

Union for the Mediterranean
Ministerial Conference on Employment and Labour
(Jordan, 27 September 2016)

Declaration

1. The Employment and Labour Ministers of the Union for the Mediterranean (UfM) gathered at their third Ministerial Conference at the Dead Sea in Jordan on 26 and 27 September 2016. The Conference was hosted by the Hashemite Kingdom of Jordan and co-chaired by H.E. Ali AL-Ghezawi, Jordan's Minister for Labour, and H.E. Marianne Thyssen, Commissioner for Employment, Social Affairs, Skills and Labour Mobility, for the European Union, in the presence of UfM Secretary-General H.E. Fathallah Sijilmassi.
2. The Conference followed on from similar conferences held in Marrakech in 2008 and Brussels in 2010, which had established cooperation on employment and labour as a means of developing a genuine employment and social dimension within the UfM. At the previous conferences, the Ministers undertook to work together and learn from each other on employment, employability, and decent work,¹ and to involve all relevant stakeholders in this cooperation, in particular public authorities and social partners.
3. The Ministers reviewed employment and labour developments in the UfM partner countries, including the legacy of the economic and financial crisis and the impact of the current and previous refugee crises over the past decades. The Ministers took note of the Europe 2020 strategy for smart, sustainable and inclusive growth and highlighted the lessons arising from the policies for growth and jobs developed by the EU and its Member States within the framework of 'European Semester' coordination and from the EU's experience in promoting social dialogue.
4. In view of the urgent need to address better the pressing challenges in the region, in particular in the southern Mediterranean countries, the Ministers called for all stakeholders to be mobilised and the best use to be made of policies at all levels. They welcomed the efforts being made in several countries to design and implement comprehensive employment strategies. They insisted on the need to ensure coherence between economic, employment and social policies, and agreed to give fresh impetus to UfM cooperation on employment and labour.
5. At the beginning of the Conference, the Ministers consulted with high-level representatives of social partner organisations from both shores of the Mediterranean. They underlined the crucial importance of well-functioning and effective social dialogue, both tripartite and bipartite, to

¹ According to the International Labour Organisation (ILO) definition, 'decent work' encompasses four strategic objectives, with gender equality as a cross-cutting issue: full and productive employment, guaranteeing rights at work, extending social protection, and promoting social dialogue.

address growth and employment-related challenges more effectively and contribute to competitiveness, social progress and democracy.

6. The Ministers welcomed the joint "Declaration on Social Dialogue" of the Social Partners and highlighted in particular their call for strengthening social dialogue in the region and further involving social partners in the design and implementation of economic, employment and social policies.
7. Building on the preparatory work undertaken ahead of the Conference² by representatives of ministries and social partners, with the support of the European Commission, the Ministers focused in particular on the specific employment challenges in the southern Mediterranean countries.
8. While acknowledging the diversity of national situations in these countries, the Ministers highlighted structural challenges such as the low rate of labour participation and the high rate of structural unemployment; the scale of informal employment and low quality jobs; the rapid growth of the population, the high proportion of young people entering the labour market, and the persisting migration pressure due to the lack of job opportunities and inequalities of development; the impediments that prevent promising small enterprises from growing and limit job creation in the formal private sector; the weaknesses of the education and training systems and of the school-to-work transition; the high exposure of young people and women to unemployment, precariousness and social discontent; and the persistence of poverty and inequality.
9. The Ministers also noted that several countries in the region are confronted with instability or the effects of instability in their neighbourhood. In particular, the arrival of large numbers of migrants and refugees puts pressure on local labour markets, reinforces the informal economy and represents a heavy burden for the host countries.
10. The Ministers thanked the UfM Secretariat for its contribution to implementing the UfM framework action plan on employment, coordination among donors and enhancing policy dialogue by labelling and promoting cooperation projects in the area of youth employability and inclusive growth, under its Med4Jobsintegrated regional programme.
11. The Ministers highlighted the need to take action in response to the recent commitments by the United Nations (UN) and the International Labour Organisation (ILO) to sustainable development and the promotion of employment and decent work, including the transition from the informal

² Preparations for the Conference benefited from the outcome documents of two ad hoc work groups (on job creation and social dialogue) set up in 2015 by the UfM High Level Working Group on Employment and Labour and from the first lessons from the 'YouMatch' job-matching project for young people, implemented by GIZ in cooperation with the UfM Secretariat at the request of the German Federal Ministry for Development (BMZ).

economy to formal employment.³ They welcomed the ILO's 2019 Centenary Future of Work initiative and highlighted their commitment to contributing to this global in-depth discussion on the future of work. They also welcomed the ILO Conclusions on decent work in global supply chains⁴ and the efforts made by public authorities, the private sector, social partners and civil society organisations to promote responsible supply chains. In this respect, European Ministers recalled the Council Conclusions of 12 May 2016 on the EU and Responsible Global Value Chains.⁵

12. The Ministers welcomed the work of the UN and the ILO on addressing the labour market challenges related to refugees, migrants and workers directly affected by war and protracted conflicts in the region.
13. Against this background, and taking account of the lessons drawn from international experience, the Ministers agreed on policy orientations to be implemented at national level in relation to employment and social dialogue with a focus on the southern Mediterranean region, and on concrete steps to foster cooperation within the UfM on employment and labour.

I. Policy orientations for improving employment and labour

14. The Ministers recommend that national authorities develop comprehensive strategies for employment, employability and decent work for all, both women and men, on the basis of the following overarching principles:
 - a holistic, integrated policy approach to labour demand, supply and matching to ensure coherence and enable the mobilisation of all relevant institutions and partners (public and private);
 - the promotion of a well-functioning and effective social dialogue, both tripartite and bipartite, involving social partners in the design and implementation of economic, employment and social policies;
 - an emphasis on the objectives of combating poverty and discrimination, and promoting inclusion and equal opportunities in the respective national labour markets, with specific attention to promoting gender equality within all employment-related measures and initiatives;
 - the focus on reducing inequalities at all levels, especially income inequalities, which harm economic growth;

³ In particular, UN Agenda 2030 for Sustainable Development, the ILO Conclusions on decent work in global supply chains, and the ILO Recommendation No 204 concerning the transition from the informal to the formal economy.

⁴ http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_489115.pdf

⁵ <http://www.consilium.europa.eu/en/press/press-releases/2016/05/12-conclusions-on-responsible-global-value-chains/>

- the development of evidence-based policies based on investment in reliable labour market information systems and promoting a culture of evaluation, monitoring and transparency; and
- a focus on delivery and implementation, with outcome-oriented policies.

15. In view of the structural nature of the employment challenges in the southern Mediterranean countries and acknowledging that there is no ‘one size fits all’ policy response, the Ministers recommend policies and reforms aimed at structural and sustainable change.

(i) To promote job creation, a strong emphasis should be put on the demand side of the labour market, by:

- developing sound macro-economic policies, acknowledging the crucial role of the private sector in creating jobs in the region and fostering a sustainable business environment which encourages trade and investment, including foreign direct investment, and facilitates the growth of companies, in particular micro, small and medium sized enterprises;
- encouraging entrepreneurship (facilitating access to finance, including micro-finance, business mentoring, incubators, start-up support etc.);
- fostering a genuine competition culture, promoting policy reforms which dismantle restrictions and barriers to fair competition between companies and which ensure equality of opportunity for entrepreneurs and the capacity of small firms to grow;
- supporting the capacities of companies to better develop and participate in competition;
- promoting access to foreign markets;
- strengthening industrial policies and promoting strategic investment and restructuring towards higher productivity, innovation capacity, quality jobs, green and inclusive growth;
- developing the capacities of private actors and public authorities to seize employment opportunities in national priority sectors;
- making the most of comparative advantages in the international division of labour while targeting job-rich sectors, bearing in mind that sectors that drive GDP growth are not always employment- or decent work-friendly, and that competing only on the basis of cheap, unskilled labour or low-quality jobs is neither sustainable nor desirable in the medium and long term; and
- harnessing the untapped job creation potential of the social economy and social entrepreneurship through relevant legislation and incentives;
- mobilising the private sector to raise labour standards effectively, including through corporate social responsibility initiatives.

(ii) An emphasis should also be put on supply-side measures. These have to be developed consistently with the demand-side policies, with a particular focus on young people and women.

- improving employability, with due attention to gender equality, through reform of and investment in education, higher education and training systems, including vocational education and training (VET), with an emphasis on promoting access and quality for all, preparing for labour market needs and improving the school-to-work transition;
- identifying current and future labour market needs to design appropriate strategies for developing skills, including entrepreneurial, green and digital skills;
- Involving social partners in the design and implementation of skills strategies, and encouraging both the public sector and private companies to contribute to improving employability by actively participating in the development of training programmes and in VET governance.

(iii) Labour market reforms, activation and employment services are key to a better matching of labour supply and demand.

- adapting labour law and labour market policies to provide companies and workers with greater flexibility and help those outside the labour market find a job, while also providing workers with decent working conditions and appropriate employment security; preventing the diversification of forms of employment (and work contracts) from resulting in labour market segmentation;
- developing active labour market policies, with a view to facilitating faster access or return to employment, self-employment and enterprise creation, through appropriate (re-)training, career guidance and counselling, placement measures, skills development and matching, employment incentives, and innovative employment services. Targeting such measures, as appropriate, to the particular needs of young people, women and the long-term unemployed;
- reinforcing the dialogue and cooperation between public and private employment services (e.g. regarding career orientation and job preparation); involving in this dialogue all relevant stakeholders including social partners, youth organisations and education and training providers; and
- expanding the capacities of local and regional actors to identify skill supply and demand at local level and design appropriate action for the better matching and use of skills in the local economic development context.

16. The Ministers recommend that national authorities actively support the transition from the informal economy to formal employment. While recognising the complexity and heterogeneity of

the informal economy and of undeclared work, they stress their negative consequences as regards fair competition between companies and foregone fiscal revenues for the state and social security institutions, and as regards working conditions in particular for young people and women. The Ministers recall the ILO's efforts in this area and welcome the initiatives already undertaken within UfM countries, including those in which the challenge has grown dramatically due to the arrival of refugees.

17. The Ministers support ILO Recommendation No 204 which encourages ILO member states to draw up an action plan for the transition from informality to formality. European Ministers referred to the EU's 'Platform for Undeclared Work' cooperation initiative. In UfM countries with a more prevalent informal economy, relevant measures include enterprise development policies and the review of labour and tax laws, wage practices, working conditions and social security schemes, with a view to promoting decent work. Building on the experience of some countries, the Ministers call for efforts to improve means of measuring informality and include the production and collection of data on the informal economy in national systems of labour market information.

II. Policy orientations for promoting social dialogue

18. The Ministers acknowledge that social dialogue is key to democracy, good governance and to developing strategies that combine competitiveness and social progress. There is no blue print for social dialogue, as social dialogue arrangements and processes reflect countries' histories and the development of their respective political, economic and social structures.
19. The Ministers acknowledge that a well-functioning and effective social dialogue, both tripartite and bipartite, requires general framework conditions, as follows: first, an appropriate legal framework in line with ILO principles;⁶ second, sufficiently strong, representative and independent social partner organisations; third, a culture of social dialogue as a results-oriented win-win process; and fourth, institutional settings and procedures allowing for its functioning. To ensure that the full potential of social dialogue is realised. Ministers encourage all national authorities and all social partner organisations to take the requisite action to create such conditions.
20. In view of the weakness of *bipartite* social dialogue in a number of southern Mediterranean countries, the Ministers encourage initiatives aimed at addressing it, where necessary, in particular by strengthening the capacity of social partner organisations and social dialogue bodies, and the culture of social dialogue, and developing sound social dialogue practices at company and sectoral level.

⁶ The ILO fundamental principles and rights at work include freedom of association and collective bargaining (see the 1998 ILO Declaration on Fundamental Principles and Rights at Work).

21. The Ministers also acknowledge the positive contribution that social partners can make to improve the content of economic, employment and social policies, including through national dialogue on employment promotion, decent work for all, labour market reforms and the transition from the informal economy to formal employment.

III. Steps to foster UfM cooperation on employment and labour

22. The Ministers confirm their commitment to working together and learning from each other, in the UfM framework, on matters regarding employment, employability and decent work. They confirm that the UfM High-Level Working Group on Employment and Labour is tasked with coordinating this cooperation.

23. The Ministers value the quality of the work undertaken by ad hoc groups of officials and social partners to prepare the Conference, under the authority of the High-Level Working Group. They recognise that mobilising small working groups on specific topics, on a voluntary basis, has proven to be a successful way of developing the cooperation, and that such initiatives can be expanded to all interested UfM partner countries.

24. The Ministers invite the UfM partner countries to enhance networking and peer-to-peer learning between countries on key topics relating to employment and labour. Networks of experts and practitioners from public and private organisations, including social partners and other relevant stakeholders, can stimulate knowledge-sharing and peer-learning, for example on public and private employment services.

25. The Ministers take note of the Initiative on youth employment through vocational training in the Maghreb countries, initiated by the Luxembourg Presidency of the Council of the European Union in 2015, and look forward to its possible contribution to the UfM objectives on employment and labour.

26. The Ministers welcome the EU's financial support for the regional 'Pilot project for the Promotion of Social Dialogue in the Southern Mediterranean Neighbourhood'(implemented in Tunisia, Morocco and Jordan as priority countries but also including regional activities involving all countries of the Neighbourhood South region). They welcome the social partners' intention to hold an UfM Social Dialogue Forum in 2017/2018 and to discuss on that occasion the mid-term achievements of this social dialogue capacity-building project and its possible expansion to other UfM partner countries. They ask the omission to consider providing the necessary funds for this expansion in its financial planning decisions.

27. The Ministers invite the EU to continue its financial support for countries that host growing numbers of economic migrants to help them ensure the smooth functioning of their domestic labour markets, while providing the migrants with appropriate protection.

28. The Ministers take note of the European Union's efforts to help remove the obstacles to the Palestinian economic and social development and to promote employment opportunities in the region.
29. The Ministers call for employment and decent work objectives to be mainstreamed in all relevant UfM policies and cooperation initiatives, in particular in areas such as the blue economy, the digital economy, education, energy, environment and climate change, gender equality, industrial cooperation and research and innovation. They also invite those responsible for relevant UfM ministerial conferences and cooperation processes to consider employment and decent work objectives and impacts within their respective initiatives with a view to promoting appropriate synergies with UfM cooperation on employment and labour.
30. The Ministers call on the UfM Secretariat to continue its active contribution to improving the employment situation in the region to promote projects further in line with employment, employability and decent work priorities and to enhance, in cooperation with relevant actors, visibility, ownership and access to finance. Given the need to identify and address gaps in regional labour market programmes, the Ministers ask the Secretariat to set up and update a database of bilateral and regional cooperation projects on employment and labour taking into account information available in other existing databases. To this end, the Ministers agree to keep the Secretariat informed regularly of such projects on employment and labour.
31. The Ministers thank the European Training Foundation (ETF) for its policy analysis and support for the modernisation of VET systems and human capital development policies in the region, and invite ETF to continue its engagement.
32. The Ministers express their gratitude to the Government of Jordan for hosting the third Ministerial Conference on Employment and Labour and agree to convene the fourth Ministerial Conference in 2019.