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## **38th Session of the Arab Labor Conference**

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**Opening Address**

**By**

**Mr. Charles Dan**

**Assistant Director-General**

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**Regional Director for Africa**

**15 May 2011**

**Cairo, Egypt**

His Excellency, Sheikh Abdullah Ben Nasser Al Bakry, Chairperson of the Arab Labour Conference, Minister of Labour of Oman,

His Excellency, Dr. Ahmed El Borai, Minister of Manpower and Migration of the Arab Republic of Egypt,

Excellencies Ministers,

His Excellency, Dr. Ahmed Luqman, Director General of the Arab Labor Organization,

Excellencies, Members of the Diplomatic Corps,

Dear Members of the ILO Governing Body,

Dear ILO Tripartite Constituents,

Ms. Nada Al-Nashif, ILO Regional Director for Arab States,

Dr. Yousef Qaryouti, Director of the ILO Decent Work Team in Cairo,

Distinguish Guests,

Dear Friends,

Since December last year, stemming from Tunisia, rebounding in Egypt, spreading in various parts of the Arab world, young men and women, workers from all range, economic operators, actors of the civil society, ordinary people have called for more rights and more opportunities. They express that the time has come for a new era of social justice.

On 21<sup>st</sup> March 2011, the ILO Governing Body held a special session in Geneva on a more equitable future in the Arab world. On this occasion our Director-General, Mr. Juan Somavia, stated, I quote : “Truly, this is a time when all actors of society are called upon to exercise their responsibility so that they will be on the right side of the history being made in front of our eyes by the peaceful popular expression of the people’s will.” [End of quote].

Indeed, the Arab world is going through a period of unprecedented changes and challenges.

We also know that the Arab world has a lot of strengths on which to build its common destiny: a rich culture and history, a dynamic and young population, vast natural resources and a large regional market.

But the unfolding events in the region are showing that no economic development can be sustained unless it creates jobs for the growing labour force and is accompanied by social policies for the most vulnerable.

In that perspective, I would like to commend the Director-General of the Arab Labor Organization (ALO), Dr Ahmed Luqman, for his leadership and commitment to the development of the region.

Congratulations, Dr Luqman, for the three key and timely reports presented to this Conference on:

- Micro, small and medium enterprises as employment boosting development engine;
- The effects of the global economic crisis on national and Arab workers; and
- Social dialogue for sustainable development.

Allow me to focus my intervention on these major policy challenges.

In this connection, three notions come to my mind:

- Efficiency...
- Fairness...
- Trust...

First, promoting an efficient growth:

For growth to be sustainable, it must be efficient and broadly shared.

Policies have therefore to create an environment that allows all segments of the population to contribute to and benefit from economic growth.

Such an efficient environment requires:

- Making full employment a priority macroeconomic target in itself, alongside low inflation and financial stability;
- Putting the financial system at the service of the real economy;
- Supporting inclusive and fair labour markets;
- Promoting universal ratification and effective application of fundamental principles and rights at work; and
- Establishing well designed social protection systems including a social protection floor for the most vulnerable.

In that perspective, public policies could enable private initiatives to flourish at all levels.

This is why we fully agree with the importance given by the Arab Labour Organization to the expansion of micro and small and medium enterprises (MSMEs). Indeed, micro enterprises are the biggest pool of potential decent jobs creation in the Arab world. As stated in the ALO report, they represent more than 85% of Arab enterprises. However, most of them are still in the informal economy; so we need to improve both the quantity of jobs generated and their quality.

In this connection, lessons can be learnt from other regions. For instance, China recently strengthened its labour contract regulations with a view to fighting undeclared work and protecting people.

And recent reforms in Brazil - which is one of the few countries where the incidence of informal employment has been cut significantly, in the context of high growth and job creation - are an example of what can be done.

Second, fostering fairness in the labour market:

Everywhere in the world, youth have paid a heavy toll to the global economic crisis.

However, youth unemployment numbers are expected to decline in the course of this year.

But of all regions in the world, only in the Middle East and North Africa is youth unemployment expected to increase in 2011.

Today, more than 20% of the youth labour cannot find jobs in the Middle East and North Africa. Today, there are still too few employment opportunities for young men; and even less chances for young women.

What can be done to bring hope to the youth in the labour market?

The reply is straightforward: fairness.

What is requested on the supply side in the labour market is a fair environment for sustainable enterprises. Equal opportunities to access credit or purchase land and other key production factors, predictable taxation systems, and public investment boosting private investment are all important ingredients for productive and decent jobs.

What is requested on the demand side in the labour market is a better listening of young people needs. Their voices need to be heard as they call for a fair environment where they enjoy equal opportunities to get good education and relevant training, and equal opportunities to compete for quality jobs.

And that leads me to my third point, building social trust:

There is no sustainable development without peoples' trust. And social dialogue can help bridging the trust gap in our societies.

More than ever, we need to build a social trust through social dialogue to empower governments, employers and workers to democratic governance through freedom of association and collective bargaining.

And here, I would like to commend once again H.E. Dr. Ahmed El Borai, Minister of Manpower and Migration, for his historic Declaration on Trade Unions Rights in Egypt signed last March during the visit of our ILO Director-General in Cairo.

This is also why we welcome the recommendations of the Regional Conference on Social Dialogue in the Arab States held in Rabat, last December, as they call for Decent Work Country Programmes to mainstream social dialogue and build capacity of social partners for effective participation.

As we are moving toward the celebrations of the 100<sup>th</sup> Anniversary of the International Labour Conference, next month in Geneva, we acknowledge that the aspirations for decent work are universal, the values are international but the ingredients are local.

While I am speaking here on behalf of the ILO, I would like to reinforce the message, as an African, that Africa Region and the Arab Region share similar challenges and aspirations. And we can be proud of the increasing cooperation between Sub-Saharan Africa and Arab countries, as an example of South-South cooperation based on shared values and solidarity.

And together with my colleague and friend, the Assistant Director-General and Regional Director, Nada al Sharif, we pledge our commitment from Beirut to Addis Ababa and from Algiers to Cairo, to spare no efforts to accompany the Arab march toward decent work for all.

Thank you so much for your attention.