities of the various government agencies.
- Yemen is generally characterized by its rural and agricultural aspect, with %75 of the population concentrated in rural areas. In addition, the Yemeni society is considered young, since %53 of the total population fall in the age group ranging between 0 and 15 years old, while the age group of over 65 years old constitutes %3.5 of the population, indicating high rates of dependency. This is considered a burden assumed by the labor force that represents %32 of the total population, while

the annual growth rate of the labor force is %4.6, exceeding the population growth rate, hindering policies in the area of employment and the creation of job opportunities. The private sector dominates the agricultural activity and still employs %53 of the labor force. In addition, over %75 of the rural population depends on the agricultural sector and its related activities. The private sector still controls the greater share of trade, hotel and restaurant sectors. The working-age demographic categories as a whole (15 years old and older) are comprised of the main working-age categories (15 to 64 year olds) and the elderly category (65 years old and older). Based on the labor force survey, 2014-2013, the number of working age Yemenis reached 13378000, of which 4850000 were part of the labor force. This figure clearly indicates that the participation rate in the labor force, reaching %36.3, is in great decline according to international and regional standards. The international rate for participation in the labor force according to estimations and projections of the International Labor Organization (ILO) on economically active population reached %64.3, and %50.4 for Arab states in 2013. The rate of women participation in the labor force, as measured by the labor force survey, reached %6.0. This number is dropping compared to the regional average of Arab states, which scored %20.5 in 2013. It is also in decline compared to the estimated rate for Yemen in %25.9) 2013), published as part of the estimations and projections issued by the international Labor Organization. The highest rate of women participation is concentrated in private sectors. The highest percentages in the Household Budget Survey of 1998 reached %93.07. This percentage is lower in the Labor force survey of 1999, scoring %75.0 and reached %63.3 in the 2004 survey. According to the 6th National Report on implementation of CEDAW in 2006, the number of women at the age of economic activity (15 years and older) reached 4441000, constituting around %50 of the total economically active population. Nonetheless, the percentage of women in the labor force scores %17 in the urban areas, especially in the services sector, and in the socially more acceptable fields such as education, pedagogy and health. Child labor represents a taunting issue, since it subjects children to economic exploitation, dangers of physical injuries, and negatively impacts their education. This is different from the term "working children" usually specifying children between 5 and 11 years old, participating in unpaid domestic labor, which does not hinder their education. The term "child labor" signals the conditions forcing small children to work under legal provisions or hazardous labor. Informal labor attracts a large share of child labor, usually children between 6 and 14 years old. According to the results of the National Child Labor Survey of 2010, children between the ages of 5 to 17 years old constitute %34.3 of the Yemeni population, numbering 7.7 million. Of this children category, 1614000 children are workers. The rate of open unemployment, on the rise since the end of the eighties, did not pass the %11.9 benchmark in 2000, while it reached %35 in 2008. The rate of participation in the labor force in Yemen scored %36.3 only. Around %14 of the population in the labor force are unemployed, especially the 15 to 24 years age category.

The labor force survey 2014-2013 indicates that 653000 Yemenis do not work. In contrast, the unemployment rate on the national level reaches %13.5. The unemployment rate of women is twofold that of men (%26.1 against %12.3). At the level of educational attainment, data reveals that the unemployment rate reaches its peak among the receivers of secondary education with %17, and its lowest rate in the ranks of receivers of basic education with %12. As for individuals who have completed post-secondary education, the unemployment rate is mildly higher than the national average, scoring %15 against %13.5. Many Yemenis, incapable

of landing decent work with sufficient income, seek to earn a living through self-employment or as workers in the informal sector. It is possible to broadly describe the informal labor as a sector comprised of units producing commodities or services whose primary objective is to provide labor and income to the concerned individuals. Despite the positive aspects of informal labor, it nonetheless has more damaging negative aspects on the national economy and the rights of workers.

Civil society organizations are considered the main pillar to support the rights and benefits of workers. These are union associations aiming to defend the legitimate rights of workers, with the purpose of promoting these rights, unifying workers stance, and ensuring the homogeneity of their tendencies and ideas. It is a social category-based association of a certain community pattern characterized by a certain manner of thinking and working, to achieve common interests of the members of the worker community. It is possible to say that these organizations and unions do not enjoy the same level of interaction and efficiency in dealing with rights causes and the vital interests of informal workers. These workers' trade unions and associations were unable to achieve the desired interaction with workers in the informal sector, because they did not establish a comprehensive institutional environment, such as ensuring the appropriate capital to manage and guide labor, build the organizational and planning roadmap in their administrations in addition to other elements that could have contributed to encouraging voluntarism in these organizations and unions. This problematic is one of the fundamental obstacles hindering the interaction between these workers' organizations and unions as well as the male and female workers in the informal sector.