Labor and Politics in the Middle East and North Africa

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The Project on Middle East Political Science (POMEPS) is a collaborative network that aims to increase the impact of political scientists specializing in the study of the Middle East in the public sphere and in the academic community. POMEPS, directed by Marc Lynch, is based at the Institute for Middle East Studies at the George Washington University and is supported by Carnegie Corporation of New York and the Henry Luce Foundation. For more information, see http://www.pomeps.org.
Introduction: Labor and Politics in the Middle East and North Africa

Dina Bishara, Cornell University
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Economic grievances were at the heart of the Arab uprisings which erupted a decade ago. In many countries, such as Egypt and Tunisia, organized labor actions as well as localized workplace mobilization had been rising for years before 2011. Rising inequality, inflation, poor working conditions, and shortages of quality jobs fueled frustration with regimes which seemed uninterested in responding effectively.

The centrality of those grievances and the workers articulating them has led to a growing research community focused on organized labor in the Middle East and North Africa. In April 2021, Dina Bishara and Ian Hartshorn convened a virtual workshop through Cornell University’s School of Industrial and Labor Relations bringing together a wide range of scholars writing in the area. POMEPS then invited those participants, as well as others who had not presented papers, to participate in a follow-on workshop to continue the discussion. The papers in this collection are one of the fruits of this increasingly robust scholarly network.

Several key themes run through the papers.

Institutional variation in organized labor:

One of the key issues raised by the papers in this collection is the origins and the implications of national variation in the systems for the representation of labor. Many MENA countries have adopted some form of corporatism, with formal or informal institutional ties between the political regime and the organizations representing workers. Such corporatist systems are double edged: while official unions may be able to bargain with the government on behalf of workers, they are also expected to police their membership and prevent more radical demands. Why some unions developed organizational independence and others did not is a core research question in MENA, and more broadly.

Al-Sholi, in this collection, traces the strength of the UGTT to a series of compromises and concessions made over decades. A regime near-crisis in the early 1970s led to the UGTT embracing elite cleavages and a system of export-led growth. The strategy has served the union well and may shed light on its decision-making in the Saied era. Berman tells a related story of the evolution of the UGTT, shifting the focus from the political skirmishes at the center of the regime to the peripheral areas of phosphate production along the Algerian border. Berman’s analysis highlights the complex relationship between unions and labor market outsiders, especially the unemployed.

Even outside of traditional union structures, labor can face challenges with state relations. Eralp highlights the struggle of workers seeking redress in the Turkish labor mediation system and the ways Turkish Labor Mediation Law erodes workers’ rights. Zintl also addresses issues of another arm of state control-regulation—exploring how Jordan addresses the gig economy.

Shifting labor market segmentation:

A second set of issues highlighted by the papers is the emergence of forms of labor market segmentation which have generated new winners and losers. In the Gulf, Hertog points out how the collapse of public sector hiring has led to a new class of citizen labor market outsiders, unable to compete with cheap non-citizen labor but also unable to secure government jobs.

Binobaid, Draege, and Leber analyze how much the Saudi state has struggled to even reach its own unemployed
citizens through a national survey revealing low utilization and awareness of unemployment insurance programs. Zintl's analysis highlights how the regulation of the gig economy in Jordan has deepened labor market segmentation and created a class of “privileged outsiders.”

Even as workers are displaced from existing labor markets, new entrants have a challenge establishing a foothold. Abdelmageed shows that the young face persistent problems in the workforce, exacerbated by the economic uncertainty following the 2011 uprising, and disproportionately impacting women and college graduates. Berrada looks at Morocco and explores how the discourse of ‘waithood’ and the individualizing expectations of neoliberalism help to elide structural and systemic weaknesses in the market. Mowafy and Nagy underscore the effects of economic inequality on opportunities for decent work, noting the need for greater investment and attention to distribution of need-based scholarships that can mitigate those inequalities.

Workers in, with, and against other movements:

The world of work is far from the only movement shaping the lives of residents of the Middle East and North Africa. Collaboration and confrontation between labor organizations and those representing other interests have been a hallmark of contentious politics not only since the 2011 uprisings, but throughout much of the last 40 years. Several of the contributions to this collection highlight how workers interact with other movements. Anderson explores the relationship of independent unionists and pro-democracy activists in Algeria's hirak movement, and the unique responses they have made to the challenges of the Covid-19 pandemic. Lacouture addresses those workers excluded from formal structures such as teachers in Jordan, and how they may form 'communities of fate' with others on the margins of state-labor relations.

Conclusion

Workers face daunting challenges in the Middle East and North Africa; from entering and exiting the workforce, to building structures representative of their needs, to managing the relationship to other social movements. These essays shed light on some of the most salient dynamics of the present moment and point to future research avenues. These include greater attention to the effects of labor market segmentation and the political implications of critical divisions between labor market insiders and outsiders. As al-Sholi and Berman highlight, further research is needed to unpack the relationship between unions and labor market outsiders, as well as the role that unions play in the face of increasing economic liberalization.

Rising informality and the rise of the gig economy on employment conditions has implications for the level and efficacy of trade union representation. Youth face daunting structural barriers to meaningful formal labor market participation across much of the region which have proven resistant to reforms. The contributions (especially Berrada, Mowafy and Nagy, and Abdelmageed) raise important questions about the relationship between socioeconomic status and education on the one hand, and the likelihood of transitioning into or out of the labor force on the other hand.

Other contributions to the collection invite further research on the determinants of labor activism and the various modalities that it might take, especially in repressive political environments. As Lacouture shows, public sector workers may be particularly well positioned to engage in effective mobilization. Anderson argues that crises can induce innovation in mobilization strategies even under politically constrained situations. Post-2011 experiments with independent trade unions have, in other contexts, been reversed by resurgent autocratic regimes.

The contributions to this collection offer rich food for thought about the shifting research questions and political vistas of labor across the Middle East and North Africa. These essays, and those by other participants in the workshop which are not included in this collection, show the promise of a rich and vibrant interdisciplinary research community.
Youth Employment Transitions in the Egyptian Market—Has anything changed?
A Study on Youth Employment Dynamics using the Egyptian Labor Market Panel Surveys between 1998 and 2018

Samar Abdelmageed, The British University in Egypt (BUE)

Egypt is a young society with more than 20 million people within the age group (18-29) years, representing about 21% of the total population according to Egypt’s Central Agency for Public Mobilization and Statistics (CAPMAS) latest released statistics. Despite the increasing levels of educational attainment among the youth and the progressively narrowing gaps between genders in education, young Egyptian university graduates suffer from high unemployment rates, especially females. As of 2020, the unemployment rate for Egyptian youth between 15 to 24 years of age was 30% unemployment, with 25% among males and 42% among females (Danish Trade Development Unit, 2020).

This problem of youth unemployment goes hand in hand with other deficiencies embedded within the Egyptian labor market including the modest rates of job creation, stagnating productivity levels, increasing informalities, and low labor wages. A comparison of the youth and adult or prime-age employment patterns usefully differentiates between the problems exclusive to each age group and those which are inherent in the Egyptian economy and labor market. This classification would help design effective targeting policies. Furthermore, it is important to study the dynamics of employment and unemployment during crises, such as the Arab Spring and the revolutions witnessed by Egypt starting from 2011, to investigate their impacts compared to periods before and after the emergence of these crises and distinguish between problems and issues that are temporary and those which are inherited in labor markets.

Therefore, the main aim of this paper is to analyze youth employment and unemployment patterns in the Egyptian labor market over the years to detect any changes over time and analyze the causes behind these changes, if any. The paper attempts to answer three main research questions: what are the patterns of youth transitions among the employment, unemployment, and inactivity statuses? What are the characteristics that affect the probability of falling into a specific status? And how do transitions from one status to another differ between the youth (18-34) years and individuals in the prime-age category, identified similar to Flek and Mysíková (2016) as those who are between 35 and 54 years of age? The data used in my analysis comes from four rounds of Egypt Labor Market Panel Survey (ELMPS) conducted in 1998, 2006, 2012, and 2018. The survey offers detailed information on the development of the Egyptian labor market during this twenty-year period and is considered to be a rich source of data on a variety of topics related to the Egyptian labor market and the socioeconomic characteristics of the sampled individuals. Additionally, these waves enable the research to analyze the dynamics and transitions among the employment, unemployment, or inactivity statuses over an adequate period of time. To examine dynamics, the methodology of analysis depends on building a series of multinomial logistic models to analyze the characteristics, including age, that affect the probability of transitioning between different working statuses (employment, unemployment and inactivity), for each two consecutive rounds of ELMPS.

One key finding which emerges from the analysis is that age was not found to be related to moving from unemployment to employment in the Egyptian labor market. All cohorts had difficulty transiting from unemployment to employment, especially in the recent years that followed the eruption of the Arab Spring in Egypt in 2011. The analysis also revealed a steady movement of females out of the labor force and the tendency of workers with higher educational levels to
step out of the job market compared to workers with no educational background. These results indicated the problems of mismatch between job supply and demand; the insufficient formal job creation in the Egyptian labor market; and the educational system’s inability to improve employability among its graduates. Moreover, young workers with better educational outcomes who also belong to families with higher educational backgrounds have bigger chances of leaving the labor force, which reflects the association between education and wealth that still persists in Egypt.

Literature Review

In general, youth face more struggles in labor markets compared to more experienced workers, especially when they first enter the market searching for jobs. The reasons behind these struggles vary by economy but may widely include mismatches between job supply and demand, and the insufficient formal job creation in the private sector and the associated queuing for formal public jobs especially in the developing countries (Flek and Mysíková 2016, Nilsson 2019). Moreover, young workers usually suffer from higher turnover compared to their prime-aged counterparts; however, on the other hand, the employability of older workers decreases over time since younger job seekers may accept jobs with worse-off job conditions such as low wages and work instability (Flek and Mysíková 2016).

Studies on employment dynamics in the Middle East and North Africa (MENA) region are generally scant due to the lack of comprehensive longitudinal data that detect transitions into and out of employment and the related socio-economic characteristics of the working-age populations over time in the region’s labor markets. However, the recent availability of a group of panel labor market surveys that have been conducted by the Economic Research Forum (ERF) in few MENA countries over time offered an opportunity for a number of papers to study the dynamics of employment focusing on youth in MENA. Assaad and Krafft (2016) employed the data of the labor market panel surveys conducted in 1998, 2006 and 2012 for Egypt; in 2010 for Jordan; and in 2014 in Tunisia to study the dynamic movements of youth into and out of employment in these countries. The paper highlighted some of the chronic issues that face the youth in their pursuit for work, including their common behavior of seeking a formal job at first, then resorting to informal employment when their efforts fail, if they are desperate to work, or giving up their place in the job market and turning to inactivity, if they and their families can afford that, which is the usual case for young women in MENA.

Young Egyptian workers who enter the labor market for the first time tend to face very long unemployment (two years or more); therefore, this insertion dilemma is one of the main contributors to the problem of unemployment in Egypt. This conclusion was also reiterated in Assaad and Krafft (2021) and AlAzazi and Hlasny (2020), which used data from the different ELMPS rounds in their analyses and emphasized the high unemployment probability of young Egyptian university graduates, who mainly wait for formal employment, and the difficult job mobility for those who take over informal jobs. Other studies also highlighted the slow transition from school to work which prevails among young Egyptian workers (Angel-Urdinola and Semlali 2010, Assaad 2007), and their increasing vulnerable employment as a result of the insufficient formal job generation in the Egyptian economy (Gadallah 2011, Assaad et al 2016). Therefore, it is important to track the unemployment/employment dynamics among young Egyptians and examine any relevant changes over time. It would also be interesting to compare these dynamics among youth to older workers to disentangle the dynamics related to Egyptian young workers from those of older and perhaps more experienced workers who might have better opportunities in the labor market.

Data and Methods

This paper aims to detect unemployment/employment transitions in the Egyptian labor market over time especially among young workers. Data used in analysis mainly come from the ELMPS rounds of 1998, 2006, 2012 and 2018. This survey is a longitudinal study of the Egyptian labor market that provide rich datasets of
the socio-economic characteristics of its representative samples of respondents, which have been used extensively in the literature and can be employed by this paper to track the transitions and dynamics of employment/unemployment over time. In each round of ELMPS, a refresher sample of between 2,000 to 3,000 households are surveyed to ensure the representative of the samples throughout the years. The final sample of ELMPS 2018 included 61,231 individuals coming from 15,746 households representing people who live in different parts of Egypt coming from various backgrounds and characteristics (Krafft, Asaad and Rahman 2018). The presence of such longitudinal data offers an opportunity to analyze employment dynamics and compare these dynamics during crises, if existed (Kelly et al 2014).

To examine employment transitions, the paper starts with a descriptive analysis of the dynamics among young workers compared to prime-aged workers over time. Youth are defined as those belonging to the (18-34) years of age category, while prime-aged individuals in the prime-age category are identified similar to Flek and Mysíková (2016) as those who are between 35 and 54 years of age. These two groups are chosen to compare young labor market entrants to those who are more experienced, including mid and senior level workers.

The paper follows its descriptive analysis with a series of multinomial logistic regression models to study factors that affect the transition from unemployment to other statuses including employment and inactivity (out of labor force) between each two consecutive ELMPS rounds.

Similar to Assaad and Krafft (2016), the study will depend on broad unemployment, which does not require the active search for work but the availability and readiness to work, also using the market definition that excludes subsistence workers. Furthermore, the independent variables selected for analysis, which are commonly used in the literature to analyze the dynamics of unemployment, include age, gender, education, area of residence (urban/rural) and the father’s level of education (Cincǎ and Matei, 2018; Assaad and Krafft, 2016, 2021; AlAzzawi and Hlasny, 2020). Data used in the survival analysis and examining factors that affect unemployment exit mainly come from ELMPS 2018, which is the only survey that includes a right-censoring variable to identify unemployment vs. exit from unemployment as well as the unemployment duration estimated based on the employment history for those who have worked before and are new and currently unemployed, in addition to those who have never worked even if not currently unemployed. For a full specification of the model, see the Appendix.

**Main Findings**

Figure 1 shows that, according to the data of different ELMPS rounds over time, youth unemployment rates are stable and constantly higher than those of prime-age workers. However, total unemployment rates increased by 11.24% between ELMPS 1998 and ELMPS 2018 and prime-age workers witnessed an increase in their unemployment rates from 1.64% in ELMPS 1998 to 4.49% in ELMPS 2018. This may refer to problems of lay-offs faced by prime-age workers after the eruption of the Arab Spring in Egypt in 2011. The descriptive analysis of the evolution of current unemployment durations between ELMPS 1998 and 2018 presented in Table 1, highlights their constant increase over the years for all age groups, especially in 2012 and 2018, implying that it is getting more and more difficult to obtain a new job for someone who loses his/her job. It is also worth mentioning that the unemployment duration for the prime-aged has substantially increased above that of young workers in ELMPS 2018.

![Figure 1. Unemployment rates, total, youth (18-34 years) and prime-aged (35-54 years), ELMPS 1998-2018](source: based on ELMPS 1998, 2006, 2012 and 2018)
Table 1. Current unemployment durations (in months) by ELMPS round (1998-2018), total, youth (18-34 years) and prime-aged (35-54 years) *

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
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<tr>
<td><strong>ELMPS 1998</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>31.67</td>
<td>31.39</td>
<td>1.00</td>
<td>132.00</td>
</tr>
<tr>
<td>Youth (18-34 years)</td>
<td>33.74</td>
<td>31.50</td>
<td>1.00</td>
<td>132.00</td>
</tr>
<tr>
<td>Prime-aged (35-54 years)</td>
<td>27.85</td>
<td>35.73</td>
<td>1.00</td>
<td>132.00</td>
</tr>
<tr>
<td><strong>ELMPS 2006</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>36.91</td>
<td>31.66</td>
<td>2.23</td>
<td>132.00</td>
</tr>
<tr>
<td>Youth (18-34 years)</td>
<td>37.84</td>
<td>31.69</td>
<td>2.23</td>
<td>132.00</td>
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<tr>
<td>Prime-aged (35-54 years)</td>
<td>38.65</td>
<td>34.97</td>
<td>2.69</td>
<td>120.00</td>
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<tr>
<td><strong>ELMPS 2012</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>57.03</td>
<td>48.44</td>
<td>3.00</td>
<td>188.00</td>
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<tr>
<td>Youth (18-34 years)</td>
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<td>47.82</td>
<td>3.00</td>
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<tr>
<td>Prime-aged (35-54 years)</td>
<td>52.04</td>
<td>55.47</td>
<td>3.00</td>
<td>178.00</td>
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<td><strong>ELMPS 2018</strong></td>
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</tr>
<tr>
<td>Total</td>
<td>68.00</td>
<td>68.88</td>
<td>1.00</td>
<td>258.00</td>
</tr>
<tr>
<td>Youth (18-34 years)</td>
<td>62.44</td>
<td>58.08</td>
<td>1.00</td>
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<tr>
<td>Prime-aged (35-54 years)</td>
<td>88.74</td>
<td>92.09</td>
<td>1.00</td>
<td>258.00</td>
</tr>
</tbody>
</table>

*Excluding observations that are below the 5th or above the 95th percentiles of the unemployment durations


Examining movements between the different working statuses (employed, unemployed and out of labor force) show the decreasing transitioning from unemployment to employment among the youth over time, especially between 2012 and 2018 compared to the period between 2006 and 2012 [Figure 2]. Transitions from unemployment to inactivity prevails among young females [Figure 3]. Figures 4 and 5 show the reduction in the percentages of prime-aged workers who transform from unemployment to employment between 2006 and 2012 and between 2012 and 2018 compared to 1998 and 2006; additionally, unemployed females in this age category are finding it more difficult over time to transition from unemployment to employment. Furthermore, the percentage of females who move from unemployment to out of labor force is higher among prime-aged workers compared to the young women.
Figure 2. Transitions between different working statuses (employment (emp.), unemployment (unemp.) and out of labor force (OLF)) for each two consecutive ELMPS rounds, youth (18-34 years) Source: based on ELMPS 1998, 2006, 2012 and 2018

Figure 3. Transitions between different working statuses (employment (emp.), unemployment (unemp.) and out of labor force (OLF)) for each two consecutive ELMPS rounds, female youth (18-34 years) Source: based on ELMPS 1998, 2006, 2012 and 2018

Figure 4. Transitions between different working statuses (employment (emp.), unemployment (unemp.) and out of labor force (OLF)) for each two consecutive ELMPS rounds, prime-aged (35-54 years) Source: based on ELMPS 1998, 2006, 2012 and 2018

Figure 5. Transitions between different working statuses (employment (emp.), unemployment (unemp.) and out of labor force (OLF)) for each two consecutive ELMPS rounds, female prime-aged (35-54 years) Source: based on ELMPS 1998, 2006, 2012 and 2018
Exploring the vulnerability of jobs obtained by those who transitioned from unemployment to employment between each two consecutive ELMPS rounds, in terms of informality identified by the lack of a working contract, highlights the dominance of informal jobs among both young and prime-aged workers over time [Figures 6, 7 and 8]. The percentage of unemployed prime-aged workers who obtain informal jobs between ELMPS 1998 and 2006 and between ELMPS 2006 and 2012 is higher than that of young workers. This implies the spread of informality among workers in the Egyptian labor market. Moreover, unemployed prime-aged workers, who could be the main breadwinners in their households, might not afford to wait until obtaining a formal job compared to young workers who can depend on their families for financial support.

Figure 6. Transitions from unemployment to employment (unemp-emp) between ELMPS 1998 and 2006 and the formality of obtained jobs (existence of a working contract), total, youth (18-29 years) and prime-aged (35-54 years) Source: based on ELMPS 1998, 2006, 2012 and 2018

Figure 7. Transitions from unemployment to employment (unemp-emp) between ELMPS 2006 and 2012 and the formality of obtained jobs (existence of a working contract), total, youth (18-29 years) and prime-aged (35-54 years) Source: based on ELMPS 1998, 2006, 2012 and 2018

Figure 8. Transitions from unemployment to employment (unemp-emp) between ELMPS 2012 and 2018 and the formality of obtained jobs (existence of a working contract), total, youth (18-29 years) and prime-aged (35-54 years) Source: based on ELMPS 1998, 2006, 2012 and 2018
To inspect factors that may affect the transition from unemployment, in particular, to other working statuses, the study employs a series of multinomial regression models whose aim is to predict the probabilities of leaving unemployment based on a group of independent variables that include gender, age, area of residence, educational attainment and father’s level of education. Tables 1, 2 and 3 in the appendix present the results of these models for the transitions between each two consecutive ELMPS rounds. The analysis highlights the significant continuous impact of gender over the years on the probability of exiting unemployment with lower odds ratios of transitioning to employment and higher odds ratios of moving out of the labor force compared to males. Results of the models also show the effect of higher educational levels which are associated with higher probabilities of transiting from unemployment to out of the labor force compared to illiterates. Additionally, age does not seem to have a significant impact on leaving unemployment.

The next step in analysis is to investigate unemployment durations and examine the hazards of exiting unemployment focusing on young workers and using the data of ELMPS 2018. This ELMPS round allows for estimating unemployment durations using retrospective employment history data for those who have worked before and are new and currently unemployed, in addition to those who have never worked even if not currently unemployed. Graphs of the Kaplan-Meier survival function show the higher probabilities of spending longer durations of unemployment among young females compared to male workers who exit unemployment faster, and the tendency of higher educational levels to exit unemployment to other working statuses compared to workers with no educational degree [Figure 9].

Figure 9. The Kaplan-Meier Survival Function (proportion remaining unemployed), youth (18-34 years), total and by gender, area, educational level, and father’s education, ELMPS 2018
In addition, fitting a Cox proportional hazards model by using the data of workers from all age groups shows that young compared to prime-aged workers; females compared to males; and workers with no educational degree relative to those who hold one, all tend to spend longer times in unemployment [Table 4 in the Appendix]. Figure 10 shows the Kaplan-Meier Survival estimates by age group based on the results of the Cox proportional hazards model and refers to the higher survival rates in the state of unemployment among young compared to prime-aged workers.

![Kaplan-Meier survival estimates](image)

**Figure 10. The Kaplan-Meier Survival estimates by age group based on the results of the Cox proportional hazards model for predicting the probability of exiting unemployment, ELMPS 2018**

Since the survival analysis of unemployment here examines discrete time units, the Cox proportional hazards model might not be very appropriate to analyze the unemployment dynamics. Therefore, the study fits a complementary log-log model to examine factors that affect the probability of separation from first unemployment (exit to employment or out of labor force) among young workers. The model is first estimated using Gamma frailty [Table 5 in the Appendix], which accounts for individual heterogeneity, if existing in the data; however, results of the test of \( \rho = 0 \) indicates that frailty is not significant.

Table 6 in the Appendix shows that, for young workers, spending more time in unemployment is associated with higher probability of remaining unemployed. Females have higher probabilities of remaining unemployed compared to males. In addition, young workers with intermediate or above levels of education experience higher probabilities of remaining unemployed compared to having no education. Furthermore, young workers whose fathers are university graduates have higher probabilities of remaining unemployed compared to young workers whose fathers are illiterates. The margins plots associated with the model are also displayed in Figure 11.
Conclusion

The main aim of this paper was to analyze the employment dynamics among young workers in Egypt and compare these dynamics to workers of older age groups. Data used in analysis came from the different ELMPS rounds carried out in the years of 1998, 2006, 2012 and 2018. Results highlighted the difficulty of transiting from unemployment to employment among all age cohorts especially in the recent years that followed the eruption of the Arab Spring in Egypt in 2011. Age is also not related to moving from unemployment to employment in the Egyptian labor market and older workers are not offered better jobs compared to the young ones. This was shown through the high incidence of informality among prime-age workers who lost their jobs during one ELMPS round and went back to employment in the next round. While some young workers do not easily accept employment in the informal sector as they can resort to their families for financial support, prime-age workers, who could be the main breadwinners in their households, might not afford to wait until obtaining a formal job.

Results also revealed some chronic issues inherent in the Egyptian labor market over time, including the steady movement of females out of the labor force and the tendency of workers with higher educational levels to step out of the job market compared to workers with no educational background. The analysis highlighted the continuously significant impact
of gender over the years on the probability of exiting unemployment with lower odds ratios of transitioning to employment and higher odds ratios of moving out of the labor force for female workers compared to males. Higher educational levels were also found to be associated with higher probabilities of transiting from unemployment to out of the labor force. In addition, young workers with intermediate or above levels of education experience higher probabilities of remaining unemployed compared to those with no education. Furthermore, young workers whose fathers are university graduates have higher probabilities of remaining unemployed compared to young workers whose fathers did not receive any education. These results emphasize the problems of mismatch between job supply and demand; the insufficient formal job creation in the Egyptian labor market; and the lack of competency suffered by the educational system to improve the employability among its graduates. Moreover, young workers with better educational outcomes who also belong to families with higher educational backgrounds can afford staying unemployed or leaving the labor force, which reflects the strong link between education and wealth that still persists in Egypt.

References


Appendix

Multinomial logistic regression is an extension of the logistic regression. In general, the multiple logistic regression model analyzes binary dependent variables. It uses a vector of \( p \) independent variables \( X'=(x_1,x_2,...,x_p) \) to predict the probability of the binary dependent variable assuming the value of one. Therefore, the multiple logistic model can be written as:

\[
P(Y = 1) = \pi(X) = \frac{e^{\theta(X)}}{1 + e^{\theta(X)}}
\]

where \( \theta(X) = \beta_0 + \beta_1 x_1 + \ldots + \beta_p x_p \). The model can also be represented in terms of a log odds ratio as follows:

\[
\ln \left( \frac{P(Y = 1|X)}{P(Y = 0|X)} \right) = \beta_0 + \beta_1 x_1 + \ldots + \beta_p x_p
\]

The main goal is to estimate the coefficients of the model, which include \( \beta_0 \) the constant term, as well as \( \beta_1, \beta_2, \ldots, \beta_p \) which measure the impact of each independent variable on the dependent dummy (Hosmer and Lemeshow 2000; Menard 2002; Stock and Watson 2003).

The multinomial regression model estimates the probabilities for unordered categorical variables. This model calculates the probability that the dependent variable belongs to a certain group or category given the vector of predictor variables as follows:

\[
P(Y = m|X) = \frac{e^{\theta_m(X)}}{1 + e^{\theta_1(X)} + e^{\theta_2(X)} + \ldots + e^{\theta_m(X)}} = \frac{e^{\theta_m(X)}}{1 + \sum_{i=1}^{m} e^{\theta_i(X)}}
\]

where \( \theta(X) = \beta_0 + \beta_1 x_1 + \ldots + \beta_p x_p \) assuming that the first reference category takes the code of zero. The probability that
the dependent variable belongs to the reference group is:

\[ P(Y = 0|X) = \frac{1}{1 + \sum_{i=1}^{m} e^{\theta_i(x)}} \]

The log odds ratio for belonging to category \( m \) compared to the reference or base category is:

\[ g_m(X) = \ln \left( \frac{P(Y = m|X)}{P(Y = 0|X)} \right) = \beta_{m0} + \beta_{m1}x_1 + \cdots + \beta_{mp}x_p \]

Therefore, the study employs the multinomial logistic regression to analyze the determinants of transitioning from unemployment to other statuses for each sub-panel of ELMPS where a sub-panel include each two consecutive ELMPS rounds from 1998 until 2018.

Moreover, the paper analyzes unemployment durations using survival analysis. Survival analysis aims to estimate a hazard rate function is defined as follows:

\[ \lambda_i(t) = \lambda_0(t) \cdot \exp(X_i'\beta) \]

where \( \lambda_i \) is the hazard rate function for observation \( i \) and failure time \( t \) and \( \lambda_0 \) is the baseline hazard function; \( X \) refers to the vector of explanatory variables used in the model and \( \beta \) is the vector of parameters to be estimated (Jenkins 1997, 2004; Cox 1972). In this regard, the paper uses the term hazard rate to define the probability of exiting unemployment, whereas survival here refers to remaining unemployed. The paper fits a proportional hazard model, which is one of the most common survival analysis techniques used to examine unemployment durations in the literature (Nilsson 2019).

Finally, the paper examines factors that affect the probability of separation from unemployment (exit to employment or out of labor force) using a complementary log-log model for binary dependent variables assuming the following functional form:

\[ P(Y_i = 1|X_i) = 1 - \exp\{-\exp(X_i\beta)\} \]

The model is also estimated using Gamma frailty, which accounts for individual heterogeneity, if existing in the data, in order to avoid problems of underestimation (Jenking 1997, 2004).

### Table 1. Results of the multinomial logistic regression model for predicting the probability of exiting unemployment between ELMPS 1998 and 2006

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>unemp98_emp06 relative risk ratios</th>
<th>unemp98_OLF06 relative risk ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex: ref. Male</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>0.134***</td>
<td>12.69***</td>
</tr>
<tr>
<td></td>
<td>(0.0377)</td>
<td>(5.017)</td>
</tr>
<tr>
<td>Age_group_06: ref. youth(18-34)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>prime-age(35-54)</td>
<td>1.622</td>
<td>1.002</td>
</tr>
<tr>
<td></td>
<td>(0.582)</td>
<td>(0.352)</td>
</tr>
<tr>
<td>Urban/Rural: ref. Urban</td>
<td>1.325</td>
<td>1.356</td>
</tr>
<tr>
<td>Rural</td>
<td>(0.408)</td>
<td>(0.412)</td>
</tr>
<tr>
<td>Educational Attainment: ref. Illiterate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reads &amp; Writes</td>
<td>464.382</td>
<td>685.126</td>
</tr>
<tr>
<td></td>
<td>(5.653e+08)</td>
<td>(8.341e+08)</td>
</tr>
<tr>
<td>Less than</td>
<td>415.731</td>
<td>870.581</td>
</tr>
<tr>
<td>Intermediate</td>
<td>(2.786e+08)</td>
<td>(5.833e+08)</td>
</tr>
<tr>
<td>Intermediate</td>
<td>0.127**</td>
<td>0.123**</td>
</tr>
<tr>
<td></td>
<td>(0.133)</td>
<td>(0.131)</td>
</tr>
<tr>
<td>Above Intermediate</td>
<td>0.119*</td>
<td>0.119*</td>
</tr>
<tr>
<td></td>
<td>(0.135)</td>
<td>(0.136)</td>
</tr>
<tr>
<td>University</td>
<td>0.116*</td>
<td>0.0500***</td>
</tr>
<tr>
<td></td>
<td>(0.128)</td>
<td>(0.0570)</td>
</tr>
<tr>
<td>Post-Graduate</td>
<td>1.390e+06</td>
<td>0.220</td>
</tr>
<tr>
<td></td>
<td>(3.886e+09)</td>
<td>(683.9)</td>
</tr>
<tr>
<td>Father’s Level of education: ref. Illiterate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reads &amp; Writes</td>
<td>1.324</td>
<td>2.049**</td>
</tr>
<tr>
<td></td>
<td>(0.497)</td>
<td>(0.745)</td>
</tr>
<tr>
<td>Less than</td>
<td>1.472</td>
<td>1.034</td>
</tr>
<tr>
<td>Intermediate</td>
<td>(0.573)</td>
<td>(0.404)</td>
</tr>
<tr>
<td>Intermediate</td>
<td>0.942</td>
<td>0.799</td>
</tr>
<tr>
<td></td>
<td>(0.411)</td>
<td>(0.351)</td>
</tr>
<tr>
<td>Above Intermediate</td>
<td>1.831</td>
<td>3.385</td>
</tr>
<tr>
<td></td>
<td>(1.603)</td>
<td>(2.795)</td>
</tr>
<tr>
<td>University</td>
<td>2.994</td>
<td>2.610</td>
</tr>
<tr>
<td></td>
<td>(2.237)</td>
<td>(1.917)</td>
</tr>
<tr>
<td>Constant</td>
<td>40.33***</td>
<td>1.941</td>
</tr>
<tr>
<td></td>
<td>(42.82)</td>
<td>(2.164)</td>
</tr>
<tr>
<td>Observations</td>
<td>684</td>
<td>684</td>
</tr>
</tbody>
</table>

*Standard errors in parentheses*

*** \( p<0.01 \), ** \( p<0.05 \), * \( p<0.1 \)
### Table 2. Results of the multinomial logistic regression model for predicting the probability of exiting unemployment between ELMPS 2006 and 2012

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>unemp06_emp12 relative risk ratios</th>
<th>unemp06_OLF12 relative risk ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sex: ref. Male</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>0.0823***</td>
<td>21.57***</td>
</tr>
<tr>
<td>(0.0208)</td>
<td>(10.36)</td>
<td></td>
</tr>
<tr>
<td><strong>Age_group_12: ref. youth(18-34)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prime-age(35-54)</td>
<td>1.040</td>
<td>1.546</td>
</tr>
<tr>
<td>(0.323)</td>
<td>(0.430)</td>
<td></td>
</tr>
<tr>
<td><strong>Urban/Rural: ref. Urban</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>1.506*</td>
<td>0.936</td>
</tr>
<tr>
<td>(0.369)</td>
<td>(0.214)</td>
<td></td>
</tr>
<tr>
<td><strong>Educational Attainment: ref. Illiterate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reads &amp; Writes</td>
<td>0.173</td>
<td>0.113</td>
</tr>
<tr>
<td>(0.235)</td>
<td>(0.215)</td>
<td></td>
</tr>
<tr>
<td>Less than Intermediate</td>
<td>2.140</td>
<td>1.523</td>
</tr>
<tr>
<td>(3.145)</td>
<td>(2.460)</td>
<td></td>
</tr>
<tr>
<td>Intermediate</td>
<td>0.447</td>
<td>0.119*</td>
</tr>
<tr>
<td>(0.480)</td>
<td>(0.144)</td>
<td></td>
</tr>
<tr>
<td>Above Intermediate</td>
<td>0.692</td>
<td>0.0941*</td>
</tr>
<tr>
<td>(0.796)</td>
<td>(0.120)</td>
<td></td>
</tr>
<tr>
<td>University</td>
<td>1.259</td>
<td>0.0634**</td>
</tr>
<tr>
<td>(1.386)</td>
<td>(0.0785)</td>
<td></td>
</tr>
<tr>
<td>Post-Graduate</td>
<td>0.226</td>
<td>0</td>
</tr>
<tr>
<td>(0.398)</td>
<td>(3.77e-07)</td>
<td></td>
</tr>
<tr>
<td><strong>Father's Level of education: ref. Illiterate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reads &amp; Writes</td>
<td>0.823</td>
<td>0.590*</td>
</tr>
<tr>
<td>(0.271)</td>
<td>(0.178)</td>
<td></td>
</tr>
<tr>
<td>Less than Intermediate</td>
<td>0.942</td>
<td>0.702</td>
</tr>
<tr>
<td>(0.314)</td>
<td>(0.226)</td>
<td></td>
</tr>
<tr>
<td>Intermediate</td>
<td>0.700</td>
<td>0.689</td>
</tr>
<tr>
<td>(0.250)</td>
<td>(0.230)</td>
<td></td>
</tr>
<tr>
<td>Above Intermediate</td>
<td>5.374</td>
<td>1.303</td>
</tr>
<tr>
<td>(5.946)</td>
<td>(1.501)</td>
<td></td>
</tr>
<tr>
<td>University</td>
<td>0.482*</td>
<td>0.714</td>
</tr>
<tr>
<td>(0.211)</td>
<td>(0.312)</td>
<td></td>
</tr>
<tr>
<td>Post-Graduate</td>
<td>69.049</td>
<td>15.15</td>
</tr>
<tr>
<td>(5.820e+07)</td>
<td>(15.276)</td>
<td></td>
</tr>
<tr>
<td><strong>Constant</strong></td>
<td>14.87***</td>
<td>1.628</td>
</tr>
<tr>
<td>(15.73)</td>
<td>(1.928)</td>
<td></td>
</tr>
<tr>
<td><strong>Observations</strong></td>
<td>876</td>
<td>876</td>
</tr>
</tbody>
</table>

*Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

### Table 3. Results of the multinomial logistic regression model for predicting the probability of exiting unemployment between ELMPS 2012 and 2018

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>unemp12_emp18 relative risk ratios</th>
<th>unemp12_OLF18 relative risk ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sex: ref. Male</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>0.0701***</td>
<td>4.897***</td>
</tr>
<tr>
<td>(0.0165)</td>
<td>(1.403)</td>
<td></td>
</tr>
<tr>
<td><strong>Age_group_18: ref. youth(18-34)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prime-age(35-54)</td>
<td>1.227</td>
<td>0.864</td>
</tr>
<tr>
<td>(0.271)</td>
<td>(0.158)</td>
<td></td>
</tr>
<tr>
<td><strong>Urban/Rural: ref. Urban</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>0.917</td>
<td>0.834</td>
</tr>
<tr>
<td>(0.193)</td>
<td>(0.148)</td>
<td></td>
</tr>
<tr>
<td><strong>Educational Attainment: ref. Illiterate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reads &amp; Writes</td>
<td>1.240</td>
<td>1.082</td>
</tr>
<tr>
<td>(1.571)</td>
<td>(1.318)</td>
<td></td>
</tr>
<tr>
<td>Less than Intermediate</td>
<td>0.302</td>
<td>0.368</td>
</tr>
<tr>
<td>(0.234)</td>
<td>(0.273)</td>
<td></td>
</tr>
<tr>
<td>Intermediate</td>
<td>0.345</td>
<td>0.206**</td>
</tr>
<tr>
<td>(0.230)</td>
<td>(0.130)</td>
<td></td>
</tr>
<tr>
<td>Above Intermediate</td>
<td>0.364</td>
<td>0.178**</td>
</tr>
<tr>
<td>(0.277)</td>
<td>(0.125)</td>
<td></td>
</tr>
<tr>
<td>University</td>
<td>0.492</td>
<td>0.109***</td>
</tr>
<tr>
<td>(0.340)</td>
<td>(0.0713)</td>
<td></td>
</tr>
<tr>
<td>Post-Graduate</td>
<td>0.927</td>
<td>0.0190***</td>
</tr>
<tr>
<td>(0.968)</td>
<td>(0.0252)</td>
<td></td>
</tr>
<tr>
<td><strong>Father’s Level of education: ref. Illiterate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reads &amp; Writes</td>
<td>1.207</td>
<td>1.202</td>
</tr>
<tr>
<td>(0.393)</td>
<td>(0.317)</td>
<td></td>
</tr>
<tr>
<td>Less than Intermediate</td>
<td>0.951</td>
<td>0.882</td>
</tr>
<tr>
<td>(0.294)</td>
<td>(0.228)</td>
<td></td>
</tr>
<tr>
<td>Intermediate</td>
<td>1.034</td>
<td>0.755</td>
</tr>
<tr>
<td>(0.314)</td>
<td>(0.192)</td>
<td></td>
</tr>
<tr>
<td>Above Intermediate</td>
<td>1.324</td>
<td>1.089</td>
</tr>
<tr>
<td>(0.959)</td>
<td>(0.668)</td>
<td></td>
</tr>
<tr>
<td>University</td>
<td>0.669</td>
<td>1.112</td>
</tr>
<tr>
<td>(0.282)</td>
<td>(0.412)</td>
<td></td>
</tr>
<tr>
<td>Post-Graduate</td>
<td>0.214</td>
<td>2.00e-06</td>
</tr>
<tr>
<td>(0.272)</td>
<td>(0.00213)</td>
<td></td>
</tr>
<tr>
<td><strong>Constant</strong></td>
<td>19.55***</td>
<td>4.281**</td>
</tr>
<tr>
<td>(13.38)</td>
<td>(2.843)</td>
<td></td>
</tr>
<tr>
<td><strong>Observations</strong></td>
<td>1,118</td>
<td>1,118</td>
</tr>
</tbody>
</table>

*Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1
Table 4. Results of the Cox proportional hazards model for predicting the probability of exiting first unemployment, ELMPS 2018

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>Model coefficients</th>
<th>Hazard ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age_group: ref. prime-aged(35-54) youth(18-34)</td>
<td>-0.170*** (0.0487)</td>
<td>0.844*** (0.0411)</td>
</tr>
<tr>
<td>otherwise</td>
<td>0.165** (0.0752)</td>
<td>1.179** (0.0886)</td>
</tr>
</tbody>
</table>

Sex: ref. Male

| Female | -1.341*** (0.0500) | 0.262*** (0.0131) |

Urban/Rural: ref. Urban

| Rural | 0.0432 (0.0458) | 1.044 (0.0478) |

Educational Attainment: ref. Illiterate

| Reads & Writes | 0.276 (0.201) | 1.318 (0.265) |
| Less than Intermediate | 0.613*** (0.167) | 1.847*** (0.308) |
| Intermediate | 0.882*** (0.156) | 2.416*** (0.376) |
| Above Intermediate | 1.092*** (0.179) | 2.981*** (0.534) |
| University | 1.280*** (0.160) | 3.595*** (0.575) |
| Post-Graduate | 1.601*** (0.231) | 4.960*** (1.146) |

Father's Level of education: ref. Illiterate

| Reads & Writes | 0.0289 (0.0646) | 1.029 (0.0664) |
| Less than Intermediate | 0.102 (0.0661) | 1.108 (0.0732) |
| Intermediate | -0.0554 (0.0720) | 0.946 (0.0681) |
| Above Intermediate | 0.0939 (0.140) | 1.098 (0.154) |
| University | 0.0484 (0.0894) | 1.050 (0.0938) |
| Post-Graduate | -1.254* (0.710) | 0.285* (0.203) |

Observations 3,546 3,546

Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

Table 5. Results of the complementary log-log model for predicting the probability of exiting first unemployment among young workers with Gamma frailty, ELMPS 2018

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>Model Coefficients</th>
<th>Odds Ratios</th>
</tr>
</thead>
<tbody>
<tr>
<td>Log (time)</td>
<td>0.250*** (0.0309)</td>
<td>1.284*** (0.0398)</td>
</tr>
</tbody>
</table>

Sex: ref. Male

| Female | 0.229*** (0.0685) | 1.257*** (0.0860) |

Urban/Rural: ref. Urban

| Rural | 0.0935 (0.0634) | 1.098 (0.0696) |

Educational Attainment: ref. Illiterate

| Reads & Writes | -0.0316 (0.296) | 0.969 (0.286) |
| Less than Intermediate | 0.252 (0.216) | 1.287 (0.278) |
| Intermediate | 0.595*** (0.185) | 1.814*** (0.335) |
| Above Intermediate | 0.485** (0.236) | 1.624** (0.383) |
| University | 0.913*** (0.192) | 2.493*** (0.480) |
| Post-Graduate | 1.079*** (0.288) | 2.942*** (0.847) |

Father's Level of education: ref. Illiterate

| Reads & Writes | -0.0311 (0.103) | 0.969 (0.0996) |
| Less than Intermediate | 0.168* (0.0968) | 1.183* (0.115) |
| Intermediate | 0.436*** (0.0831) | 1.547*** (0.129) |
| Above Intermediate | 0.0358 (0.205) | 1.036 (0.212) |
| University | 0.351*** (0.116) | 1.421*** (0.164) |
| Post-Graduate | 0.382 (0.384) | 1.466 (0.563) |

Constant -6.633*** (0.234) 0.00132*** (0.000308)

Observations 125,404 125,404

Number of groups 2,100 2,100

LR test of rho = 0: chibar2(01) = 1.30e-03 Prob >= chibar2 = 0.486

Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1
Table 6. Results of the complementary log-log model for predicting the probability of exiting first unemployment among young workers, ELMPS 2018

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>Exitunemployment</th>
<th>Exitunemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model Coefficients</td>
<td>Odds Ratios</td>
</tr>
<tr>
<td>Log (time)</td>
<td>0.250***</td>
<td>1.284***</td>
</tr>
<tr>
<td></td>
<td>(0.0389)</td>
<td>(0.0500)</td>
</tr>
<tr>
<td>Sex: ref. Male</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>0.229***</td>
<td>1.257***</td>
</tr>
<tr>
<td></td>
<td>(0.0677)</td>
<td>(0.0851)</td>
</tr>
<tr>
<td>Urban/Rural: ref. Urban</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>0.0935</td>
<td>1.098</td>
</tr>
<tr>
<td></td>
<td>(0.0642)</td>
<td>(0.0705)</td>
</tr>
<tr>
<td>Educational Attainment: ref. Illiterate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reads &amp; Writes</td>
<td>-0.0316</td>
<td>0.969</td>
</tr>
<tr>
<td></td>
<td>(0.297)</td>
<td>(0.288)</td>
</tr>
<tr>
<td>Less than Intermediate</td>
<td>0.252</td>
<td>1.287</td>
</tr>
<tr>
<td></td>
<td>(0.218)</td>
<td>(0.280)</td>
</tr>
<tr>
<td>Intermediate</td>
<td>0.595***</td>
<td>1.814***</td>
</tr>
<tr>
<td></td>
<td>(0.184)</td>
<td>(0.335)</td>
</tr>
<tr>
<td>Above Intermediate</td>
<td>0.485**</td>
<td>1.624**</td>
</tr>
<tr>
<td></td>
<td>(0.236)</td>
<td>(0.384)</td>
</tr>
<tr>
<td>University</td>
<td>0.913***</td>
<td>2.493***</td>
</tr>
<tr>
<td></td>
<td>(0.192)</td>
<td>(0.479)</td>
</tr>
<tr>
<td>Post-Graduate</td>
<td>1.079***</td>
<td>2.942***</td>
</tr>
<tr>
<td></td>
<td>(0.290)</td>
<td>(0.855)</td>
</tr>
<tr>
<td>Father’s Level of education: ref. Illiterate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reads &amp; Writes</td>
<td>-0.0311</td>
<td>0.969</td>
</tr>
<tr>
<td></td>
<td>(0.103)</td>
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Robust standard errors in parentheses, 
*** p<0.01, ** p<0.05, * p<0.1
COVID-19 and Algeria’s Labor Movement

Ashley Anderson, University of North Carolina, Chapel Hill

Introduction

On March 10, 2019, public sector workers poured into the streets of Algiers in one of the first labor demonstrations of Algeria’s 2019 *hirak* movement. Spurred by the demands of pro-democracy activists and independent trade unions, tens of thousands of workers stayed home to begin a five-day general strike against the Bouteflika government, marking a pivotal turning point in the movement to end Algeria’s 60-year military regime. Yet, barely a year later, the very same streets were empty, as the onset of the COVID-19 pandemic forced the government to issue a ban on all public demonstrations. This article analyzes the impact of the COVID-19 pandemic on labor mobilization in Algeria by discussing the challenges that government restrictions have posed to the labor movement and the ways in which unions have strategically adapted to this novel political circumstance.

Recent scholarship on the political impact of the COVID-19 crisis suggests that the pandemic has opened a “window of opportunity” for governments to more effectively repress activist movements without attracting unwanted pressure from citizens and the international community.\(^1\) As Eck and Hatz (2020) and Grasse, Pavlik and Matfess (2020) show, governments have intensified their repressive campaigns in the wake of COVID lockdowns, using the public health emergency instrumentally to surveil upon citizens and repress protests in known areas of dissent.\(^2\)\(^3\) At the same time, global crises such as the COVID pandemic may provide a temporary boost to government legitimacy as politicians employ crisis frames to produce a “rally around the flag effect.”\(^4\)

While many may view Algeria’s lockdown as a boon for the government in its efforts to regain its hold onto power during the *hirak*, I argue that the COVID-19 pandemic has actually enabled the Algerian labor movement to strengthen its protest mobilization in the face of a highly repressive regime. Perhaps counterintuitively, the coronavirus lockdown has provided a unique opportunity for unions to reframe their grievances against the government, diversify their tactics, and strengthen their grassroots organizing, enabling certain sectors of the labor movement to reach a much broader audience and pose an even greater threat to the regime. Thus, despite the temporary suspension of visible mobilization by labor unions, the pandemic has not posed an existential threat to the success of labor opposition writ large. Instead, the scaling back of public demonstrations has ushered in a new era of collective action that I term *collective activism* among frontline and public sector workers that is likely to bolster labor mobilization efforts once the pace of the pandemic has slowed.

The COVID 19 pandemic: A new challenge for labor opposition

The main challenge that the COVID-19 pandemic places upon labor movements everywhere is that it strikes at the very essence of trade unions’ strength: their ability to disrupt economic activity through public demonstrations. While organized labor in Algeria has generally been viewed as passive relative to its North African counterparts in Tunisia and Egypt, strike activity has always formed a critical component of labor’s mobilization strategy vis-a-vis the regime and has been essential to its success in key moments of the nation’s history. Indeed, the country’s principal union, the UGTA, was born during the Algerian revolution as a way to mobilize workers in opposition to the French colonial regime. Even after independence, when the union was subordinated to the state under the political leadership of the National Liberation Front (FLN), strikes served as an important way for workers to preserve their gains during periods of economic crisis (e.g 1977-1982) and avoid further cutbacks as a result of structural adjustment.\(^5\)
In the contemporary period, labor demonstrations in Algeria have been linked to broader processes of political change. The workers’ strikes of 1988, which led to the bloody October revolts, fundamentally changed the Algerian political scene by ushering in a new period of partisan and trade union pluralism. Following the promulgation of the new constitution on February 23, 1989 (and later, Law 90-14 in June 1990), independent trade unions were established in the public sector, leading to a new wave of anti-government protests throughout the early 1990s. Similarly, in the mid-2000s it was these unions who propelled the wave of rolling strikes affecting several key sectors of economic activity: education, ports, railways, public transportation, manufacturing, customs, postal services, etc. In the wake of popular uprisings throughout the Arab world in 2011, workers from independent unions stood alongside citizens in their calls for better living conditions and liberalizing political reforms. Most recently, in the early months of the hirak, public sector workers and independent unionists (organized under the newly consolidated Confederation of Autonomous Trade Unions), mobilized numerous strikes and marches with the same demands as the political movement, despite attempts by the military government to suppress their activities (discussed in greater detail below).

However, the onset of the COVID-19 pandemic severely undermined this form of labor militancy. Despite rigorous mobilization from unions in the first year of the hirak, in March 2020, public demonstrations by labor organizations were officially banned, a hiatus from which workers have only recently begun to recover. For many, the coronavirus pandemic presented a rare opportunity for Algeria’s Tebboune government to put an end to the expansion of a virulent political movement aimed at upending the nation’s military-backed regime, noting that “authorities are capitalizing on the coronavirus outbreak to strike back at civil society and opposition figures in a desperate effort to stifle dissent.”

Instead, in the midst of this crisis, civil society organizations, and particularly labor unions, strategically utilized government lockdowns to redouble their organizing efforts, undertaking an alternative form of mobilization which I term collective activism. Unlike collective action — which is highly visible and involves the holding of public demonstrations, marches, and the like — collective activism refers to the constituent components of mobilization — constructing frames, building relationships, and strategizing — that makes collective action successful. In what follows, I describe how key sectors of the labor movement, particularly frontline workers and public sector unions, have used the temporary ban on public demonstrations to redirect their attention to collective activism by developing new protest frames, broadening their tactical repertoires, and strengthening their grassroots networks. Ultimately, I argue that this shift, while ostensibly demonstrating the effectiveness of the government’s repressive strategy, is producing a labor movement with a greater capacity to win much-needed concessions and push for more lasting change in Algeria’s governance structure over the long-term.

“Never let a good crisis go to waste”

One of the greatest benefits of the COVID-19 pandemic for organized labor has been its ability to expose the government’s mismanagement of Algeria’s economic and public health crisis. As with many North African countries, the coronavirus pandemic has hit Algeria hard, exacerbating the woes of an economy already marred by years of falling oil revenues and low levels of public investment. Since independence, Algeria’s ruling elite have used public spending to purchase quiescence, but with a rising budget deficit and declining GDP growth (down by 6% in 2020), this strategy is no longer feasible. At the same time, negative externalities from the coronavirus pandemic — falling oil prices, supply-chain disruptions, food shortages, and growing unemployment — have placed increasing strain on citizens’ daily lives, allowing labor unions’ traditional bread-and-butter demands to achieve deeper resonance with the broader public.

The example of the education sector provides a case in point. For years, independent teachers’ unions — such as The National Autonomous Council of Teachers of
Secondary and Technical Education (CNAPEST), the National Union of Education Workers (SNTE), and the Council of Algerian High Schools (CLA) — have held recurrent demonstrations to force the government to attend to their demands for higher wages, retirement benefits, and bureaucratic reforms to Algeria’s poorly managed education system. While these protests have generally attracted sectoral interests and achieved limited gains (i.e. a 60% salary increase, largely undercut by inflation), in the context of economic strain created by the coronavirus pandemic, teachers have purposefully worked to link their demands for better working conditions to problems that all Algerian’s face — rising inflation, corrupt officials’ efforts to loot public funds, the awful state of public education, and persistent un- and underemployment for university graduates. According to unionists, the fundamental source of these grievances is a deliberate *irhab idary* (administrative terrorism) that seeks to deprive Algerian citizens’ of their “basic dignity” and prevent the masses from pushing for necessary reforms.\(^\text{11}\)

The resonance of such frames is evident in the strength of recent demonstrations held by teachers in 2021 — a general strike held from May 9-11 reached participation levels in the hundreds of thousands (a reported 75% of Algeria’s educational workforce\(^\text{12}\)) and, in cities like Oran, drew widespread support from university students, parent’s associations, and community members.\(^\text{13}\)

In a similar vein, medical professionals have capitalized upon the country’s growing health crisis to expose the regime’s incompetence and undermine its legitimacy, drawing the balance of power more deeply in their favor. Prior to the pandemic, Algeria’s healthcare system was exceptionally vulnerable — according to the 2019 Global Health Security Index, Algeria was one of the countries “least prepared” to respond effectively to a global health crisis, ranking 173rd out of a possible 195 countries in terms of health system preparedness.\(^\text{14}\) With the advent of COVID-19, this vulnerability has been plainly exposed: in provinces like Blida, where the pandemic has hit the hardest, deaths have soared as hospitals face shortages in critical infrastructure (e.g. intensive care unit beds, ventilators, medical oxygen, and oximeters) and vaccine programs have slow to roll-out. At the same time, the government’s initial hesitation to implement COVID protection measures such as declaring a national state of emergency has showcased the fragility of a divided elite in developing a decisive and robust response to national crisis.

All of these shortcomings have worked to benefit the labor movement. Union activists have instrumentalized the country’s health crisis, promoting lockdowns as a form of patriotism and civic responsibility, and refashioning popular protest slogans to reflect the importance of safety measures such as social distancing.\(^\text{15}\) Furthermore, workers from public health unions such as the National Union of Public Health Practitioners (SNPSP), the National Union of University Hospital Teachers Researchers (SNECHU), and the Algerian Paramedical Union (SAP) have gone on strike to protest dangerous work conditions inside of hospitals and lobby for hazard pay and protective materials for healthcare workers. Like education workers, healthcare professionals have worked to connect their grievances to broader issues stemming from the government’s mismanagement of the COVID-19 crisis. A recent report from the Workers’ Solidarity Committee, for example, emphasized that the government’s inadequacies have augmented in the wake of the COVID-19 pandemic: thousands of businesses have closed, hundreds of thousands of workers made redundant or left without wages, and more than 220 healthcare workers have died in the line of duty.\(^\text{16}\) More recently, firefighters joined the ranks of the disaffected, using rolling strikes over wages and working conditions as a platform to criticize the government’s inability to take control of Algeria’s growing climate crisis.

The COVID-19 pandemic has not only given workers a useful frame through which to discredit the regime’s political legitimacy, it has also compelled labor organizations to shift the ways in which they mobilize. Prevented from holding physical demonstrations for much of the pandemic, unionists have experimented with new modes of activism in the form of web-based protest campaigns, stay-at-home strikes, sick-ins, and expressions
of solidarity with COVID-ravaged communities. Workers affiliated with the wider hirak movement have turned online, using Facebook groups like “Hirak Memes” to publicize deficiencies in the government’s response to the nation’s health and economic crises and to keep potential and existing activists connected with the protest movement. In the northern Kabyle region, where COVID-infections and anti-regime demonstrations have been most prevalent, independent unions have organized food shipments, personal protective equipment deliveries, crowdfunding campaigns and other forms of basic relief assistance. Additionally, healthcare workers have harnessed their medical expertise to promote awareness campaigns, disinfect city streets, and provide ad-hoc medical care meant to fill the gaps in state social service provision.

Each of these new forms of mobilization have helped the labor movement weaken the regime by critiquing its performance while minimizing the risks of physical repression associated with public demonstrations. At the same time, there is evidence that service-oriented activities have benefitted labor unions by boosting their legitimacy vis-a-vis the regime. According to Anissa Daboussi, Middle East and North African program officer for the International Federation for Human Rights, “The hirak is taking charge of the health crisis. Once again, civil society is offering the answers, not the state.” Data from the most recent Arab Barometer confirms this insight; while only 26% of Algerian citizens report having high levels of trust in the government, 46% report satisfaction with the healthcare system overall. Leveraging this credibility, frontline workers have promoted increasingly radical demands that strike at the heart of the regime’s stability — for example, a series of labor and opposition protests calling for a boycott of legislative elections in June resulted in a record-low turnout, with only 30.5% of Algerians electing to vote.

The temporary break in public demonstrations during the pandemic has enabled Algerian unions to engage in much-needed organizational reforms. Indeed, one of the greatest weaknesses of the Algerian labor movement has long been its fractionalization. Although independent unions have a long tradition of oppositional activism, this militancy has largely been overshadowed by the passivity of Algeria’s oldest and most predominant labor union, the UGTA. In the earlier months of the hirak, divisions amongst these unions undermined the success of general strikes and robbed the political movement of consolidated support from the labor movement. However, during the course of the pandemic, splits within the UGTA led to serious calls to reform the union, beginning with the organization of an extraordinary congress, meant to “return the UGTA into the hands of the workers.” Though this movement has not yet borne fruit, recent demonstrations have seen large contingents of UGTA unionists marching side-by-side with independent unionists in opposition to the economic policies of the regime.

Moreover, the labor movement as a whole has been reaching out to new constituencies in its struggle to achieve long-term change, extending its activism to include members of the unemployed movement, students’ movement, and informal and precarious workers. Taken together, such coalition-building efforts have helped labor unions develop organizational ties across a broad cross-section of Algerian society in a way that should set the stage for larger and more successful collective action once the pandemic is at an end.

**Conclusion: Challenges and Opportunities**

This is not to say that the path forward for the Algerian labor movement after the pandemic is clear. Just as labor unions had been revitalizing their mobilization through collective activism, state authorities redoubled their repressive efforts, jailing numerous political activists and unionists in the process. In May 2021, the Ministry of Interior suspended 230 firefighters who participated in public demonstrations to demand higher wages, reportedly for “betraying [their] duties and responsibilities” and acting in violation of the “special status of officials belonging to specific bodies of Civil Protection.” Similarly, Hamza Kherroubi, the president of the independent Trade Union Confederation of Productive Workers (COSYFOP) nurses’ union, was placed into police detention on January
21, 2020, after being sentenced to a year in prison for participation in a nation-wide general strike held on December 8th.22 Trade union activists not yet behind bars or subject to police supervision are at imminent risk of being arrested due to obscure legal provisions that criminalize actions as ambiguous as “insulting the president of the republic” or criticizing state organizations like the police, judiciary and army chief of staff.23 As of February 2021, over 2,500 demonstrators had been arrested in connection with their activism with the Hirak movement, posing a serious threat to unionists who wish to engage in similar protest behaviors.24 As one report from the Human Rights Watch notes of the challenges facing the future of labor militancy in Algeria, “The government punishes peaceful protesters and strikers, including with retaliatory suspensions or dismissals from public service jobs, and arbitrarily arrests and prosecutes union activists on politically motivated charges.”25

The regime has therefore used the COVID-19 pandemic to deal a serious blow to unions’ traditional modes of mobilization and, at least superficially, shifted the balance of power to authoritarian elites who have used state power to expand executive mandates, increase movement surveillance, and suspend citizens’ fundamental rights.26 But Algerian unions continue to play an important role in anti-regime opposition due to their adaptability, organizational capacities, and hard-earned experience. Utilizing COVID-19 lockdowns as an opportunity to regroup and test out new methods of mobilization and militancy, independent unions have successfully shifted their focus to collective activism, which involves the strengthening of elements underlying collective action such as internal organization and training, to achieve more lasting movement success. By adjusting their protest frames, modifying their repertoires and focusing on relationship-building at the grassroots, frontline workers and public sector unions have been able to attract a broader and more diverse following, while simultaneously shifting the balance of power away from an increasingly delegitimized military regime.

Organized labor still faces many threats in the form of economic crises, government repression, and lasting changes to the status of trade unions and employment in an increasingly globalized world. However, as evidenced by its ability to adapt to the novel circumstance of COVID-19, the workers’ movement has the determination to withstand these challenges and emerge even stronger, thereby enabling it to continue to play a vital role in the struggle for political change.

Endnotes

4 Sylvia Kritzinger, Martial Foucault, Romain Lachat, Julia Partheymüller, Carolina Plescia & Sylvain Brouard, “‘Rally round the flag’: the COVID-19 crisis and trust in the national government,” West European Politics, 44:5-6 (2021)
6 ibid
8 ibid
10 Phrase borrowed from Max de Haldevang, “Coronavirus has crippled global protest movements,” Quartz, April 1, 2020.
11 Interview with author, July 20, 2021
For example, the emblematic protest slogan of the hirak revolution “Yetnahaw ga’ (They all must go)” was repurposed to say “Yetnahaw ga’? Ehh! Nnoutou ga’ ? La! (They all must go? Yes! We all must die? No!)”


See https://www.facebook.com/groups/HirakMemes/ for examples


Law No. 20-06, Algerian Penal Code (April 22, 2020)


Who are unions for?
Snapshots of union-activist relations in Redeyef, Tunisia, in the late Ben Ali era

Chantal Berman, Georgetown University

Tunisia’s powerful premier labor union, the UGTT, has inspired a rich literature on the relationship between organized labor and the state. Such debates tend to engage competing visions for the role of unions within society more broadly: as lobbying organizations representing their own members vis-à-vis capital; as public organizations serving a mediation role between society and state; or as nationalist organizations providing “guard rails” for political developments. The question of “who are unions for” is multi-faceted and multi-scalar. Here, I aim to unpack one dimension: the shifting relationship between labor unions and non-syndicalized social protest movements in a restrictive authoritarian environment. I examine these dynamics through a micro-study of union-activist relations in the town of Redeyef, Tunisia, at several junctures during the late Ben Ali period.

Comprising 24 regional unions, 19 sectoral federations, and 21 general unions, in addition to a number of commissions and an affiliated weekly newspaper, the UGTT has long been considered as Tunisia’s largest and most important civil society organization. While some scholars have emphasized the union’s independence, noting how the UGTT’s internally democratic procedures created space for dissent, others have referred to the UGTT in the late Ben Ali era as a “docile organization dispensing patronage; its more militant members were muzzled.” Others have emphasized temporal shifts along a continuum of co-optation vs. political opposition. Many have rightly pointed to divisions and debates among unionists and syndicates over the appropriate relationship between unionists and state power, a theme that also becomes visible in the study of union-activist relations.

State-union relations and union-activist relations arguably form two sides of a mobius strip. The ways in which unionists engage with rebellious protesters are inexorably shaped by the types of ties they strive to cultivate with political authorities, and vice versa. Unionists may choose to support social protesters and facilitate their interactions with the state; they may stand idly by as protests escalate or dwindle; they may even collaborate with states and regimes to undermine protest movements. Activists, in turn, may seek to cultivate union support or they may reject union mediation, or at times even frame unions as a focal point for popular anger.

In this exploratory essay, I advance several theoretical propositions. First, I examine how structural conditions both generate and constrain possibilities for union-activist collaboration. Several pieces in this volume have focused on dynamics of labor market dualism (see Hertog, Lacouture, and Ketchley/Eibl in this volume). The study of union-activist relations in the late Ben Ali era may also be framed as question of what happens when labor market “insiders” confront a growing (and increasingly mobilized) class of labor market “outsiders.” I find that dualistic labor markets inform the grievances of “outsiders” as well as the prerogatives of different unionized actors in confronting and supporting these claims. Second, the essay characterizes union-activist relations as both strategic and ideological, reflecting actors’ calculations about the costs and benefits of collaboration as well as their social and moral reasoning over the value of union-activist solidarity. Finally, the essay illustrates how union-activist relations are often triangulated with local political authorities, whose prerogatives and political alliances also shape the possibility for meaningful mediation between unions, activists, and the state.

Research Design & Local Context

Redeyef, a mountain town of 27,000 in the phosphate-mining region of Gafsa abutting the Algerian border, represents a crucial micro-site for understanding labor-activist relations in the late Ben Ali era and beyond. Historically a hub of leftist activity, Redeyef was the center
of the 2008 mining basin rebellion – arguably the most significant social protest movement of the decade, and a precursor movement for the claims and tactics that animated the revolutionary uprising three years later. In the post-revolutionary period, Redeyef has remained a center of social activism, with local campaigns often gaining national attention, such as the prolonged campaign to safeguard public water supplies from industrial usage.

Redeyef – and the broader mining basin – afford an opportunity to understand the intersection of two vital trends in North Africa’s political economy: labor market dualism and natural resource governance. Phosphates are Tunisia’s most important mineral commodity, mined in the Gafsa region since colonial occupation, and exported from coastal processes facilities in Sfax and Gabes. In the early 2000s, the public phosphate mining company CPG achieved a record 4% average increase in productivity, providing a major source of revenue for the state. At the same time, CPG came under fire from mining basin residents for its corrupt hiring practices and, more broadly, for its increasing failure to provide jobs and other social benefits in the decades following the onset of liberalization in Tunisia. Employment had been drastically reduced; from 14,000 in the early 1980s to 6-8,000 in the 1990s, reaching a low point of 5,300 in 2007, on the eve of the 2008 uprising.

These changes drove an increasing social divide between residents benefitting from full-time, unionized labor in the CPG itself, residents suffering from unemployment, and residents toiling for lower wages in the phosphate subcontracting sector, a constellation of private and semi-private companies providing subsidiary functions to mining (cleaning plants, transporting materials), whose workforces were barred from unionization. Facing such an extreme instantiation of workforce dualism, and a discrepancy between nationalized phosphate profits and local marginalization, emergent mobilizations during the early 20th century asserted a right to work – understood as a right to dignified, well-renumerated, and union-eligible employment. Accordingly, activists framed pervasive joblessness as a violation of rights revealing the corrupt and exclusionary nature of the Ben Ali regime.

In this short piece, I do not attempt a full accounting of the social and political movements that have rocked the mining basin towns, nor do I offer a complete history of the phosphate sector or the UGTT during this period. Instead, I focus on several “snapshots” of union-activist relations representing dynamics of representation, rupture, and (partial) reconciliation in the handful of years surrounding the historic 2008 uprising. These moments are illustrated and interpreted mainly through interviews conducted in 2016, 2017, and 2020. I also draw on published scholarship and contemporaneous newspaper accounts.

Redeyef represents, in many ways, an extraordinary town – a center of activism as well as a site of extreme labor market dualism and structural marginalization. Redeyef’s value as an “extreme case” allows us to more clearly observe some of the mechanisms underlying patterns of union-activist relations. Further, I note that the interview recollections cited in this short and exploratory essay represent the views of a particular set of actors – local, mainly supportive of non-syndical movements, and mainly representing syndicates (and therefore, professions) outside of CPG’s mining activities. Further research may target other locales in order to understand how well these patterns generalize throughout Tunisia, and further interviews with opposing views will help to enrich and nuance these accounts.

**Representation: The UGTT as a conduit for micro-grievances in Redeyef**

Scholars of contention in the Tunisian mining basin often focus on the historic events of the first half of 2008, and with good reason. Yet rumblings of discontent and collective action may be traced back several years earlier, and analyzing union-activist relations during this period can provide an important foundation for understanding the rupture and reconfiguration that came later. Following the founding of Tunisia’s Union of Unemployed Graduates (UDC) in 2005, the unemployed graduates of the mining region held a series of sit-ins and public hunger strikes in 2006 and 2007 to demand recruitment into appropriate jobs. Despite its adoption of “union” terminology, the
UDC was (and remains) a separate organization from the UGTT, as its constituency – the jobless – by definition are ineligible for syndical membership. Nonetheless, the unemployed graduates of Redeyef appealed to UGTT unionists to facilitate their interactions with local authorities, and to shield them – to the extent possible – from aggressive security forces. Hassen, a founding member of the UDC in Redeyef, recalled these dynamics:

We used to spread the word between all the unemployed graduates to meet up in front of the local UGTT office and then head to the delegation office. What naturally happened afterwards was that the authorities brought in armies of security forces so that we can’t stay there. However, we continued our sit-ins with the help of local syndicates like the secondary education syndicate, the railways syndicate, and the health syndicate.

The pressure resulted in having the authorities come and have a dialogue with us in the presence of those syndicates that were supporting us. We began negotiating with the delegate himself and we achieved some goals, namely having some of our people recruited. We were at that time twelve people who protested, including three women. The authority started recruiting one at a time. Eight out the twelve protesters got recruited because of the daily pressure of our protests, and thanks to the UGTT syndicates that would sometimes negotiate on our behalf.12

Hassen details an important trend of “outsider” activists – and in particular, unemployed graduates – appealing to local union actors to support their claims vis-à-vis local authorities. Though certainly not all unionists were willing to offer support, those that did drew on an expansive vision of trade unionism that was common within certain syndicates, such as education and health, where adherents viewed the union as pursuing a broader social mission of representation for social and symbolic causes.13 Many interviewees thus described a hierarchical system where demands of non-syndicalized actors might nonetheless be channeled upwards through the local, regional, and perhaps national branches of the UGTT, creating channels for representation not often available through electoral process or through direct, unmediated contact with political authorities.14 Of course, not all social activists in this period gained support from unionists, and activists seeking such mediation were at the mercy of local and regional UGTT officials, whose own material and organizational interests – as the following section will detail – may well conflict with the claims or tactics embraced by these outsiders.

Rupture: Union ambivalence in the face of mass mobilization

The CPG recruitment cycle of January 2008, represented a watershed moment for social mobilization in Redeyef. Just as the town of Redeyef represents an “extreme case” geographically, the 2008 rebellion may be thought of as an extreme case temporally.15 In a context where gatherings of twelve individuals could be subject to police harassment, and where rare moments of mass protest usually swelled and resolved in a matter of days,16 the Redeyef rebellion saw large protest marches, sit-ins, and strikes become regular and sustained over a period of six months.17 As protests escalated, activists shifted from a set of highly specific demands – namely, to retract and revise the results of the recruitment – to more global claims for development, social support, and environmental governance in the region.18

Crucially, the 2008 mobilizations in Redeyef targeted not only the state and the phosphate company, but also the UGTT, and on multiple levels. Activists denounced regional UGTT Secretary General for Gafsa, Amara Abassi, for his corrupt personal business in the phosphate subcontracting sector. They also accused the local mining syndicates of using their privileged position to fix recruitment contests in favor of relatives and other close contacts, thus denying some families the opportunity for employment altogether. Redeyef residents active in the 2008 movement framed these unionist misdeeds as both reflecting and exacerbating the corrupt and exclusionary practices of the Ben Ali state.
The protest leadership drew heavily from Redeyef’s non-mining local syndicates, in particular those affiliated with education. The rebellion’s leader and chief negotiator, Adnane Hajji, was a member of the secondary education syndicate, as were other important figures. Membership in these more rebellious syndicates overlapped significantly with other associational memberships, including the Tunisian League of Human Rights (LTDH), the Communist party (PCOT), and the editorial team of al-badil / sawt-ash-sha'b. Yet despite entreaties from these activist-unionists, the UGTT’s national leadership in Tunis declined to provide vocal or material support for the Redeyef movement during the six-month campaign. In the view of many interviewees, this reticence reflected the will of regional Gafsa Secretary General Abassi, a principal target of the movement, whose position within the union’s scalar hierarchy allowed him to act as a filter for information about the revolt reaching the executive bureau.

The rebellion faced an increasingly militarized response from police forces, as well as drastic movement restrictions within and between the mining basin towns. In June, the movement was swiftly decapitated by a series of military raids leading to the arrest of movement leaders. Another blow came when the UGTT decided not to participate in the legal defense of the imprisoned activist leaders. The leadership at one point went so far as to strip Hajji of his unionist credentials, in order to avoid the responsibility to represent him against the state. The initial legal defense of mining basin activists in 2009 was led instead by other lawyers including the leftist militant Chokri Belaid. In a shambsic trial, the activists were sentenced to varying prison terms.

(Partial) Reconciliation: Unity confronting natural disaster

The rebellion of 2008 and the trials that followed left the local syndicates of Redeyef divided against each other and alienated from much of the activist public. Redeyef residents continued to support their imprisoned protest leaders and remained angry with the national UGTT for its perceived abandonment of these heroes. Though a vocal minority of pro-Hajji, anti-Abassi unionists made moves to oppose the latter’s continued dominance in the regional UGTT in late 2008 and 2009, they were unsuccessful; Abassi would remain in his position until shortly after the 2011 revolution.

In September of 2009, a flash flood inundated Redeyef, killing at least 15 residents and rendering many more homeless. Redeyef’s local syndicates used the floods as an opportunity for local reconciliation as well as a chance to re-approach the union’s national leadership over its treatment of the detained protest leaders. Omar, who was at the time a unionist in the secondary education syndicate, recounted this process:

We tried to invest in that catastrophe and to use it in order to unify people and to export an image to the public opinion... After these incidents (the campaign of 2008), people became divided and syndicates were not unified. So we used that opportunity and we came to this place and held a meeting in this office, which a member of the regional UGTT attended in addition to all of the local syndicates.

That meeting was historical. Such meeting in no way took place before that time.

Everyone came and gathered and we ended up with a statement. I was the one in charge of drafting it at that day and I was in a dilemma because of this. The majority of people wanted to blame CPG, but the mining syndicates were afraid. There was also a political dispute. Some wanted to appeal to the President to release the prisoners and others didn’t agree to do that. And when this happened, we made a decision that the first thing that needs to be mentioned in the statement was declaring Redeyef a disaster area. We reached a compromise on that. Among our demands was investigating the death of people and holding people accountable.

We tried to invest in that catastrophe and to use it in order to unify people and to export an image to the public opinion... After these incidents (the campaign of 2008), people became divided and syndicates were not unified. So we used that opportunity and we came to this place and held a meeting in this office, which a member of the regional UGTT attended in addition to all of the local syndicates.

And at the end of the statement, we wanted to know what should be written. Some wanted to appeal to
the President, but others refused. And they asked me to solve the issue. I told them: we neither appeal to the President nor let this matter escape us. And as unionists, we'll ask the Secretary General (Abdessalem Jrad) to appeal to the president to release the prisoners.

And the good thing was the fact that we approved the statement locally and sent it to the regional and central UGTT... Thanks to our connections, we managed to get that statement to the highest level of UGTT and that was when the prisoners got released on November 4, 2010, when a presidential pardon was issued.

Omar’s accounting of the syndical meetings following the Redeyef floods reveals a great deal. First, we should note two important dynamics in opposition: on the one hand, a strong desire to reconcile among the members of Redeyef’s locals, who continued to live as neighbors in a small town scarred by tragic repression followed by natural disaster; on the other, persistent tensions over the unionists’ willingness to confront or indict the state and the CPG in their communiques. The “compromise” of addressing Secretary Jrad represented, in some sense, a reassertion of prior syndical hierarchies, by which social entreaties would be “channeled” upwards through regional and national union figures, rather than presented to the state officials directly. Finally, we may note the success of this approach in achieving a crucial goal; by this accounting, Jrad’s pressure was key to freeing some of the Redeyef protest leaders.22

**Conclusion and call for further research**

This short essay aims to shed light on localized union-activist relations in Redeyef through several illustrative “moments” surrounding the 2008 mining basin rebellion. More research is needed to precisely situate these instances within broader trends, temporally and geospatially. The pardon that Redeyef unionists sought for the imprisoned negotiators arrived roughly one month before protests erupted again in Tunisia’s South, this time spreading rapidly throughout the country and deposing President Ben Ali, paving the way for a political transition in Tunisia. The post-revolutionary period in the mining basin saw such hierarchy and channeling functions again reconfigured, as tremendous levels of social protest rocked the country, and as the UGTT itself entered into a period of reckoning with its relationship to the Ben Ali regime and its role in society. Further writings will explore these later transformations in local union-activist relations.

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**Endnotes**

6 Author interview, March 2017.
7 Author interview with former GCP management, February 2017.
9 An analysis of the region’s political economy, published in the communist party newspaper *Sawt ash-Sha'b* in 2004, framed the struggle as follows: “The right to work is sacred, regardless of gender, color, and orientation... and it is the entryway to a dignified life and true citizenship. It is natural that guaranteeing this right is entrusted to the ruling system because it is the one who controls the country’s general choices. But today this system of government violates this right because its choices are hostile to the interests of the people. Therefore, the current reality makes us link the guarantee of the right to work with the collective struggle against the corrupt regime of government.” (Italics mine.) https://www.albadil.info/%D8%A7%D9%84%D8%A8%D8%AF%D9%84-%D8%A7%D9%84-%D8%B7%D9%86%D9%8A/article-%D9%87%D9%84-%D9%85%D9%86-
For example, I have not been able to interview the principal syndical opponent of the 2008 movement, regional UGTT Secretary General at that time Amara Abassi, whose prerogatives are reconstructed here mainly through news coverage and his opponents’ recollections.

https://www.albadil.info/%D8%A8%D8%AF%D9%8A%D9%84-%D8%A7%D9%84%D8%B4%D8%A8%D8%A7%D8%A8/article/%D8%A8%D9%80%D9%80%D9%84%D8%BA-%D8%A5%D8%B9%D9%84%D8%A7%D9%85%D9%8A

Interview with the author, February 2020.


Protests “organized” in this manner also went beyond unemployed graduates sit-ins, and included demonstrations over issues of international importance to the population, such as mobilizations against the U.S. war on Iraq.

Many thanks to Laryssa Chomiak for this excellent point.

Messoud Romdhani, a scholar and activist who was a founding member of the 2008 Committee to Support the Mining Basin, made this important point in an interview with the author in March 2017.


The rebellion’s leader, Adnane Hajji, in particular disdained the kind of micro-concessions that local officials began offering to placate the rebellion – many of which mirror the concessions that UGTT leaders had secured for unemployed graduates in prior years. Interview with the author, Tunis, Tunisia. February 2017.

Author interviews. Redeyef, Tunisia. 2020.

Belaid remained active in left politics after the 2011 revolution and was assassinated near his home in February 2013. One of two major assassinations that destabilized Tunisia during the Troika period, Belaid’s killing lead to widespread outrage and protests across Tunisia. His death remains a source of immense grief for mining basin activists.

Interview in Redeyef, Tunisia. February 2-2-.

It is important to note, however, that individuals imprisoned for their role in the 2008 rebellion achieved freedom at different times. Some remained in prison until after the 2011 revolution.
Youth and Labor Discourses in the MENA region: A Tournament of Narratives and their Implications

Nada Berrada, Virginia Polytechnic Institute and State University

In a period of neoliberalism and rapid globalization, youth coming of age have witnessed their access to quality employment further hampered by the COVID-19 pandemic. Worldwide, one in six young people have lost their jobs since the onset of the pandemic. Youth in MENA countries constitute a demographic majority and face one of the highest unemployment rates in the world, especially those living in historically marginalized communities.

Authors studying youth conditions have argued that neoliberalism regulates the everyday lives of young individuals, influencing their opportunities for employment. Neoliberalism is a political and economic approach that favors market-oriented policies with a cutback in government spending. It is displayed in how the state infuses market values into all aspects of society, encouraging individuals to re-envision and redefine their roles as citizens and perceive themselves as consumers, investors, and entrepreneurs instead.

Many authors have described neoliberalism as an exploitative system that widens inequality and is reinforced through discourse and practice by governments, corporations, international organizations, schools, universities, prison systems, NGOs, and civil society organizations.

Neoliberal thinking perpetuates two principal assumptions that cloud an understanding of youth labor issues in the MENA region:

– First, it obscures the fact that there are not enough jobs created in MENA countries to provide placements for all the young people seeking them. Instead, it focuses on individual capability to obtain and maintain a job.

– Second, such a focus on the individual level ignores the structural factors mediating employment and instead focuses on the personal “potential” irrespective of what conditions may be necessary to secure employment.

Young people from the MENA region find themselves in a tournament of discourses not of their own making. This article explores the neoliberal assumptions embedded in discourses of the ‘youth bulge’ as well as the concept of “Waithood.” Then, to showcase the consequences of those narratives when employed to guide policy design and youth-centered activities, I offer two examples: youth unemployment and entrepreneurship.

Tournament of Narratives: Youth Bulge and Waithood Discourses

The Youth Bulge

MENA youth are often defined as a demographic impediment. The fast-growing young population has created what analysts refer to as “a youth bulge,” a baby boom created by a period of declining infant mortality coinciding with a high fertility rate. The term ‘youth bulge’ is often used to indicate a growing youth demographic that includes everyone under the age of 30 and is used interchangeably with the idea of a youthful age structure in a country’s population.

The term youth bulge is fraught with connotations. In this discourse, young people have been viewed as a human resource that, if not mobilized ‘efficiently,’ is likely to become a social risk. In this sense, youth has become a signifier that embodies both potential and risk. Many actors have engaged in this binary discourse, as the examples below demonstrate. Whereas some countries in East Asia have seen a youth bulge translate into fast economic growth, Murphy argues that the youth bulge in the MENA nations has instead resulted in a “poor return” for their states:
A youth bulge should be an opportunity for economic growth—a ‘demographic gift’ of dynamic, working-age, lower-dependency ratio individuals who can contribute to the productive and savings sectors of the economy. Instead, the region is experiencing a bulge of dependent, under-utilized and increasingly impoverished individuals who represent a poor return on the educational investment already made. The promises of post-independence regimes not only remain unfulfilled, but for those who were born too late to play a part in bringing them to power, the gap between rhetoric and reality leaves a deep sense of alienation and exclusion.⁸

The Arab Human Development (AHD) Youth report issued by the UNDP in 2016 highlighted the disparate portrayals of youth as both a force for potential social benefit and destruction:

Today’s generation of young people is more educated, active and connected to the outside world, and hence has a greater awareness of their realities and higher aspirations for a better future. However, young people’s awareness of their capabilities and rights collides with a reality that marginalizes them and blocks their pathways to express their opinions, actively participate or earn a living. As a result, instead of being a massive potential for building the future, youth can become an overwhelming power for destruction.⁹

Sunil John, founder and executive of the public relations agency ASDAA Burson-Marsteller, wrote in the 2016 Arab Youth Survey’s opening statement that youth represent an untapped potential:

There are 200 million young people in the Middle East and North Africa. Always spirited, often frustrated, they represent either the region’s biggest dividend, or its biggest threat. It is my personal view that they are a dividend; a wellspring of untapped potential to rival any oil or gas field, and a net benefit to the region and the world.¹⁰

Last but not least, Dhillon, an economist affiliated with the Brookings Institution, offered this description of the double-connoted character of the youth bulge:

The region faces a scenario of double dividend or double jeopardy (…) the region has a large youth bulge, presenting a large pool of human capital which if used productively can usher growth and prosperity. If countries can take advantage of the confluence of these two historic gifts, they can create a virtuous cycle of higher growth, higher incomes and savings. Failure to do so will result in a double jeopardy: the economic and social exclusion of youth drains growth and creates social strife. But the time for securing this double dividend is now. The window of opportunity – where countries have fewer dependents – will close in the next ten to fifteen years.¹¹

While many countries in Europe have an economic need for young people given their low youth demographic, many analysts have portrayed a large youth demographic in MENA nations as too many Muslim youths who constitute a “disruptive and even dangerous element[s] about whom something should be done.”¹² The concern is that the large groups of youth with limited or no economic opportunity are at risk of being radicalized and drawn into violent (and other) forms of extremism.

Youth bulge theorists claim that it is not the innate characteristics of young people that can lead to social unrest, but competition for limited resources and job opportunities that can yield such conflict.¹³ For example, the Asian Tiger countries (Singapore, Hong Kong, South Korea, and Taiwan) were able to capitalize on their young populations in part because of education and economic policies that turned their human capital to economic and social advantage.¹⁴ These cases are presented as examples in which a youth bulge became a “demographic dividend or gift.”¹⁵

Some MENA region analysts have argued that it may already be too late to realize the area’s demographic gift as “the crest of the demographic wave has passed” as
international attention is shifting to Sub-Saharan Africa as the region with the largest population share of youth. As a response to the youth bulge, these statements illustrate how youth in the MENA region are lumped together in a group that disregards their individualities and subjectivities. In these narratives, there is rarely any emphasis on youth and how important it is for them to earn decent employment and livelihood. Instead, they are regarded as a human resource that needs to bring in capital and to constitute a “return on investment” to states and industries to be considered non-threatening.

Waithood

Scholars have sought to describe the period in which young people are unable to fully enter “adult” life with the scarcity of economic opportunities in MENA countries. Waithood is thus “a twilight zone between childhood and adulthood” following a period of adolescence distinguished by a sense of dependency:

Waithood, as a phenomenon, is fueled by four factors: the youth bulge, delayed marriage, youth unemployment, and the high costs of marriage. Scholars employing the concept of Waithood have drawn from life course and transition studies that assume a linear progression from childhood (immaturity) to adulthood (maturity). Waithood is defined against the transitional steps that entail moving from school to work, from the parental home to one’s own housing, and from being single to marrying and creating a family. Waithood often “pathologizes” transitions outside of the norm it assumes. Political discourse employing Waithood tends to place the “blame” on young people instead of the broader structural contexts of which they are a part. For instance, while Waithood recognizes some of the difficulties young people encounter in the MENA countries, those who employ the idea nonetheless often depict the region’s youth as malingerers. Waiting, generally speaking, indicates not doing anything until something else happens. It points to passivity and thereby fails to capture the efforts of millions of young individuals in MENA countries as they negotiate their lives every day.

This period of Waithood has led some scholars to label MENA youth a “precariat,” a term that refers to a youth class living in insecurity and moving in and out of jobs that give little meaning to their life and experiencing “the 4 A’s: anger, anomie, anxiety, and alienation.” However, summarizing youth “precariat” experience as anger, anomie, anxiety, and alienation fails to recognize the challenges, joys, and small successes those individuals confront daily. Like the “youth bulge” descriptor, Waithood leads those who adopt it to imagine that the everyday life experiences of MENA youth are relatively homogeneous when they are surely not.

Consequences of Youth Narratives on Policy Design and Activities

To showcase how the youth bulge and Waithood narratives shape young people’s lives and policymaking, I offer two examples: youth unemployment and entrepreneurship.

Youth unemployment

With one of the highest levels of youth unemployment globally, reaching 30 percent in 2017, it is difficult to find a reference that discusses youth in the MENA region without addressing joblessness as a critical concern. Sukarieh and Tannock have considered this fascination with youth unemployment by asking hard questions about its origins:

Why are academics and other elite social actors talking about ‘youth unemployment’ in the first place, as opposed to unemployment more generally? Who is talking about youth unemployment, and in the service of which interests and agendas? What work is the category of youth performing, to shape the experiences and actions not just of young people with respect to unemployment, but those of a wide range of other (adult) actors as well?
Youth unemployment occurs in a global context influenced by neoliberalism. Sukarieh and Tannock\(^27\) have critiqued the framing of youth unemployment as a ‘youth problem’ rather than an ‘employment issue.’ Framing unemployment as a youth generation problem draws attention away from the effects of structural issues that create that condition, including social inequality and poverty. It also distracts from the fact that the single most crucial factor for high rates of youth unemployment has been the ongoing inability of MENA nations’ economies to create enough decent employment opportunities for those seeking positions.\(^28\)

USAID, the World Bank, and other regional organizations have developed programs to address high unemployment levels among young people. However, most of these initiatives have sought to prepare youth for the job market through skills training. Accordingly, Sukarieh and Tannock\(^29\) have observed that the unemployment issue has been used to promote business-friendly agendas instead of addressing the underlying problem of insufficiency of jobs:

> Alongside this fear and anxiety, youth unemployment, as a concept and issue, has also been embraced by global elites as a political opportunity that enables them to frame unemployment as being, first and foremost, a problem of youth, and to use this problem as a way to promote business-friendly agendas.\(^30\)

The call to address ‘youth unemployment’ as opposed to unemployment, in general, is also a testament to the widespread fear that a youth population in “Waithood” would engage in crime, violence, unrest, rioting, and that these would result in elite loss of control of society.\(^31\) Journalists and political officials alike have often employed the phrase “ticking time bomb” in recent years to refer to the dangers of a large unemployed youth demographic. Calling young people a “ticking time bomb” is a form of epistemic violence. When youth are framed as a liability to manage, they are not provided with opportunities to be trusted and to play constructive roles in policymaking. Instead, state, and other international actors seek to manage them rather than work with them to ensure opportunities for them to thrive. Put differently, youth have too often been defined as the problem.

### Entrepreneurship

International organizations, the private sector, and governments have tapped into narratives of youth empowerment to serve a political and economic agenda and conceal states’ inability to remediate the inequalities created by capitalism.\(^32\) Youth described as resilient, creative, and resourceful are encouraged to become entrepreneurs and pull themselves up by their proverbial bootstraps. These narratives call for an effort to tap into individual’s entrepreneurial skills within an institutional framework that provides weak financial support, safety net, or mentorship. Indeed, the “average rank of Arab countries in terms of access to credit was 130 out of 190 economies,” which puts youth at a disadvantage since they have limited credit histories and collateral.\(^33\) In addition, the average share of MENA youth engaged in an early stage of entrepreneurial activity is 9.3 percent, one of the lowest percentages in the world.\(^34\) These numbers are daunting. In Egypt, entrepreneurs are twice as likely to be driven by necessity than any other country. In Morocco, 64% of people seeing opportunities would be deterred from starting a business from fear of failure.\(^35\) When entrepreneurship is promoted as an adequate response to a lack of job opportunities in societies that do not provide sufficient support for such individuals to thrive, the most likely outcome is a reinforcement of existing income and wealth disparities.

This article has argued that narratives depicting labor and youth in the MENA region are powerful, have enduring consequences, and are too often negatively connotated and reductive. By embracing discourses that obscure the realities experienced by young people; states, private companies, international organizations, scholars, officials, and commentators have hidden the structural injustices those youth confront in the labor market. They also have, more importantly, compromised the capacity of many MENA youth to obtain gainful and fulfilling employment and education.
References


Endnotes

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3 Harvey, 2005
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Introduction

MENA governments have faced an enduring challenge in seeking to provide citizens with jobs. In private-sector labor markets of the Gulf Cooperation Council (GCC), this has primarily taken the form of workforce nationalization: replacing expatriate workers (historically the mainstay of private-sector employment) with citizens. In Saudi Arabia, the Ministry of Labor (MoL) has enforced workplace “Saudization” quotas more stringently in recent years, yet the private sector continued to rely on expatriate employees for around 77% of positions as of April 2021. Despite years of Saudi officials presenting the private sector as an “engine” of jobs growth in the Kingdom (see Hertog in this volume), most young Saudis continue to hold out hope of securing scarce but better-paid public-sector jobs.

As Berrada points out in this collection, policy advice to MENA governments has often stressed the potential for targeted programs—whether improved education systems or public information campaigns—to shape the labor-market behavior and attitudes of citizen job-seekers. Regional governments rarely assess, however, whether these technical fixes are effective at boosting employment or even successfully implemented to begin with. Questions of implementation are particularly relevant for the Arab Gulf monarchies of the GCC, where leaders possess the financial capital and political autonomy to pursue ambitious regulatory reforms yet have often been stymied by fragmented bureaucracies.

In this memo, we focus on the implementation of a specific, citizen-oriented labor-market policy within Saudi Arabia: Hafiz (“incentive”), a form of unemployment insurance. Hafiz is designed to support longer, higher-quality job searches that can match Saudi job-seekers with better opportunities in the private sector, increasing retention of Saudi workers among local firms; the program also connected job-seekers with various other training programs administered by the Human Resources Development Fund (HRDF), a part of the Saudi Ministry of Labor (MoL).

In fieldwork and original survey data, however, we observe relatively low utilization rates for Hafiz even among the unemployed. This indicates not only a present challenge for utilizing Hafiz to shape Saudi labor-market behavior, but also future difficulties in implementing more complex labor-market programs. Despite some evidence that targeted policy interventions can lead Saudi job-seekers to expend greater effort to secure private-sector positions, MoL institutions may struggle to implement these programs at a scale that can make a meaningful difference for Saudi labor-market outcomes.

State Capacity & Citizen Uptake

Where bureaucratic capacity and political appeared to be the principal barriers to Saudi labor-market reform in the early 2000s, the past decade has seen clear indicators of increasing administrative capacity among Saudi state institutions and the relatively strict enforcement of new regulations. The advent of the Nitaqat regulatory program—a program of firm-specific quotas for Saudization—spurred the collection of considerable labor-market data beyond periodic labor-force surveys that estimated the aggregate size of the labor market. In a sign of improved accuracy, increasingly centralized data-gathering eventually resulted in a sizeable correction: the official
number of employed Saudis dropped from around 5 million to around 3 million between Q3 2016 and Q4 2016. Accurate data has also permitted more targeted enforcement of regulations. Prior to 2011, the lack of accurate data and monitoring capacity meant that the Ministry of Labor was restricted to the blunt policy instruments of either limiting the aggregate number of visas for expatriate workers or forcing the Saudization of an entire class of work. Under Nitaqat, however, the Ministry is able to set much more targeted goals for the Saudization based on the characteristics of a given sector, while sanctioning particular firms for their lack of compliance rather than the “private sector” as a whole. While concerns remain over Nitaqat’s effectiveness, the Saudi government has enforced the program despite the closure of thousands of firms unable to comply with Saudization quotas.

Saudi policymakers have also faced the challenge of encouraging Saudi citizens to seek out private-sector positions and equipping them with the skills to retain such employment. A range of programs across the GCC have sought to encourage citizens to “be better educated and prepared to compete in the labor market.” In searching for policy interventions to achieve this, the MoL has drawn on expertise including Takamol Holding Co., an MoL-created management consultancy tasked with supporting the implementation of labor-market programs; international management consultants, such as the Boston Consulting Group; and various academics affiliated with the Evidence for Policy Design (EPoD) program at the Harvard Kennedy School (which funded the fieldwork and data collection that forms the basis for this memo).

While several studies have examined Saudi firms’ behavior in reaction to the Nitaqat regulations, along with the effect of small-scale information interventions, there has been little direct study of labor-market policy uptake among Saudi citizens. We therefore focus on citizens’ awareness of Hafiz, a form of unemployment insurance that provides a monthly stipend of SAR 2,000 (2/3 of the monthly minimum wage for citizens of SAR 3,000) to support Saudis during extended job searches. The terms of the program require a weekly, online check-in to report on job-search activities, though there is no specific level of activity required beyond checking in. Hafiz is a foundational program among recent Saudi labor-market reforms, enrolling Saudi job-seekers in a nationwide employment database and serving to connect these citizens with relevant training programs. Saudi citizens have strong incentives to apply for this program, due to the direct material benefits it provides and the limited eligibility requirements for the program. Accordingly, awareness of the program is not only substantively important in its own right but serves as an indicator of how well MoL is communicating a wide range of MoL programs.

If anything, existing concerns regarding Hafiz are that the program is over-utilized, benefiting citizens who have little intention of looking for work. More than 79 percent of the recipients before February 2012 stayed in the program for the full 12 months of eligibility, suggesting either quite difficult job searches or little effort to find work. The number of Hafiz beneficiaries in 2012 was also double the estimated number of unemployed Saudis in the 2012 Saudi labor market survey, suggesting that some individuals who reported being “out of the labor force” nevertheless enrolled in the program. In particular, a jump in female unemployment rate in 2011, coinciding with the introduction of Hafiz, has led to some speculation that this resulted from Saudi women simply seeking out the benefits of the program (though this may simply represent a continued increase in the number of Saudi women seeking jobs). Technically, the program is divided into “Hafiz 1” (for those aged 20 to 35 looking for their first job) and “Hafiz 2,” launched in 2014 to support citizens aged 35 to 60 who struggled to find work.

For Hafiz 1, there was no marketing campaign targeting the beneficiaries; the Saudi Press Agency announced the formation of the program by a royal decree in 2011, with an MoL press conference following soon thereafter. Nor was there an independent effort to communicate the benefits available through Hafiz 2, that was launched in 2014. Immediate registration of some 1 million Saudis
for Hafiz 1 in the first 9 months of its existence likely reinforced the idea that these programs were too simple to need ample messaging or explanation for the Saudi public. In the years since, much communication by MoL and HRDF regarding Hafiz and other programs has taken place through a range of social media platforms, particularly on Twitter (@HRDFNews) and Instagram (@hrdfnews). There are also efforts to develop awareness of labor-market programs through cooperative agreements with university employment offices and on-campus workshops.

If these communication efforts are effective, then we should find that most unemployed Saudis are making use of Hafiz or have done so at some point. A finding that Hafiz is not widely known, or not utilized by individuals who report being unemployed, would suggest that the program not only suffers from “false positives” (Hafiz beneficiaries who are not job-seekers) but also “false negatives” (job-seekers who are not registered for Hafiz benefits). This would in turn suggest that even straightforward policies with immediate benefits require better communication to citizens regarding how these policies function. It also suggests even greater difficulties in encouraging citizens to participate in training programs that offer fewer direct benefits and require more effort from citizens themselves to be effective.

**Citizens’ Awareness and Utilization**

We fielded an original telephone survey of just over 2,700 Saudi citizens from August to October of 2020, incorporating representative samples of 3 Saudi regions—Riyadh (1,000), Ha’il (724) and Jazan (600)—and smaller samples of several Saudi cities (Jeddah, Dammam and Buraidah). The survey was conducted as part of a research partnership between the Saudi Human Resources Development Fund (HRDF), an MoL agency tasked with boosting Saudi labor-force participation, and EPoD. The terms of the approved research project for this institutional collaboration governed the sample size chosen. The survey exclusively covers Saudi citizens aged 18 to 45—accounting for over 70% of the adult Saudi population, and those most likely to be concerned about finding employment (rather than looking forward to retirement. Household sampling was drawn from a 2-million-entry phone number database maintained by HRDF. This potentially biases our data in favor of respondents being more likely to have heard of HRDF programs than a “typical” Saudi citizen yet should strengthen a finding of limited awareness of HRDF programs.

![Figure 1: Awareness of Hafiz.](image)

Our survey results show that most citizens surveyed (68%) were aware of Hafiz as a policy. We break responses down according to category of employment in Figure 1. Unemployed and part-time respondents (as well as those outside of the labor force) report greater awareness of Hafiz than fully employed Saudis. We might expect this given that Hafiz directly targets the unemployed; part-time employees might have recently utilized the program before securing their current job. Still, merely being unemployed does not guarantee that Saudi citizens will learn about the program; even among the unemployed, around 25% of respondents were unaware of Hafiz.

OLS regressions indicate that awareness of Hafiz is not systematically associated with gender or income (Table 1), and only weakly correlates with age brackets. However, even controlling for whether or not respondents are currently students, those without a college education are more likely to have heard of Hafiz than those with at least a four-year degree, suggesting room for improvement in utilizing universities as a platform for informing citizens about HRDF programs.
However, the fact that only 42% of unemployed respondents reported utilizing Hafiz suggests that state institutions are not clearly communicating the opportunities afforded by these policies to Saudi citizens. In other words, around 1 in 4 unemployed Saudis in our sample has neither heard of nor utilized Hafiz, while a further 30% of so have heard of Hafiz but have not utilized the program. Fieldwork lends greater confidence to our findings. The researchers spoke to several unemployed Saudi women at one HRDF branch office who were unaware that they even qualified for Hafiz—surprising the regional director sitting in on the focus group. Furthermore, duration of unemployment appears uncorrelated with likelihood of having utilized Hafiz among respondents (Figure 2), suggesting that unemployed citizens are no more likely to learn about Hafiz over the course of unemployment.

![Hafiz Utilization among Unemployed, by Duration of Unemployment](image)

**Figure 2: Awareness/Utilization of Hafiz by duration of unemployment**

Again, despite efforts to engage universities and a rhetorical emphasis on employing recent Saudi college graduates, those without a college degree (including those with a few years of college or technical schooling) reported much higher usage rates of Hafiz than those with a college degree; each category of respondents was around 6-16 percentage points more likely to note utilization. We also observe a gender gap in utilization rates, with Saudi men being notably less likely to report utilizing the program than Saudi women.

**Conclusion**

Within the MENA region, GCC governments are pursuing reforms to nationalize labor markets and encourage citizens to pursue jobs in the private sector. To be sure, and as Steffen Hertog notes in this volume, GCC citizens face clear structural incentives to eschew private-sector careers in favor of pursuing stable, better-remunerated jobs in the public sector. So long as public-sector jobs represent a more stable, better-paid career path, citizens may have little reason to care about training programs or respond to “nudge” policies. Still, these kinds of programs offer the possibility of improving job-market outcomes at the margins. Elsewhere in this volume, Nada Barrada cautions against defining “unemployed youth,” or “the unemployed” in general, as too rigid a category; some citizens may still benefit from new labor-market policies even in the face of structural incentives to the contrary. What we lack is a clear understanding of whether existing policies can appeal to enough citizens, with a large enough effect on their job prospects, to make a meaningful difference in the face of these structural barriers.

While researchers certainly encountered many Saudis who expended great effort in pursuing or securing private-sector positions, this memo raises some concerns about the aggregate impact of these programs. Limited uptake of a program such as Hafiz, with few requirements for citizens to obtain direct material benefits, suggests even greater challenges for programs that require more active participation from citizens. Within our survey, for example, just 21% of unemployed Saudis reported participation in Doroob, a program of skills-acquisition workshops, and just 13% noted participation in Tamheer, an on-the-job training program. Outside of relatively captive grade-school school classrooms, regional states may therefore struggle to resolve labor-market challenges by shaping citizens’ “mindsets” or making more information available to job-seekers.
Table 1: OLS regressions of binary indicators variables (Have Heard of Hafiz & Have Utilized Hafiz) on explanatory variables. HC-1 corrected standard errors clustered at the region-governorate level.

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<tr>
<td>Male</td>
<td>-0.019</td>
<td>-0.106***</td>
</tr>
<tr>
<td></td>
<td>(0.027)</td>
<td>(0.022)</td>
</tr>
<tr>
<td>Income sufficient</td>
<td>-0.032</td>
<td>0.023</td>
</tr>
<tr>
<td></td>
<td>(0.038)</td>
<td>(0.029)</td>
</tr>
<tr>
<td>No college (vs. BA)</td>
<td>0.106***</td>
<td>0.129***</td>
</tr>
<tr>
<td></td>
<td>(0.030)</td>
<td>(0.031)</td>
</tr>
<tr>
<td>Some college (vs. BA)</td>
<td>0.024</td>
<td>0.110***</td>
</tr>
<tr>
<td></td>
<td>(0.065)</td>
<td>(0.024)</td>
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<tr>
<td>OOL (vs. Full emp.)</td>
<td>0.026</td>
<td>0.123***</td>
</tr>
<tr>
<td></td>
<td>(0.025)</td>
<td>(0.042)</td>
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<tr>
<td>Part-time (vs. Full emp.)</td>
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<td>0.258***</td>
</tr>
<tr>
<td></td>
<td>(0.022)</td>
<td>(0.027)</td>
</tr>
<tr>
<td>Unemployed (vs. Full emp.)</td>
<td>0.061**</td>
<td>0.131***</td>
</tr>
<tr>
<td></td>
<td>(0.028)</td>
<td>(0.033)</td>
</tr>
<tr>
<td>31 to 35 (vs. &lt; 30)</td>
<td>-0.019</td>
<td>0.091***</td>
</tr>
<tr>
<td></td>
<td>(0.030)</td>
<td>(0.024)</td>
</tr>
<tr>
<td>36 to 40 (vs. &lt; 30)</td>
<td>-0.103*</td>
<td>0.029</td>
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<tr>
<td></td>
<td>(0.062)</td>
<td>(0.048)</td>
</tr>
<tr>
<td>41 to 45 (vs. &lt; 30)</td>
<td>-0.144</td>
<td>-0.106*</td>
</tr>
<tr>
<td></td>
<td>(0.128)</td>
<td>(0.059)</td>
</tr>
<tr>
<td>Rural area</td>
<td>0.003</td>
<td>0.026***</td>
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<tr>
<td></td>
<td>(0.005)</td>
<td>(0.008)</td>
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<tr>
<td>Constant</td>
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</tr>
<tr>
<td></td>
<td>(0.035)</td>
<td>(0.061)</td>
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</table>

Region FX ✓ ✓

Observations 2,732 2,732
R² 0.048 0.075

Note: *p<0.1; **p<0.05; ***p<0.01
Endnotes

1. Variously known as the Ministry of Labor and Social Affairs (1961-2004); the Ministry of Labor, after Social Affairs was split off (2004-2015); the Ministry of Labor and Social Development, after the two ministries were merged again (2015-2019); and the Ministry of Human Resources and Social Development, after the combined ministry was merged with the Ministry of Civil Service (2019 to present). We refer to the labor-market regulation aspects of this ministry as MoL for the sake of simplicity.


3. In the survey that forms the basis for this memo, over 75% of respondents from each region and city preferred employment in the public sector, with little difference by age cohort.


7. Variously known as the Ministry of Labor and Social Affairs (1961-2004); the Ministry of Labor, after Social Affairs was split off (2004-2015); the Ministry of Labor and Social Development, after the two ministries were merged again (2015-2019); and the Ministry of Human Resources and Social Development, after the combined ministry was merged with the Ministry of Civil Service (2019 to present). We refer to the labor-market regulation aspects of this ministry as MoL for the sake of simplicity.


10. Hertog, Princes, Bureaucrats and Brokers, 185-222.


17. Technically, the program is divided into “Hafez 1” (for those aged 20 to 35 looking for their first job) and “Hafez 2,” launched in 2014 to support citizens aged 35 to 60 who struggled to find work. "<Hafez> yasruf al-da’ wa ‘ulma min <Hafez> s’ubat al-husul ‘ala al-‘aml [HRDF disburses first round of <Hafez for difficulty in finding work>]," Al-Riyadh, June 3, 2014, https://www.alyaum.com/article/6214741/unemployment-subsidy/more-than-1-million-saudis-on-unemployment-benefit-idUSBRE82R0L320120328.


22. There is little difference in practice and the two programs were later combined. "<Hafez> yasruf al-da’ wa ‘ulma min <Hafez> s’ubat al-husul ‘ala al-‘aml [HRDF disburses first round of <Hafez for difficulty in finding work>]," Al-Riyadh, June 3, 2014, https://www.alyaum.com/article/6214741/unemployment-subsidy/more-than-1-million-saudis-on-unemployment-benefit-idUSBRE82R0L320120328.


28. This is important as recent policy changes to the design of Hafez have mainly addressed participants’ failure to seek jobs, with a recent policy change phasing out benefits over time (with stipends decreasing by SAR 250 every 3 months).


30. Our survey also covers smaller samples of Saudi citizens in three other cities: Buraidah, Dammam and Jeddah. Excluding them does not substantively alter our results.

31. In other words, participants in HRDF programs might be more likely to secure part-time work, or part-time employees might be more likely to seek out HRDF programs to secure better jobs.

32. We might interpret these results as a kind of social desirability bias, with Saudi citizens unwilling to admit to having utilized Hafez out of concern that this might hinder them from registering with Hafez again. Yet respondents who believed that their statements would ultimately seen by "public-sector organizations," including HRDF, were, if anything, more likely to state that they had used Hafez.


34. As a possible explanation, fieldwork in Ha’il and Riyadh indicated close collaboration between HRDF offices and branches of the Kingdom's...


35 Cf. Jones, Bedouins into Bourgeois, 90-96.
The Case of Turkish Labor Mediation: Disenfranchising the Workers

Doga Eralp, American University

The Turkish Labor Mediation Law, established in January 2018, works at the expense of employees. The law has been utilized as a mandatory mechanism with the objective of providing labor flexibility, cutting down on court cases and speeding up the judicial process. The findings in this paper suggest that the law only served to make an already unequal relationship worse. The high rates of success reported by the Turkish Ministry of Justice are misleading and overlook the skewed process that destroyed the credibility of mandatory labor mediation in Turkey.

This article used a variety of research instruments to explore the current state of Turkey’s Labor Mediation Law and its impact on the active workforce, most of whom are individual workers employed in the service sector and manufacturing. Most of the data used in this article has been driven from secondary sources, including a survey conducted on the Turkish labor mediators, excerpts from interviews conducted with attorneys who act as mediators, labor union officials, a speech given by the head of the Turkish Bar Associations on the issue of Turkey’s labor mediation. Additional interviews were conducted over the internet using social media communication tools such as WhatsApp and Zoom with two attorneys, one representing workers in labor courts, another practicing labor mediation, and with a prominent labor activist in 2020. Interviews were designed as semi-structured, recorded online and later transcripted.

There are a number of limitations to conducting research on this particular topic. First of all, while the primary researcher-author’s academic expertise is on mediation, the author is not an expert on conducting legal research and may have missed nuanced language in the Turkish legal language, or certain legal lexicon may have been lost in translation to English. Secondly, the data on labor mediation cases has been rather thin, limited to official numbers uploaded on the Turkish Ministry of Justice’s Mediation Department website that only boasted the number of successful cases and overall rate of success (meaning the cases that concluded with an agreement). The author asked for further detailed data on the distribution of the labor mediation cases across the variety of disputes addressed using the Turkish Government’s official “e-devlet” (E-state), an online platform that is designed to enact the freedom of information act for Turkish citizens, to Ministry of Justice along with Turkish Statistical Institute, but received no feedback. This inevitably made the use of secondary data that drew on anecdotal information on labor disputes the only available resource to triangulate the data from the official resources and firsthand interviews. Thirdly, as in all social sciences that deal with the human subject with limited official data, findings from the interviews are the subjective interpretations of the workers who had lost on the mediation, thus may pose challenges vis a vis the reliability of the research.

Labor Mediation

The Turkish Alternative Dispute Resolution law is based on mediation. Mediation practice is a voluntary or mandatory conflict resolution process where a neutral and independent third party facilitates parties resolve their differences with the objective of reaching a mutually satisfactory agreement. Mediation practice is quite common in dealing with civil, administrative and criminal disputes. Mediation has been widely used in western industrialized societies to facilitate the resolution of collective disputes. Mediation is mostly used when established by statutes, even in instances where it is not mandated that management and labor resort to the use of mediation to resolve their differences.
A similar concept that is often times interchangeable with mediation is conciliation. Conciliation’s main objective is to find middle ground by seeking concessions, and thus is much more restrictive in its mandate than mediation.\(^3\)

In conciliation processes, the third party, a trained lawyer, has much more power in delivering the verdict and the decision. Procedurally, a conciliation agreement needs to be preceded by a mediation phase. "Arbitration," finally, is a more forceful form of third party intervention where the impartial arbitrator makes a binding final decision after the parties provide evidence and give testimonies. Arbitration sometimes is carried out by a committee resembling a court of judges.\(^4\)

Commercial disputes of different scales are typically resolved via arbitration; the World Trade Organization is the global body for global commercial disputes. Use of arbitration in labor disputes on the other hand, has been controversial as the trade unions see the mechanism as undercutting their collective bargaining power.\(^5\)

Previous research done on Alternative Dispute Resolution is not conclusive about the success of the process in labor disputes.\(^6\) ADR processes are cheaper than litigation. However, mandatory ADR in labor disputes may reproduce and even worsen inequalities in industrial relationships and erode workers’ access to justice, because few cases make it to the labor courts. Erosion of labor rights as a collective category in favor of individual rights that can be negotiated by the worker is the core issue. Political authoritarianism views organized labor with its potential for industrial action such as strikes and sit-ins as a significant challenge to its claim of control of the public domain. For that reason, mediation in labor disputes pushes fundamental earned collective rights of labor such as severance and termination pay towards discussion as an individual, not collective, issue that the employee could settle with the employer.

Data on the use of mediation in labor disputes suggest that its success is an extension of the trust between mediators and the parties and influenced by the expertise of the third party. Another important factor that impacts the success of mediation in labor disputes is the larger legal agenda and its objective. The main paradox in labor mediation is the almost impossible task of balancing the objective of ensuring speedy and final resolution of labor disputes with respecting the fundamental right of workers’ access to labor courts. Mediation in labor disputes by design cannot guarantee a win-win solution where both parties needs are satisfied while their rights remain undispited.

**Labor Mediation in Turkey**

The Turkish “Labor Courts Law” also known as the "Mediation as a precondition for filing a case” was enacted on January 1, 2018. According to the law, adversaries in a labor dispute are required to settle their differences via mediation. Typically, mediation by definition works based on a voluntary request by the parties. By making mediation mandatory the law aimed to curtail the high number of labor disputes backlogged in the Turkish court system in order to save time and cut down on financial loss. A second critical aspect of the law is the relatively short time period allowed for the mediated settlement of the disputes. The law dictates that the mediation process must end within three weeks, with a possible one-week extension only in extraordinary cases.

The judgments subject to Union and Collective Labor Law No.6356 are very comprehensive. They cover unfair termination of employment contracts of workplace union representatives by the employer; disputes around whether the workplace meet the conditions articulated in collective bargaining agreements; disputes on enactment of the collective bargaining agreement clauses; and most critically, disputes on the lawfulness of a strike or lock-out. Statistics published by the Mediation Directorate of Turkish Ministry of Justice indicate that out of the mediated 751,549 labor dispute cases between 2 January 2018 and 31 December 2019, 64% of cases were settled amicably. Considering that the majority of the cases were about the lawfulness of a strike, the Law served to restrict Labor Unions’ activism as the Turkish political system grew more authoritarian.
Another significant development was an amendment introduced on the Labor Law No. 4857, affecting Article 15 of the Law concerning the Statute of Limitations. The Statute concerns severance and notification compensations, compensations on acts of bad faith by the employers, and compensations as the result of unlawful termination of contracts based on violation of the principle of equal treatment. The amendment drops the Statute of Limitations to only five years in cases of unresolved labor mediation cases. Considering that litigated labor disputes take much longer in Turkish courts, as well as the significant financial cost it imposes on employees with limited financial resources, the majority of such disputes will be terminated in favor of the employers.

There are also serious unethical practices such as employer’s own attorneys acting as the mediator and holding the mediation sessions on company grounds. There has been a Court of Cassation ruling on this, yet the practice continues to culminate in procuring a very high rate of agreements in mandatory labor mediation. More importantly, what is deemed as mediation is actually the practice of conciliation. The third party aims to help parties find common ground, not a win-win solution as the nature of industrial relations is not susceptible to such endeavor.

Discussion

The Turkish mediation law further complements the erosion of labor rights in Turkey. Our findings from interviews with labor activists and mediators, along with the results from a recent survey conducted by Istanbul University’s Social Economics Center suggest three major themes: Indebtedness, Risk of Unemployment/Precarity, and De-unionization.

**Indebtedness:** According to my findings, workers settle for much less than what is due compensation for layoffs in the conciliation process. Employers use the logjam in labor courts as a bargaining chip to offer much lower compensation packages to laid off workers. When asked, many workers cite their debts to banks as the main motivation to settle for much less instead of going the litigation route that takes up to five years in average. These results are not surprising considering that the ratio of household debt to disposable income in Turkey—which was insignificant in 2003 (7%)—increased to 55% in 2013. Moreover, this trend affected low-income households the most. 42% of the borrowers of consumer loans were people earning less than 1000TL/ month. In 2013, the government limited credit expansion as the current account deficit kept rising. After the economic shock and contraction after the 2016 coup attempt (the third quarter of 2016 saw a 0.8% decline in GDP), the government again had to rely on credit expansion for restoring economic growth. Household debt increased quickly to around 50% of disposable income. Rising indebtedness functioned as a disciplining mechanism, which caused the de-radicalization of labor. ‘Fear of unemployment and financial ruin;’ the ‘indebted man’ could be disciplined and controlled, and would be forced to ‘individualized struggles to maintain existing positions of employment, income and conditions’ rather than ‘social resistance against a policy of state austerity.’ Politically, the rising indebtedness of workers influenced their collective psychology, as they demanded economic and political stability more than anything else and believed that only a strong leader could provide such stability.

**Risk of Unemployment/Precarity:** Another theme that emerged in the interviews was the precarious nature of the labor market in Turkey. Many workers who were forced to settle with the management did so while they sought new temporary jobs in Turkey’s gray market economy, often in the service sector. This is yet another symptom of the larger deregulation of the labor market in Turkey. Workers cite exclusion, lack of solidarity among fellow workers along with concerted effort to keep unions out of the workplaces for their decision to settle. In 2003, in response to the demand from big business circles for ‘flexibility’ and ‘competitiveness’ in the labor market for the global competitiveness of the Turkish economy, a new Labor Law (Law No. 4857) came into force. 2003 Labor Law introduced and institutionalized new forms of flexible employment and increased the control and disciplinary power of employers in the workplace. The
2003 law paved the way for further precarity, insecurity and de-unionization in the labor market. International Trade Union Confederation’s (ITUC) 2016 and 2017 Global Rights Index reports Turkey as one of the 10 worst countries for working people. According to the OECD, in 2016, an average worker in Turkey worked 47.9 hours per week which was the highest in the OECD countries, equal to Colombia. According to the ‘Occupational Health and Safety’ report in 2017 by the Union of Chambers of Turkish Engineers and Architects (TMMOB), workplace accidents have increased six-fold during the AKP period and approximately 20,000 workers died.

*De-unionization:* In the interviews conducted with the labor attorneys and activists, the mandatory mediation law is framed as the last nail in the coffin for labor rights in Turkey. This law builds on the earlier laws that effectively banned militant labor activism from the factory yards and undoes the rights of collective bargaining guaranteed under the Turkish Constitution by forcing the already disenfranchised and indebted worker to negotiate individually with the management’s lawyers and give up on hard earned collective rights. This analysis fits well into the overall de-unionization trend in Turkey since the 1980 military coup. In 2003, the Erdogan government took over the authoritarian neoliberal orientation of the Turkish state post-1980, with the overall objective to put an end to class-based politics. This orientation took on the militant unions, and its overall aim was to eliminate unions and the labor movement as an effective social force against neoliberalism. During its first decade in power (2002–2012), the AKP did not change the anti-democratic and authoritarian 1980 military coup legislation (Laws No. 2821 and 2822, introduced in 1983). In 2012, a new Trade Union and Collective Bargaining Law in 2012 (Law No. 6356). kept the post-1980 authoritarian union policy intact and did not bring about any radical change to labor relations; it was welcomed by business circles. Unionization levels decreased by 46% between 2001 and 2011, making Turkey the least unionized country in the Organization for Economic Co-operation and Development (OECD) area, with union density in 2011 at just 5.4%.

The number of workers covered by collective agreements also decreased by 50% from the 1990s to the 2010s, and it declined to just 4% in 2015, despite the number of workers having significantly increased. Currently, the union density is 11.95 % and membership rates appear to be on the rise. This, however, is due to the government’s corporatist and authoritarian union strategy which promotes unionism in AKP-friendly unions and de-unionization in dissident unions, in both public and private sector. Authoritarian anti-union policy includes strike bans and police violence towards workers’ protests. Thirteen strikes were ‘postponed’ or, banned by the AKP government since 2002 on the grounds of ‘national security’ and ‘public health.’ Six of these bans took place during the state of emergency following the July 2016 coup attempt. May Day celebrations in the symbolic Taksim Square in Istanbul were banned between 2003 and 2008, and again after 2011, except in 2012. Worker Unions attempting to reach the square have been violently dispersed.

**Conclusion**

The data cited demonstrate how labor mediation works in favor of the employers in Turkey. There is a clear lack of information about how the mediation works by the parties, especially by the employees. The patriarchal work culture in Turkey is quite confrontational and favors the stronger party over the weaker, diminishing the possibility of consensus in mediation sessions. Labor mediation is only accepted as a mandatory procedure to go through before the litigation phase. Furthermore, it is not compulsory for parties to be present at the mediation meetings, a clause especially exploited by the employers, neither is there any law mandating the presence of an attorney to support the employee. Another significant challenge is the unequal nature of industrial relations between the employee and the employer and the embedded power imbalance in the relationship. As a result, labor mediation only serves to further consolidate the victimization of the workers with imposed agreements that favor the employers.

The anecdotal nature of data shared in this article is an inevitable consequence of the Turkish Government’s
lack of transparency about disclosing the nature of agreements in labor mediation and how the conciliation favored employer over the employees. There is a need for a more concerted effort as identified by the Turkish Bar Associations for more direct legal support for workers as well as sanctions on employees who exploit the process. The mandatory mediation law in labor disputes in Turkey has resulted in further deterioration of Labor rights and served to consolidate the Turkish private sector’s support for the Erdogan Government at a time when the authoritarian turn in Turkish politics severely restricted labor unions political activism.

Endnotes

5 Can Interim Appeal Arbitration Preserve the WTO Dispute System? September 1, 2020 • Free Trade Bulletin. By Simon Lester
7 Comments from the interviews conducted with labor activists, attorneys on October 2020.
The emergence of labor market outsiders among GCC citizens

Steffen Hertog, London School of Economics

In 2020, the number of Saudi civil service employees grew by 10,165 to a total size of 1,273,535 individuals. 13,316 employees – a mere 1.04% of the incumbent stock of civil servants – left the civil service, mostly due to retirement. Adding up the two figures tells us that a total of 23,481 new civil servants were hired. This compares to a number of about 200,000 Saudi citizens reaching working age every year. The government hiring rate is miniscule not only in absolute terms, but also by the historical standards of Saudi Arabia, where the government for decades absorbed the vast majority of job-seeking citizens. While the historically accumulated stock of Saudis in public employment remains huge, citizens who newly enter the job market nowadays have only a small chance of joining the bureaucracy.

This drastic disjuncture between government employee stocks and flows reflects a reconfiguration of patronage systems that has been underway for a while across the Gulf oil monarchies, especially in Saudi Arabia, Bahrain, and Oman, countries with relatively lower oil rents per capita. It has accelerated in recent years due to low oil prices. The result is the exclusion of a new generations of citizens from the established social contract, of which government jobs are by far the most important component.

Citizens increasingly have to make do on the private labor market, which hitherto has been dominated by migrant workers. Nationals do enjoy relative privileges in this market through national employment quotas and access to citizen-only welfare mechanisms. Yet the sheer volume and very low cost of migrant labor makes it difficult for citizens to effectively compete for private jobs, let alone attain the easy working conditions and high wages available in government.

This paper investigates the political economy of this new labor market divide among GCC citizens. It adds a new layer of analysis to conventional analyses of GCC labor markets, which primarily focus on the divide between privileged citizens and non-citizen outsiders. I argue that GCC labor markets increasingly evince dual segmentation between insider citizens, outsider citizens with only partial privileges, and migrant workers as the ultimate outsiders. I will illustrate the depth of these divides as well as their potential political consequences in terms of cross-class solidarity and competition as well as social discontent.

It is fairly well established that insider-outsider divisions on labor markets are consequential for political interests and mobilization in the wider MENA region (including in papers in this volume, notably Abdelmageed and Lacouture). This note shows that such divisions are becoming politically salient also for the Gulf monarchies, particularly in the relatively less rent-abundant cases Bahrain, Oman and Saudi Arabia. A citizen class that used to be economically fairly homogenous is being divided into privileged public sector workers and struggling outsiders.

Old and new labor market dualisms in the GCC

A growing literature investigates the dualism of labor markets in the Gulf oil monarchies in terms of their historical division into segments for privileged nationals (mostly employed in government) and migrant workers with limited rights (mostly employed in the private sector).

This segmentation is central to the social contract across all GCC cases. Since at least the 1970s, mass co-optation of citizens through provision of low-effort public jobs has been fiscally and socially more important than any other form of welfare, public goods provision, or market regulation. At the same time, the mass import of low-wage foreign workers has kept inflation under control and made a wide range of cheap and convenient personal services available to GCC citizens.

Economic and regulatory segmentation of citizens and migrant workers has led to deep cultural and political divides between them, which have deepened with the
expansion of the Gulf oil state apparatuses since the 1970s. A more recent, less well understood phenomenon is the growing – and potentially more politically consequential – economic divide among citizen labor market participants.

**Insider-outsider divisions in the GCC**

Similar to dual labor markets on the European continent, strains on the old economic model in the GCC have led to a dualization of labor markets in which new generations of citizens are excluded from insider benefits – although insider jobs in the GCC case are permanent government positions, not well-protected private ones as in Europe. Outsider jobs in the private sector are less attractive, moreover, not only due to lower job security this sector, but due to competition with another, lower tier of outsiders that is comparatively less visible in Europe: low-wage foreign workers.

Privately employed citizens do in fact enjoy a number of government-provided privileges, such as national employment quotas, citizen-only subsidies, unemployment and training benefits. Yet they have to compete with an almost unlimited pool of workers whose reservation wages are set in countries of origin like Pakistan, India or the Philippines – a situation that qualitatively distinguishes GCC labor markets from all other labor markets in the world.

As a result, citizen unemployment in the lower-rent Gulf monarchies Bahrain, Oman and Saudi Arabia has been rising, and when citizens are in private employment, they typically work longer hours, enjoy less job security and earn much lower wages than their peers in the public sector. They struggle to obtain the middle-class living standards that the social contract in the region has historically provided to its citizens.

Similar to Europe, insiders have borne very little of the cost of economic adjustment: Fiscal deficits in the GCC have led governments to drastically reduce the intake of new public employees, but there have been no redundancies and existing benefits have by and large been left untouched. As in the European cases, the victims of dualization among GCC citizens are mostly the young, women, and the lower skilled.

Figure 1 below shows that foreign workers continue to dominate private employment while citizens remain predominantly government employed – although the share of citizens in private employment in mid-rent countries has become significant.

![Figure 1: Distribution of national and foreign workers by sector](image)

*Sources: national authorities, various years*

Figure 2 shows the continued growth of citizen jobs in the public sector in the two high-rent countries with available data, Qatar and Kuwait. The trends in Bahrain and Oman are quite different, showing a distinct stagnation in numbers since the mid-2010s despite continued population growth.

![Figure 2: Number of citizens employed in public sector](image)

*Source: national authorities*
While there are no coherent time series data for Saudi Arabia, we know that civil service numbers have been almost flat since 2017. Figure 3, moreover, shows that middle-aged Saudis are strongly over-represented in the civil service, while young citizens are largely excluded from it.

![Figure 3: Age breakdown of Saudi civil servants (blue, left axis) and general citizen population (orange, right axis)](image)

*Sources: Labor Force Survey bulletin, Q4-2020; GASTAT population estimates*

Saudi Ministry of Civil Service data also show that there is practically no turnover in public employment: insiders never leave. Of the 13,316 whose service ended in 2020, the vast majority took either regular or early retirement; 719 died on the job and only 618 resigned.  

Exclusion from public employment is materially consequential: While the data are scattered, available numbers consistently show that citizens earn more in the public sector than in private employment (see also Tamirisa and Duenwald 2017). Deep differences between insiders and outsiders are also reflected in the age structure of wages, which is particularly unequal as more recent entrants predominantly obtain lower-paid private sector jobs (see Figure 4 for Saudi data).

![Figure 4: Average monthly wages by age bracket, Saudi Arabia (SAR, 2020)](image)

*Source: Labor force survey bulletin, Q4-2020*

While outsider citizens are losing out on substantial benefits, they remain privileged relative to migrant workers who earn considerably less even and usually work under harsher conditions. Governments have tried to increase citizen employment in the private market through a range of quota rules and by reserving particular occupations to nationals. Bahrain and Oman have set citizen-only minimum wages of $660 and $840 respectively. GCC governments have also created new unemployment insurance and assistance systems, temporary wage subsidies, and training and job placement mechanisms for citizens.

That nationals enjoy relative privileges in the private labor market does not mean that they are well off. All three mid-rent countries have seen the emergence of working poor among their citizens. The above-mentioned minimum wages barely afford a comfortable life, yet many privately employed nationals earn just above these thresholds.

In sum, new citizen entrants on GCC labor markets are at a particularly large disadvantage relative to older incumbents in the public sector, whose privileges are particularly deep and stable. While the labor conditions of citizens in the private sector are not comparable with those of low-wage migrants, they face wage competition on a scale that does not exist in other economies.
Political tensions created by double segmentation

Outsider citizens constitute a growing and politically consequential social stratum which is excluded from core patronage mechanisms yet harbors insider expectations on lifestyle and employment. A wide range of surveys indicates continued preference for government employment. According to the 2019 Arab Youth Survey, 82% of young respondents in the GCC agreed that it was the government’s responsibility to provide jobs for all citizens.11

The relatively rare instances of public protest across the region since 2010 often involved citizen outsiders and their material interests. Protesters during the Omani unrest in 2011 demanded that unemployment and low wages be addressed and, critically, called for an end to favoritism in public sector hiring.12 Leading Shiite opposition groups in Bahrain prominently complained about the exclusion of Shiites from public sector hiring; informal organizations of unemployed citizens were important constituents of the Bahraini political opposition.13 Demonstrations of unemployed graduates were among the very few public protests that Saudi Arabia witnessed in 2011.14

Outsider mobilization peaked in 2011 and has been under control since then. Yet the new double segmentation of Gulf labor markets creates potential challenges for authoritarian stability in the region. At a minimum, the GCC faces the gradual emergence of more conventional class structures among citizens – albeit still accompanied by a large class of precarious non-citizen outsiders. Herb has pointed out that privately employed citizens in principle have a stronger interest in a thriving private sector.15 They are also, however, more autonomous from state patronage while potentially frustrated by their exclusion from it.

Unemployed and underemployed youth were at the core of protests across the whole Arab world in 2010/11. While the GCC monarchies have stronger infrastructural power than other Arab countries, their socio-economic structures are becoming more similar to those of the wider region.16 Like in the wider region, a larger share of citizens is active on the private labor market and, closely related, labor markets for citizens have become more unequal, structured by insider-outsider divides. At the same time, traditional cross-class ideological frames like political Islam or liberalism are losing their ability to structure and to divide dissident activity.17 This makes future mobilization around newly emerging material divides more plausible.

The failure to integrate new labor market entrants is particularly striking for the Saudi regime under Crown Prince Mohammad bin Salman, who has identified young Saudis as his core social constituency. So far, he has successfully catered to them through a fast-paced social opening – but he has not managed to fundamentally reshape the inherited social contract benefiting insiders, perhaps because labor market reforms are a more complex and boring topic than the giga-projects that the crown prince has been drawn to. The failure to create good jobs for a new generation of citizens creates a point of weakness for his otherwise impregnable leadership.

Potential for labor solidarity

A key question for the future of class politics in the region is how a genuine class of citizens active on the private labor market will relate to foreign workers, who are likely to constitute a large share of the private sector labor in decades to come.

There are at least three constraining factors that are likely to hold back broad-based labor solidarity: the limited space for collective action in most GCC countries; the large cultural distance and sometimes xenophobia dividing citizens and expats;18 and the fact that the structural labor policy interests of nationals and foreigners overlap only partially. In this final section, I briefly discuss these structural interests, which are likely to become more pronounced as the number of privately employed nationals increases.

Table 1 below gives an overview of where the material interests of private employers, citizens in the public sector,
privately employed citizens and foreign workers should lie in principle. It distinguishes three key types of labor policies: policies to reduce the supply of migrant labor to the country, policies to improve the labor rights of migrants who are already in the country, and measures to increase the share of nationals in private employment. Where possible, the conjectures in the table are compared to empirical evidence on different groups’ interests from across the region.

Table 1: Structural interests of employers and employees in public and private sectors

<table>
<thead>
<tr>
<th></th>
<th>Reduce supply of migrant labor</th>
<th>Improve labor rights of migrants in the country</th>
<th>Nationalization of private employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private employers</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Citizens in public sector</td>
<td>No</td>
<td>No</td>
<td>Unclear</td>
</tr>
<tr>
<td>Citizens in private sector</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Non-citizens in private sector</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

The material preferences of private employers are straightforward: Like in most countries around the world, they should be interested in unlimited access to migrant labor with limited rights. In the specific context of the GCC, they should also be opposed to rules obliging them to hire nationals. These conjectures are consistent with policy lobbying by employers and business associations across the region: They have systematically resisted policies to reduce the number of foreign workers through quotas or taxes, have fought attempts to improve migrant rights through sponsorship reforms, minimum wages and similar steps, and have resisted nationalization policies, which they perceive as a cost factor. In purely material terms, citizens employed in the public sector should have an interest in cheap migrant labor with limited rights, as this helps keep consumer prices low and makes a wide range of personal services available to them. They should be indifferent regarding nationalization of private employment. This is consistent with survey evidence from Qatar which shows that Qatari citizens (who mostly depend on government employment) want to maintain the sponsorship system which limits migrant labor rights. In Kuwait, unions which primarily represent state-employed citizens and do not seem to actively lobby on migrant labor rights issues. The parliament, which again primarily represents the interests of government-employed Kuwaitis, has rather worked against migrant labor rights. It deviates from public servants’ material interests only in its attempts to impose quantitative restrictions on migrant workers, a policy that seem to be driven by cultural, not material concerns.

The material interests of citizens active on the private labor market are directly opposed to those of employers and, to a large extent, those of publicly employed citizens. Such outsider citizens should be interested in policies that reduce the supply of migrants who compete for jobs with them, be it through quantitative restrictions or through taxes and fees on migrant labor. For the same reason, outsider citizens should be interested in improved labor rights for migrant workers already in the country: The more labor rights migrants enjoy, the less likely it is that employers will prefer foreign workers, as they will be harder to control or exploit. Finally, nationalization rules for the private labor market like quotas or the reservation of specific professions for nationals are obviously in the interest of outsider citizens.

Bahrain is the GCC country with the longest track record of industrial relations in the private sector (unions are prohibited in the public sector), which largely bears out these predictions: Citizen-dominated private sector unions, historically close to the Shiite opposition, have supported restrictions to the supply of migrants and deportation of illegal workers but have also supported the
government’s formal abolition of the sponsorship system for foreign workers. Unions have also advocated for migrant worker rights in terms of safety standards and working hours – all arguably to make sure that low-cost, limited-rights migrant workers do not outcompete Bahrainis (conversely, such reforms have been opposed by both Shiite and Sunni employers as predicted above).

Despite its more mature class and union structures, Bahrain in some ways constitutes a “hard test” of our materialist arguments as it is a country with a uniquely deep sectarian identity cleavage. Yet class interests seemed to have trumped identity politics when it came to labor reforms.

The material interests of non-citizen workers are perhaps the most obvious: They have no interest in policies that would reduce their supply (i.e., their access to the local labor market); they want better labor rights for themselves; and they have no interest in nationalization policies that could lead to them being substituted by nationals. Foreigners’ interests are not systematically articulated through local interest groups or patronage structures, however, so they count for little in the labor policy process.

Two key points emerge from the above discussion: First, the material interests of citizen insiders and outsiders on the labor market diverge substantially – not unlike the disparate interests in dual labor markets in Europe. Secondly, the interests of foreign workers and citizens in the private sector only overlap in one, though potentially significant area: They both have an objective interest in improving the rights of migrants already in the country.

**Conclusion**

This paper has argued that a new type of labor market dualism has been emerging in the GCC: In addition to the well-known deep division between citizens employed in government and foreign workers in the private sector, a stratum of relatively underprivileged citizens has emerged in the private labor market that is excluded from the traditional GCC social contract.

This double segmentation of markets is unusually deep and rigid. Citizens in the GCC’s relatively less affluent economies are not a unified state-dependent middle class anymore but have divided economic interests. Among other things, public sector insiders have a structural interest in maximizing labor imports and minimizing migrant rights, while citizen outsiders should prefer reduced labor imports and improved migrant labor rights.

I have presented some evidence which revealed that preferences and political lobbying have started to align along these lines.

While there can be occasional collaboration, there is limited potential for encompassing solidarity across labor market segments. Instead, the most politically salient factor going forward might be deepening discontent among the citizen outsider middle stratum: a group that has the expectations and formal rights of GCC rentier citizens but is exposed to the vagaries of the private labor market that previously affected only migrant outsiders.

**Endnotes**

7 See https://data.gov.sa/Data/ar/dataset/1439-1441 for the raw, individual level data.
13 Louër, ‘The Arab Spring Effect on Labor Politics in Bahrain and Oman’.
15 The Wages of Oil.
17 Stéphane Lacroix, ‘Saudi Islamists and the Arab Spring’ (Kuwait Programme, London School of Economics, 2014).
21 Herb, The Wages of Oil.
The Landscape of Labor Protest in Jordan: Between State Repression and Popular Solidarity

Matthew Lacouture, University of Chicago

Workers in Jordan face considerable obstacles to mobilization. Organizationally, workers in the 17 official unions—under the General Federation of Jordanian Trade Unions (GFJTU)—have had little autonomy from the state since the 1970s, while, prior to 2010, migrant workers and workers in the civil service were barred from joining or forming unions. Structurally, Jordan’s labor force remains atomized across public and private sectors and includes a significant reliance on migrant workers as well as refugee populations. In other words, workers in Jordan lack many of the forms of associational and economic power that workers elsewhere in the region possess (see Matta and Al-Sholi, this volume). Yet, previous studies, mostly focusing on studies of single movements, have shown not only that workers in Jordan have been able to mobilize around their own interests, but they have also played an important role in generating and bolstering wider mass contention.

To explain how, this essay assesses the landscape of labor activism in Jordan. I demonstrate that some workers have been able to mobilize, in part, by appealing to popular solidarity in their broader communities. Following Blanc and Eidlin, I argue that workers—particularly public sector workers—possess the capacity to generate “political and social crises”, which can facilitate mobilization and help attain both workplace and broader social aims. Social and political crises have two main effects. First, they compel the state to respond, providing workers with the opportunity to shape public discourse. Second, in doing so, they command public attention, building popular solidarity through the creation of “shared communities of fate”. As developed by Ahlquist and Levi, this latter concept has been primarily used to explain how some labor leaderships have been able to convince their members to move beyond “economism”—i.e., a focus on “relatively narrow and specific job-related interests”—to view their welfare as entwined with that of their broader communities. By contrast, this essay asks: under what circumstances are community members more likely to see their welfare as entwined with that of labor organizations? To answer this question, I argue that we must look to the context of historical state-labor and state-society relations.

Social Crises, Communities of Fate, and Public Sector Labor

Historical State Obligations

In many MENA states—including Jordan—public sector employment has been a central feature of post-colonial state-society “pacts”, in which authoritarian states traded loyalty for expanded economic opportunities for many citizens (see Hertog, this volume). More than economic bargains, they constituted “moral economies” wherein employment and welfare by the state took on a particular moral valence, both as a right of citizenship and as a vector for fair economic redistribution. In the case of Jordan, the state’s discourse has routinely referred to state-employees—including teachers and workers in the recently-privatized sectors (particularly the port and mining sectors)—as the heart of national development. Most families have at least one extended member employed in the public sector.

Jordan’s neoliberal economic reform project has produced widespread immiseration over the last 20 years. In this new neoliberal landscape of public sector austerity and privatization, the fates of public sector workers and their broader communities remain entwined. The image of destitute, demeaned, and repressed public sector workers exemplify and symbolize the state’s failure to live up to its historical welfare and redistributive obligations vis-à-vis the Jordanian people. Given this historical context, I argue that public sector workers have been able to generate and foster shared communities of fate—and thus mobilize under highly repressive conditions—through
the production of social and political crises, which have brought workers, state actors, and broader communities into direct contact (and confrontation) in the public sphere.

Three recent cases of worker mobilization demonstrate the possibilities and limits of popular solidarity as a weapon of organized labor in Jordan: day wage laborers, privatized workers at the Aqaba Port Corporation, and public-school teachers.

Labor Activism in the Public Sector

In 2006, informal workers in the Ministry of Agriculture (MoA)—paid by the day and denied the wages, benefits, and privileges of formal public sector workers—began to mount a series of protests in highly-visible state spaces, such as the MoA offices in Amman. In its early stages the Day-Waged Labor Movement (DWLM), as it came to be known, drew attention to the contradictions between the historical obligations of the state to provide employment, the state’s promises of prosperity through neoliberal economic reforms, and the workers’ own conditions of impoverishment. Over the next five years, DWLM agitation was met with mass arrests, threats of termination and transfer, and harsh rhetoric from state actors. Nevertheless, the movement’s combination of public action and rhetoric generated considerable public support and thus forced the state to recognize and negotiate with the workers. For example, a March 29, 2010 "sleep-in" in front of the Royal Court was aided by the provision of tents and bathrooms by two non-labor organizations, the Social Leftist Movement and the Democratic Youth Movement. Activists and analysis consider the sleep-in as one of the movement’s watershed moments, after which the government began to promise (if not fulfill) concessions, in particular reinstating fired workers and elevating all day-waged workers to permanent status.

Recently-Privatized Workers Revolt

Subsequent workers’ protests similarly produced social and political crises, which uniformly provoked repression while also generating public solidarity. One such episode involved workers in the recently-privatized (in 2008) Aqaba Port Corporation (APC). In 2009, APC workers went on strike, shutting down Jordan’s only port. Immediately, gendarmerie forces—the Darak—were called in as the vanguard of state-organized brutality. Appalled by teargassing, beatings, and mass arrests at the hands of the Darak, locals poured into the streets and human rights organizations descended on Aqaba. Under the spotlight of the national and international press and human rights observers, King Abdullah II ultimately ordered an organizational overhaul of the state security forces and the APC conceded to some of the workers’ demands. In other words, while the workers’ economic leverage incited repression, the subsequent social and political crisis generated by the outpouring of support led to recognition and concessions.

The Teachers’ Movement

Inspired by the movement of MoA and port workers, public-school teachers began to agitate in 2010 for the reinstatement of their union—which they had been denied since its dissolution by the regime in the late-1950s. Teachers in Jordan exemplify the importance of public sector employees in the moral economy, given their historical centrality to programs and discourses of national development. For many Jordanians, education continues to promise (though only sometimes delivering) social mobility, security, prosperity, and even marriage stability. Ideologically, schools and teachers have served (since the 1970s) as the main vector for disseminating the state’s version of Jordanian nationalism. Yet, despite teachers’ professed and actual importance, a recent USAID survey found that Jordanians ranked teaching among the least desired professions in Jordan. As one respondent expressed, “I wouldn’t wish that my sons get into this profession, because there is no focus on teachers and their livelihoods, and their needs.”

These contradictions between the importance and treatment of teachers came to a head in 2010. In response to a meeting of teachers in Amman to discuss the revival of their union, the Minister of Education closed the Amman Teachers’ Club. Adding insult to injury, the Minister
chastised the teachers, telling them to shave their beards if they were serious about having a union. The ensuing teachers’ strike—closing schools across Jordan—produced the biggest social crisis yet and created the opportunity for teachers to generate a shared community of fate:

...the schools were completely closed, even the parents of the students started to become upset and annoyed about it, and the government started to arm the parents against the teachers. But we were always trying to explain the situation to the parents: that all we want is to obtain our rights through the establishment of the syndicate [...] then they [the parents] understood our demand and they supported us and stood with us.13

A Shared Fate

These and other mid-to-late 2000s labor actions by public sector and recently-privatized workers slowly began to build a shared community of fate between workers and their communities. I found evidence of this development through newspaper coverage and in my own discussions with activists and observers, both of which often explicitly identified workers’ struggles with the shared plight of Jordanians under the state’s neoliberal policies.14 For example, one journalist and activist referred to the DWLM in an op-ed as Jordan’s most “authentic social and democratic movement”.

In a 2010 public statement, the Social Left Movement entreated “everyone who has love... for our country, our great people, and its future generations” to support a major march of teachers from the capital to the southern city of al-Karak.16 As one popular movement activist put it, “the workers’ movement made Jordanians pay attention”—because, in his view, it was the workers who were first impacted by the Abdullah II’s neoliberal reforms.17 Even the king was forced to concede that the “the most important thing is the teacher, as he is the basis and focus of the educational process and its axis. Nothing we could do would be able to repay the teacher what he deserves”.18

Taken together, these expressions linked the grievances of public sector workers with national and community fates. Moreover, the king’s statement exemplifies the kinds of state recognition that workers’ protests—buttressed by popular solidarity—could generate.

The Limits of Solidarity

Not all workers were as well positioned to elicit domestic solidarity. As Al-Sholi has pointed out, the mobilization of industrial workers in Jordan’s key textile industry remains severely constrained.19 This principally stems from the composition and location of the labor force: predominantly migrant workers laboring in the free trade Qualified Industrial Zones (QIZs) where labor laws are as sparse as they are poorly enforced. However, despite being atomized, hyper exploited, and repressed, between 2008 and 2010 QIZ workers were able to mobilize on an impressive scale—with the help of the AFL-CIO’s Solidarity Center in collaboration with the general textile workers’ trade union (GTUWTGCI, hereafter GTU).20 Nevertheless, QIZ workers failed to coalesce into a cohesive movement capable to winning substantial concessions from the state. Rather, victories were relatively piece-meal and remained dependent on the organizational support of external actors. A key reason for these limitations has to do with their outsider status vis-à-vis Jordan’s historical social pact, which meant that they were unable to generate a domestic shared community of fate. Consequently, QIZ workers and their allies remained reliant on the “boomerang effect” of international opprobrium from trade partners (and their domestic audiences) over the egregious working conditions in the QIZs.

From Solidarity to Joint Action

The outbreak of the Arab uprisings in 2011—regionally and in Jordan—created new opportunities for some workers to assert themselves in the political sphere. By 2011, employees in the recently-privatized Jordan Phosphate Mines Company (JPME), who had up until now confined their grievances to channels within the official unions, reached their point of complete disillusionment with the state-controlled union federation (the GFJTU). Motivated by the political opportunity presented by the uprisings, JMPC employees engaged in a series of strikes in 2011 and 2012 and, in the process, broke away from the official union structure and formed an independent union. In tandem, unemployed residents in the mining regions also rose up, demanding their right to state-
After the Uprisings

While labor protests dropped from 900 in 2013 to less than 200 in 2018, the bonds of labor-popular solidarity were far from severed. This became most apparent in 2019, when the recently-reestablished Jordan Teachers' Syndicate (JTS) mounted its (and Jordan's) largest public sector strike. The 2019 teachers' strike is worth unpacking in detail here because it provides a window into the continuing dynamics of labor repression and popular solidarity—exemplifying some of the strengths but also some weaknesses of public sector labor activism in Jordan.

In September 2019, teachers brought 140,000 of their members into the streets. The strike was organized in response to the government's failure to live up to a three-year old agreement to increase teachers' wages. Schools across Jordan were closed, throwing the kingdom into an acute social and political crisis. By and large, public support was with the teachers, as exemplified by videos of families and individuals "voicing solidarity with teachers, photos and videos of families and students in their home environments expressing their appreciation for the union's undertaking, and numerous posts aimed to boost the teachers' morale and praise their unity and steadfastness." Despite their numbers and support, many protesters were met with repression, including tear gas and arrests. Additionally, state actors and their surrogates in the press tried to frame the teachers as illegitimately conspiring to " politicize" the strike—"[b]ut the approach backfired when activists rallied on social media to defend the teachers and their cause while lampooning the government's ploy". Four weeks into the strike, the government resorted to threats to disband the JTS, which were met with broad resistance on the streets and on social media. Next, the government moved to declare the strike illegal. But while both parties waited for an appeal to be made, the government bent to public pressure and conceded to salary increases.

Throughout the strike, public support was strong but not absolute. According to a poll conducted by NAMA
Strategic Intelligence Solutions, as the strike went on, opposition to the strike increased from 55 percent (Sept 9) to 69 percent (Sept 19). Those who opposed the strike cited the “impact on students and their families”. On the positive side of the ledger, those who continued to support the strike emphasized teachers’ “difficult economic conditions”. Furthermore, 60 percent of Jordanians surveyed (including those who opposed the strike) supported the teachers’ pay raise.

This discrepancy in support requires more research to fully unpack. However, at this point, one plausible explanation might be found in the mechanisms through which communities of fate are generated. This essay has demonstrated the importance of context: i.e., state-society obligations (and visible state repression). However, recent findings on teachers’ protests in the U.S. suggests that union leadership and public outreach are crucial for generating increased support over time for teachers’ strikes. Yet, in his statements at protests and to the press, the JTS’s outspoken vice-president, Naser Nawasrah, kept his focus on teachers’ demands qua labor demands. This may account for why community support for the JTS’s grievances seemed to have reached its limit when weighed against the prospect of prolonged school closures—a community-wide concern.

**Between Repression and Solidarity in the Age of Covid**

The global coronavirus pandemic that began in late 2019 has threatened to reverse the gains of the last decade of labor activism. In particular, the pandemic created a countervailing crisis, which armed the state with the political cover to renge on its deal with the teachers and, in April 2020, to order the closure of the ‘Teachers’ Syndicate for a period of two years—shuttering the association’s offices and arresting hundreds. As explained by a lawyer for the syndicate, the government closed the syndicate because it “[had] become ground zero for those who want to gather, for the middle class to voice their dissatisfaction.” From this perspective, state repression may have reignited labor-popular solidarity, refortifying a shared community of fate. For example, as expressed by one Jordanian observer of the 2020 crackdown,

> “If the teachers are arrested for criticizing the government for cutting their salaries, then any of us could go to jail for being unhappy with the government […] All of Jordan is unhappy with the economic situation and the government; all of us could be in jail right now […] Any one of us could be a teacher.”

**Conclusion**

What can analysts and organizers learn from the experience of labor activists in Jordan? One lesson is that workers who struggle under limited economic leverage and suffer from intense repression should not be discounted as agents of political change. Relying on the production of social and political crises and the articulation of shared moral-economic grievances, workers were able to leverage public solidarity to force state recognition. In the process, between 2006 and 2013, workers went a long way towards establishing a shared community of fate that extended across the labor-nonlabor divide. However, there were some hard external (repression) and internal limits to workers’ ability to universalize their interests. Indeed, a second lesson is that the social and political crises that public sector strikes can cause, by halting the provision of public goods, are never only crises for the government. As the teachers’ movement makes apparent, the onus is on organizers and pro-labor organizations to leverage their organizational strength to convince their communities that they share a collective fate—one worth making short-term sacrifices for. As labor movements in other cases have demonstrated, public outreach campaigns and the provision of material support to local communities are vital in this regard. This is a challenge for any kind of protest movement but is doubly so in authoritarian contexts. Hence, workers in Jordan will continue to be placed between popular solidarity and state repression. While mobilizing in this environment poses myriad challenges, workers have shown time and time again over the last decade the power of forging bonds with their broader communities.
Endnotes

2 Katharina Lenner and Lewis Turner, “Making Refugees Work? The Politics of Integrating Syrian Refugees into the Labor Market in Jordan,” Middle East Critique 6149 (2018): 1–31, which used to be designated, and are still often referred to as, Qualifying Industrial Zones (QIZs).
4 and lack of job security; they also demanded the right to establish new unions.
9 For the most comprehensive coverage see Ababneh, “Troubling the Political”.
13 https://www.ammonnews.net/article/60432
14 Khaberni July 27, 2010
15 Hirak hai tafaileh activist, interview with author (Amman, Jordan), March 29, 2019.
20 Awad, “Jordan’s Paradoxical Approach to Trade Unions.”
24 al-Monitor 2019
27 Tula Connell, “Jordan Teachers ‘Will Not Back Down’ in Face of Assaults on Union,” Solidarity Center, February 24, 2021
29 For one example see Blanc and Eidlin, “Moral Economies”.
Do Higher Education Scholarships Enhance Social Mobility?
A Case from Egypt on Scholars Transition to Decent Work

Amal Mowafy, USAID Scholars Activity, The American University of Cairo (AUC) and AbdelRahman Nagy, Sawiris Foundation for Social Development

Alaoui and Springboard (2021) point to increased enrollments at all educational levels in the Arab world. However, they also indicate that those positive outcomes in terms of quantity have not translated into better quality of education nor did they have a bearing on existing power structures to allow for social mobility for the underprivileged and marginalized. This is manifested in the non-appearance of Arab universities in the top 300 ranking lists globally, lame linkages to the labor market, dismal economic return to education as well as absence of preparation for active citizenship. Economic inequality has been singled out as the key systemic and contextual determinant of this sub-standard performance. The “trilemma” of tertiary education implicating quality, quantity and cost demonstrated that only two can be realized at the expense of the third. Around 30% of those aged 18-22 years are enrolled in higher education in the Arab region but the bulk are from middle- and high-income families, even in public institutions.

Quality of education as the fourth goal in the UN sustainable development agenda has been hard hit by the global pandemic. Target 4.b. of this goal specifically aimed to “substantially expand globally the number of scholarships available to developing countries[,]…, for enrollment in higher education, including vocational training, information and communications technology, technical, engineering and scientific programs, in developed countries and other developing countries.” This target should have been achieved by 2020, as measured by the volume of official development assistance flows for scholarships; by sector and by the type of study. Whether this target has been met or missed is unknown because of the lack of a data collecting mechanism. This is not unique to Egypt: tracking the impact of USD 750 million spent per annum on scholarships in terms of transforming the lives of individuals and communities on the African continent is almost non-existent.

What scholarships are offered in pursuit of the UN’s development goal? In Sub-Saharan Africa, undergraduate scholarships covered less than 0.5% of the 8.1 million tertiary education students. Government-led initiatives usually stand out in availing scholarships for Sub-Saharan African students. The Chinese government towers over Egypt and other countries as the sole prime provider, with over 12,000 opportunities annually. Regional and international organizations, including the UN High Commissioner for Refugees, the African Union, the European Union and the World Bank, also featured in the top 25 scholarship providers. “Corporations, including public enterprises and corporate foundations, represented 5 of the top 50 providers. The MasterCard Foundation and ABSA Bank contributed 95% of all corporate scholarships.”

A study of over 350 scholarship programs offered across the globe to scholars from Sub-Saharan Africa revealed underlying challenges such as an increase in student dropout rates, excessive risks of deceit, restricted assistance in the transition to the labor market as well as restrained access to scholars most in need of such financial support. This paper aims to address the link between scholarships and transitioning to Decent Work using evidence from Egypt. Decent Work is defined by the ILO as “opportunities for work that are productive and deliver a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.” In the case of Egypt, like other countries on the continent, there is a need to significantly invest in data collection mechanisms to assess the impact.
of the scholarships on employment outcomes and social mobility in the short, medium and long terms.

**Literature Review**

Children are born with similar abilities. However, their opportunities differ. Among two students with similar test scores that do well in school, the one who comes from a higher income family is more likely to attend college. Socioeconomic status is an obstacle to students and their success rates at school. The gaps in students’ grades between those who come from low-income vis-à-vis high-income families widens as students’ progress in their education. This has consequences regarding their enrollment in college which consequently affect their access to job opportunities.

Concerns arise regarding whether one generation’s social status affects their children’s access to the labor market and subsequently hinders social mobility. This is mainly due to the fact that families’ educational investment is unequal depending on their social background. The wealthier a family is, the larger the investment in their children’s education and therefore the more opportunities in the job market. On average, high-income families spend seven times more on their children than low-income families. Families of higher income do not only invest more in regards to school tuition but also in the time spent with children to help with their homework, and other school expenses such as private lessons, private schools etc. Furthermore, social capital affects access to opportunities and therefore, social mobility. The higher the social capital of an individual, the higher their network and therefore a greater benefit of CV distribution and a wider access to opportunities.

There is also a notable inequality of incomes that stems from one's educational background, which negatively affects social mobility. The higher the educational attainment, the bigger are the chances to earn a higher income. In today’s job market, at least a post-secondary degree is needed to succeed. Thus, family income is stratifying the outcomes in the job market via unequal access to education. Low investment in skills and education most likely means low opportunities for climbing up the socioeconomic ladder.

Scholarship programs begin from the observation that children from lower income families should be able to access higher education without it being a financial burden in order to benefit from upward social mobility. When the children that benefited from scholarships succeed, they will be opening doors to the next generation despite one’s initial socio-economic background. This ensures long-term prosperity through improved social equity, stronger national cohesiveness, reduction of environmental stress and considerable effect on fertility and population growth and so on.

There are two primary types of scholarships. The **merit-based scholarship** follows the logic that we are in a meritocratic society, where academic success is based on the effort of each student. Merit-based programs give children the incentive to work and to do better and supposedly leads to learning gains. However, in practice these scholarships mainly go to students from high income families mostly because they are the most likely to go to school in the first place and once there, are most likely to succeed. In fact, merit-based programs are most likely to benefit high school graduates from middle and high income families rather than those from low income families. Low-income students rarely have access to merit-based scholarships and therefore the social gap remains and can even widen.

The **need-based scholarship** provides the opportunity of higher education based on one’s financial need as opposed to their academic success. The rationale for need-based students stems from the idea of ensuring equity and fairness among citizens. The literature has identified several ways to target and support marginalized youth as general calls for applicants often fail to reach students at risk of exclusion. Ahmad Binobaid, Jonas Draege, and Andrew Leber also address in this collection the point on limited citizen awareness and utilization of existing policies. It should be noted that marginalized students
typically need additional services other than the tuition fees in order to succeed.

Scholarships must be well targeted to affect sustainable development as their goal is to create opportunities otherwise unavailable. For instance, need-based scholarships have to be tailored programs that include orientation, study and life skills training, mentoring and pastoral support, workplace preparation as well as psychosocial support. A cost-effective alternative for the provision of need-based scholarship is the establishment of relationships with local organizations that can nominate and interview candidates. Scholarship providers will be able to track their alumni as to observe their livelihood opportunities to improve employment outcomes. Alumni tracking showed that disadvantaged graduates faced prejudice and obstacles in finding decent work, even when qualified. Finally, providers often operate in isolation, with no culture of cooperation and few platforms to facilitate coordination.

Scholarships affect scholars in three distinct ways: availing the resource; providing incentives to excel at school; and the labeling effect between merit and needs-based scholarships. This echoes the insider/outsider divide referred to in this collection by Steffen Hertog, Tina Zintl and others. Both types of scholarships lead to more educational attainment, but only the merit-based leads to increased learning. Evans claims that students that receive a scholarship based on ‘merit’ are constantly reminded of how successful they are and how much potential they have. However, those that receive a scholarship because of their ‘needs’ suffer from a much more pejorative connotation and are reminded of their financial deficiency. Moreover, merit scholarship recipients tend to have higher health and employment rates. Hence, it is important to emphasize ability over need where “the solution can be to use merit scholarships, but to ensure students with high need are among the beneficiaries.”

Nonetheless, Haveman and Smeeding (2006) claim that students who receive financial aid are more committed and more motivated to succeed. Students that come from low-income families are not taught how to select colleges, apply and secure their acceptance and very often they lack information regarding the availability of scholarships and of needs-based aid. Applying and looking for scholarships is a long process and scholars agree that if a student is motivated enough to go through the whole process, their determination to succeed is higher and therefore they put more effort in college.

States employ need-based financial grants to account for the increasing costs of college. By giving this grant to mostly low income and middle-income students, college persistence within three years is supported. The need-based grants have also allowed for the enrollment of students from low-income backgrounds to rise, making it more easily accessible. After extensively exploring the dichotomy of the merit versus need-based scholarships above, it is evident that they should not be mutually exclusive.

**The Case of Egypt**

The association between education and wealth still persists in Egypt despite its aspiration to reach an enrollment rate of 45% by 2025, as Samar Abdelmageed notes in this collection. Egypt has shifted the funding burden for higher education onto the private sector as a policy solution both by allowing private or civil institutions of higher education to enter the space which was the exclusive prerogative of the public sector for decades and through adopting credit-hour/fee-based programs administered in parallel to
standard (or sub-standard)/nominal fee programs in public universities to render better quality services resulting in “limited access orders”. While the Egyptian government provides a limited number of graduate scholarships to study abroad, a number of growing philanthropic and private sector foundations, as well as regional and bilateral organizations, have been increasingly getting involved in this domain at the undergraduate level. A Ford Foundation study mapped 18 key organizations offering scholarships (of which only four were private foundations) with a total of 82 programs. Of these programs, only nine programs were need-based while 73 were merit-based. Also, amidst the 18 programs that offered scholarships at the undergraduate level, the specializations trend was not apparent. Very few programs had clear-cut geographic representation such as Upper Egypt and Frontier governorates in the case of Misr El Kheir or particular suburbs of Greater Cairo in the case of Qalaa Holdings. Also, the intended impact of scholarships in terms of gender, professional level of the target population and leadership were mostly absent.  

With the limited research focused on return on investment based on cost benefit analyses on the “plausible impact of scholarships on social change and development” we take a process evaluation conducted in April 2021 for the Sawiris Foundation for Social Development estimating the Return on Investment (ROI) as indicated by the Internal Rate of Return (IRR), and comparing the IRR with the Social Discount Rate (SDR), which reflects the opportunity cost of capital in the Egyptian economy) to the scholarship for each sector as follows:

<table>
<thead>
<tr>
<th>#</th>
<th>Job Family</th>
<th>Estimate of Average ROI (%)</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Accounting &amp; Finance</td>
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The analysis covered the period from 2006-2020 over nine programs for 279 students. Data collection included mixed methods such as desk research, key informants’ interviews and online surveys. However, it is worth noting that this estimation had several limitations such as estimating the non-financial benefits as well as the estimation of the ROI of the counterfactual. For instance, estimating that the return on providing scholarship in a certain sector does not mean that the whole return is coming from providing scholarship alone. It could be because of one’s personal connections, especially for the merit-based scholarships. It could also be a result of other non-observable characteristics for those who received the scholarships. It should be noted that we are quite skeptical about the accuracy of the ROI percentages given the numerous limitations. In addition to that, we are unable to determine if these are over or under estimations.

Key findings include positive social impact on scholarship graduates that helps them improve in their personal and professional lives through having good job opportunities or by starting their own businesses. This could also be attributed to a number of indirect benefits such as i) enhanced self-confidence, independence and increased multicultural awareness; ii) new leadership qualities or professional advancement; and iii) strengthened technical, managerial, and leadership capabilities. While scholarships seem to have contributed to having a better ability of 90% of graduates to find a job with 30% attaining their job through competitions. However, 50% of graduates were not satisfied with their wage levels and 25% experienced “taking a long time to find a job”. Also, some scholars were over qualified for the jobs available in the labor market. This relates to the point raised by Nada Berrada in this collection that youth unemployment is not a supply side but rather a demand side problem where economies in the region are not generating enough decent jobs to absorb the youth bulge. Nonetheless, it is important to note that the current (static) employment status of graduates’ scholars is not indicative of the longer-term (dynamic) projections of their life-long earnings. Graduates indicated the need for additional career guidance and counseling during their study and soon after graduation to have better understanding of the Egyptian labor market. Among the major challenges enumerated by alumni was home sickness, housing problems and academic support, and to a much lesser extent, language and dealing with other colleagues.

Conclusions and Recommendations:

Heady et al have argued that “equipping students to get fulfilling jobs needs proper evidence-based approaches, alongside learning and adaptation.” Proposed key performance indicators to measure impact included inclusive access (residents of rural communities, living with disability, refugee and first-generation scholar), completion of degrees, university engagement and transition to employment. Factoring in measurement, evaluation, research and learning would be helpful. This should include impact assessments in the technical and financial design of scholarships programs deploying randomized controlled trials wherever possible to account for employment outcomes and social mobility in the short, medium and long terms. Scholarship programs should include a range of skills enhancement programs such as English Language, leadership and entrepreneurship training, internship, job placement and networking. Additionally, a study abroad could allow scholars to be better prepared for the national and international labor market requirements and find decent work. Academic, social and psychological support are key for the scholar’s well-being to be able to better handle the transition from school to university and from rural home to urban dorm settings as well as equip them for further transitions throughout life with the unfolding future of work with its requirements albeit rights. The future of Decent Work requires that scholarship administrators carefully focus on majors where there is a growing decent job potential and higher return on the investment.

Acknowledgements:

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Endnotes

1. Disclaimer: The views and opinions expressed in this paper are those of the authors and do not necessarily reflect the official policy or position of the organizations they are affiliated to.


5. Ibid.


The Many Leverages of Tunisian Labor

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Tunisia suffers from high unemployment, high inequality, informality and precariousness just as the rest of the Arab World. Yet, scholars give a leading role to the Union Générale Tunisienne du Travail (UGTT), Tunisia's general trade union federation in explaining the success of Tunisia's transitional democracy compared with its Arab Spring counterparts. The UGTT sheltered the protestors against Ben Ali during the uprising and allowed them the breathing room they needed to organize. It shaped the political dialogue and early negotiations with remnants of the Ben Ali regime in the transitional process by forcing the election of a constituent assembly. It pressured the government over wage issues and hiring in the public sector. It has been a power broker between political parties, and played a critical role in the constitution's inclusion of social and economic rights. And despite the current popular support for President Kais Saied's power grab, the UGTT legitimated the move only conditionally, and remains as one agent of choice to lay the path ahead for a majority of Tunisians.

The power that the UGTT enjoys is a two-pronged puzzle. It maintains autonomy from autocrats that did not tolerate dissent, and it is able to do so in a discouraging socioeconomic environment for struggles of trade unionism. This paper focuses on the understudied 1970s compromise over economic policy as a critical moment in shaping the exceptional role of the UGTT in the 2011 revolution. Scholars diverged over whether elite factionalism of the 1970s propelled trade unions forward, or shifting to a lower skill industrialization in the same decade stymied labor power altogether. I argue that elites in the 1970s consolidated around a new investment strategy of export-led industrialization anchored in corporatist industrial relations. Accordingly, Tunisian workers have a regionally distinctive leverage vis-à-vis business and state elites.

First, a structural leverage materialized for labor in Tunisia, as workers had optimal conditions within the strategic sectors for both business and state elites. Due to sensitivity of disruption, eventual elite attempts to dismantle labor rights were relatively partial, as workers amassed a second leverage in the process: combative grassroots-based unions’ organizational power and not just institutional corporatism. To protect profitability in such a restrictive environment, sections of business embarked on value-adding investments that differed by sector and firm levels. This created an industrial third leverage for large sections of workers that could rapidly polarize elites over policy making and undermine their ruling coalition. Tunisia's exceptional Arab Spring is not only an outcome of contingent factors, but it is also the product of these historical processes.

Explaining the UGTT's role

The organization's politically active role did not start with the revolution (see Berman in this volume). The UGTT has been asserting its representation of Tunisian workers since before independence, and through the decades of Bourguiba and Ben Ali. Even at the height of Ben Ali's repression in the 2000s, the executive bureau of the UGTT was not totally compliant. Whereas Algerian labor militancy, for instance, stemmed from independent movements since the 1980s (see Anderson, this volume), Tunisia's grassroots labor activism almost always found their place inside of the organization.

Many accounts explain the UGTT's role in terms of longevity. The unions were central in the anti-colonial movement and accumulated organizational capacities and a legitimizing memory that kept the organization viable. These capacities and legitimacy aided the trade union federation in organizing Tunisian society in the climate of the revolution since 2011. Furthermore, the incorporation of white-collar workers and leftist factions in the organization in the early 1970s fueled its militancy, and accordingly its ability to persevere elite pressures. The powerful drive to enforce corporatism in Tunisia
with central and internal control over the working-class mass was never complete due to the existence of radical elements in its expanded membership.

But as Wilder observes, tracing the trade unions’ power to the colonial era complicates the puzzle rather than solving it. Why would a colonial power tolerate militant trade unionism and meet its demands? This complication is foundational for legacy and legitimacy approaches to UGTT’s role in Tunisian society, especially since the militancy of the independence era evaporated in the following decade of the 1960s. For Wilder, intra–elite competition and the emergence of a balancing act created the opportunity that the UGTT exploited. Bourguiba faced a liberal faction within the ruling party that challenged his rule after the breakdown of the import substitution industrialization (ISI) policy in 1969, a global approach in the post–WWII era of indigenizing the production of consumer goods to boost national savings. He reintegrated in 1971 the same UGTT officials he imprisoned in 1965 to help purge challengers from within the ruling party ranks. In return, the UGTT doubled its size and established a regime of collective bargaining – the source of its autonomy.

Eva Bellin earlier argued that the UGTT’s capacity stemmed from industrialization and not elite politics. Ambitious industrialization plans in the 1960s required the cooperation of labor, and Tunisian state elites were successful at reaping it. Wage increases were limited and heavy-handed repression was common. Industrialization, however, fostered solidarity and combativeness among workers in high skill and concentrated industries that overflowed in the 1970s strike wave. In other words, organizing of white-collar and leftist currents within the organization as a whole, and intra–elite factionalism outside of the organization, stood atop of masses of militant blue-collar workers. For Bellin, the 1970s were the peak of labor power later dismantled by the rise of low-skill assembly export-oriented industrialization.

I take a middle point on the nature of the 1970s compromise in Tunisia. I argue that elite competition over the succession to Bourguiba allowed labor to capitalize on their factionalism. But in 1972, those elites consolidated around an investment strategy that solved the crisis of ISI underachievement by introducing export-led industrialization that also factored in newly institutionalized corporatist commitments. It sought social peace for investment, not just regime stabilization efforts common to succession crises of autocratic regimes.

In fact, a structural shift in accumulation was introduced that created a new segment of the business class. The investment strategy of the 1970s dispersed labor’s concentration and lowered its skill level, as Bellin argued. But it embraced competitive outlays that focused on export markets, leveraging workers over their employers who became vulnerable to market pressures on the one hand, and corporatist compliance pressures on the other, substituting for the lost leverage that was supposedly squandered in the shift toward low-skill assembly manufacturing. Tunisia’s revolutionary outcome in 2011, I argue, benefited from how this 1970s compromise shaped the country’s structure as much as it did from the institutional setup, contingent and leadership factors that Bellin later reflected on.

**Structural Leverage**

Tunisia’s ISI experiment in the 1960s had the distinctive feature of land and agricultural produce collectivization. The strategic aim of the policy surpassed the average goal of indigenizing basic goods processing to build up savings for gradual development. It targeted heavy industries from the beginning, and state managers devised a plan that decommodified the agricultural sector in order to accelerate savings at a rate more proportionate to the ambitious industrialization program. This intensification of ISI through collectivization of agriculture, supply, and marketing eliminated traditional sectors for private investments. And the program’s push was undeniable. The land area that was incorporated in collectivization went up from 148 thousand hectares in 1963 to 3533 thousand hectares in mid–1969, about half of the productive land. On top of being pushed to larger industrial investments,
collectivization also dried up labor reserve that business elites usually depend on to depress wages. More than 200,000 workers in the small country were employed in the massive central procurement system.

The economic outcome was modest relative to the social disruption that the ISI/collectivization regime created. Manufacturing’s share of GDP hovered at 8% between 1965 and 1969 when collectivization expanded. Food production increased only marginally at the beginning of the program with the nationalization of French colonial landholdings in the north, but decreased again at the time that the program was accelerated. And although Tunisian bureaucracy prioritized the collectivization program, it did not transform the living conditions of the popular classes. The system also suffered from mismatches and inefficiencies to the extent of operating at a loss. With various incentives to act, elites adversarial to the collectivization program ended it and unseated its chief bureaucrat, Ahmed bin Saleh, who also arguably had the social base he needed to emerge triumphant in the eventual scramble to succeed Bourguiba.

However, the crisis touched on Bourguiba’s legitimacy and set off elite infighting. In June of 1970, Bourguiba apologized for entrusting Bin Saleh with such an ambitious program. The crisis, nonetheless, spilled into the ruling party’s 8th national congress in 1971. Despite reinstalling Habib Achour, who had been ousted in 1965 as the UGTT’s secretary general and at the party’s political bureau to help face off the democratic challenge of Ahmed Mestiri, the challenging group won a majority in the party’s central committee elections. Mestiri came out second with only 5 votes less than the incumbent prime minister. In 1974, that same Prime Minister, Hédi Nouira, described the split of the 1971 congress as personal ambitions by some that could no longer deceive party members. The meetings ended with a vote on purging the whole liberal faction from within the ruling party. The challenge lasted for 5 years, and it was overcome by far reaching transformations in the business investment structure.

The decline in the rate of fixed capital formation – a measure of investment growth – since 1965 stopped by 1972, and exceeded it by 1976, with the private sector responsible for about a half of the increase since 1972. The structural leverage emerged from making manufacturing the main arena for growth, doubling its share of Tunisia's GDP between 1972 and 1995 by benefiting from a combination of ISI protections and exporting policy regimes. Optimal employment conditions by nature of the industry and corporatist protections existed in sectors that are strategic for both business and state elites.

This had happened at a time when neoliberal arrangements in most developing countries meant that investment strategies targeted other sectors of the economy. In Tunisia’s regional space, similar liberalizing economies
had a collapsing share of manufacturing in the case of Egypt, volatile in the case of Jordan, and static in the case of Morocco. Tunisian workers therefore had a better standing in the structure of the national economy in comparison to their most comparable neighbors. They command the ability to disrupt at lower risks to themselves. However, the corporatist regime also aims at regulating labor power while offering only minimum guarantees. Crucially, Tunisian workers had other tools at their disposal.

Organizational Leverage

The 1973 collective bargaining agreement was no small feat. It achieved 37 sectoral agreements for the different industries and 70 basic laws for the public sector between 1974 and 1978. It provided the institutional framework that guarded wage levels. Importantly, it is only a framework that aggregates workers’ demands. It is as good as the process of formulating demands at the lower rungs of the working mass.

Workers aggregated their demands as the bargaining system started to deliver. Strikes went up during the 1970s: 32 in 1971, 150 in 1972, 363 in 1975, and 452 in 1977. The UGTT leadership that encouraged its membership to double in size in just few years then had to deliver on its part of the agreement and provide class cooperation. The broad agreements did little to quell the mobilizations, and elites wanted to collect their share of the deal. By 1976, the state expected the national executive bureau of the UGTT to enforce its authority of legalizing strike action more rigidly, a policy also established in 1973 that complicated grassroots organizing by needing to meet certain criteria for the strike to be legal and considered. But the confederate nature of the UGTT proved to be a potent weapon in the service of grassroots mobilizing.

The growth in membership during the 1970s was not a growth of an undifferentiated mass of workers acting on demand of the national executive bureau. These masses filled the nods of a checkered system of membership on a vertical sectoral axis and a horizontal regional axis. The organization produced three administrative levels on each axis, with some level of autonomy for each to operate in its domain. Local and regional unions directly engage the employers that are within their domain over daily concerns and individual disputes. Local and regional unions report to both their corresponding national sectoral union, and to the regional executive bureau of the UGTT. One member of the secondary school teachers union explains:

The regional executive bureau’s legal authority is second only to the power of the national executive bureau. The regional axis of the UGTT has priority over the sectoral axis.

Solidarity strikes, executed at the regional level, are the most powerful tool for workers to leverage their demands. As low skill employment expanded in industries and workers had lesser power than their counterparts with high skill in the public sector, regional networking with the militant left, professional, and public sector segments pushed for demands independently from the industry’s sectoral arrangement. The national executive office had to legalize more collective action given this pressure by the base. Elites responded in 1977 with a broad wage increase and inflation indexing for automatic increases. While these policies repetitively increased the minimum wage and costs for employers, it did little for the majority of workers who were hired at higher wage levels.

Failing to achieve labor cooperation, the state deployed the army on 26 January 1978 to stop a general strike. Hundreds were killed on the streets that day, and the state imprisoned members from the national executive bureau, including the general secretary that was reincorporated earlier in the decade to help purge the liberal challenge. The regime assumed the high cost of this repression. Yet it failed at achieving labor cooperation, as ISI subsidization pressures on public finances kept on inviting austerity measures. Annual strikes increased to the 500 range in the early 1980s, leading to the second confrontation in 1984. The state disbanded the UGTT’s executive office again, confiscated its assets, and stopped transmitting dues of government and public sector workers.
But Bourguiba’s troubles were still mounting: the succession crisis has become more acute as the president aged one more decade since the succession crisis of the 1970s, and the global economic slowdown disrupted business expansion. As a token of peace in the midst of multiple confrontations that Bourguiba had to wage in his final years in office, he restored in the same year, 1984, the previously imprisoned secretary general, Habib Achour, who by then was a towering figure for the working class with enough legitimacy to subdue the radical organizers behind the previous decade of militancy. However, the liberalizing wing of the ruling party took the reins of the state with Ben Ali’s coup in November of 1987, and the trade unionists suddenly found themselves in a different political arena.

Ben Ali’s liberalization aimed to remove all price and customs controls, and subjected national and external trade to the full force of free markets. It dismantled ISI with losses to a segment of the business class and the public sector, but still opened the arena for a broader range of investments. Consumption and indirect taxes were elevated over income tax and the banking sector was deregulated, enforcing competitive performance on banks while still unlocking financing opportunities for different operations, including the emergence of holding companies that are able to leverage individual business operations significantly. Nonetheless, manufacturing received a new lifeline. Already the main site of capital formation since the 1960s, the new regime funneled much of the cut subsidies from consumption into exporting businesses. It also opened exporting to foreign investments. Housing, tourism, trade, services, and banking were all newly opened spaces for investments. Still, manufacturing doubled its size of the GDP under the Ben Ali regime. The 1980s showed Tunisian elites the need for the productive sector to create higher value added to avoid similar macroeconomic pressures that unraveled the ruling coalition earlier in the decade. Wage increases aimed at avoiding a renewed radicalization of the unions in response to inflation and price hikes did not, however, prevent real wages from deteriorating.

In response, the executive bureau legalized a smaller percentage of collective action. Reformists capitalized on state-sponsored wage increases and state subsidies instead of membership dues to stamp out radicals towards the complete bureaucratization of the UGTT in the 1990s. By the early 2000s, opposition within the organization was revived with the “Democratic Platform,” which had openly discussed in-depth reforms of the unions. Given the leadership’s incomplete control over the organization, and the exceptional successes of the union opposition to defend democratic elections at the base of the organization, dismantling labor rights was patchy and not as aggressive as elsewhere in the region. Employment flexibilization was introduced at just hiring practices, but not firing. Collective bargaining maintained a broad minimum wage level. And though reaching quorum and legalization of union meetings at the firm level were hardened by the law’s counting of all workers in the firm, not just the unionized, unionists still have the legal protection and freedom to organize new workers.

Tunisian industrialists learned to live with the protections/imperfections of their labor market. Flexibilization achieves more for their regional competitors. Their push for higher value added exports is unmistakable as one route to protect profitability, and accordingly, intra–elite polarization over policy choices was given a new life.

**Industrial Leverage**

Investors in Tunisia can exploit a section of its working class that is in the corners of precariousness and informality of the labor market. Hiring flexibilization means that workers enter on a contractual and temporary basis without batteries of legal rights and non-wage compensation. As such, wage level in Tunisia is routinely advertised as lower than Turkey’s and Morocco’s levels that all compete in the European clothing market. But depression of wages achieved little for a business class that was competing with the heavyweights in cost reduction. Pushing for higher value – and accordingly, higher skill – was crucial. For instance, Tunisia delivers to the EU market a pair of jeans that is more than double the average cost.
of all similar products, and the overall growth of export value was consistently higher than import value growth in the 2000s. None of this was achieved in similar regional liberalizing markets, most certainly not by manufactured goods. Most often, employers had to accommodate collective bargaining and job protection that were enshrined in the law.

Issues that employers investigated in questions to the business press in 2010 included, for instance, whether a judicial order can reinstate an expelled worker despite collecting his end of service benefit. Another investigated whether he must pay workers what they demanded for the extra work they did during normal working hours, or what to do in front of workers’ insistence on the promotion of one of their colleagues during wage increase negotiation meetings. Employers operated in an environment of restrictions. By the time the uprising erupted, business elites had little appetite to take on any new burdens to extinguish the fire surrounding the Ben Ali regime.

Trade Unions in the Uprising

As protests multiplied across the country in late 2010, the national executive bureau lost its ability to tame the organization’s involvement. Regional executive bureaus started to announce general strikes, and Sfax, the second largest city in the country with a significant industrial base, went on a general strike on January 12th, 2011, which prompted Ben Ali to call on the general secretary to complain and ask that the federation pull out from a call for strike in Tunis two days later. Unable to comply with the demand, the strike took place and large protests formed in the city and country on January 14th, 2011, after which Ben Ali fled Tunisia.

Less than a month after the removal of the president, the UGTT supported a major sit-in and then organized another one to force Ben Ali’s government to resign and launch a full transitional process. With that accomplished and the continuation of labor activity, frustration appears in the business press. For instance, many companies by April of 2011 have closed down because of vandalism and strikes. In May, and in a meeting with French businessmen, Tunisian counterparts reassured them that the ongoing social dialogue would restore quiet. However, political strife continued, and the transitional period stalled. By 2013, the UGTT demanded the resignation of the transitional government over a second assassination of oppositional figures. Union Tunisienne de l’Industrie, du Commerce et de l’Artisanat (UTICA), the main business organization, supported the call.

In short, Tunisian society had a clearer path to democratic consolidation. Workers are able to deepen the wedge between business elites and state elites and extract concessions from both. Their leverage flows from the structure of the economy and is strengthened in the organization. This was crucial at the moment of the Arab Spring as Tunisian elites found themselves the most susceptible to pressure from below. The case of Tunisia confirms what has long been established in the debates on democratization. Disruption recruits ruling business elites to the cause of democracy against autocratic political elites, and the Tunisian exception stems from the ability to wield such power.
Endnotes


9 Joel Beinin, ibid.


17 Joel Beinin, ibid.


24 Joel Beinin, ibid.


26 Mohammed al-Nasser, ibid.


29 Kasper Nettetstrom, ibid.

30 Ian Hartshorn, ibid.


38 Azmi Bishara, ibid.

39 Personal interview with the contemporaneous UGTT secretary general, 9/12/2019, Tunis.


41 Al-Bayyan, 05/02/2011, p. 10.

42 Personal interview with the contemporaneous UTICA secretary general, 8/28/2019, Tunis.

To regulate or not to regulate?
Jordan’s approach to digital ride-hailing platform Careem

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On a global scale, digitalization is a disruptive megatrend with profound impacts on labour: new jobs are created, other jobs are lost through automatization. There is widespread consensus that this megatrend cannot, and should not, be stopped but steered and used. Just how regulators should respond to digital goods and services is less clear. When regulating this relatively new branch of business, authorities need to manoeuvre between multiple opportunities and challenges. In the MENA region, governments and jobseekers have pinned their hopes on digital platforms and service-providers to open up new, flexible job opportunities to the unemployed. Yet, there are considerable risks, such as a concentration of market power and often poor working conditions, inherently connected to the question of whether or not governments can manage to regulate platforms.

In Jordan, the boom of ride-hailing applications such as Uber or its former competitor, now subsidiary, Careem promised quick private sector job creation and better and safer mobility for passengers. Jordanian authorities faced a choice between licensing ride-hailing platforms, and thus allowing flexible yet informal job creation in this field, or protecting entrenched taxi businesses with formally trained and accredited drivers. Against the backdrop of a dire economic situation and rampant unemployment figures, Jordan’s regulators decided for a middle way, licensing ride-hailing platforms yet limiting their growth and confining them to an upmarket line of business. Yet this created new factions and insider-outsider dynamics on the labour market, because Careem’s so-called captains neither belong to Jordan’s informally working ‘outsiders’ nor its formally working public or private sector ‘insiders’. Like the former (and like platform workers globally), they face precarious working conditions and are not represented by unions, thus constituting ‘outsiders’. Yet, unlike other international platform workers and even unlike Jordan’s labour market ‘insiders’, they are privileged in respect to higher income potentials and hence constitute a new category which could be dubbed ‘privileged outsiders’.

In this memo, I discuss (i) how Careem as a major player of the MENA platform economy successfully entered the market in Jordan’s capital and created jobs, (ii) their drivers’ employment situation and working conditions and (iii) how regulators, by confining taxi and ride-hailing businesses to different lines of business, created fairer competition but also (iv) segmented Jordan’s labour market by distorting wage levels and incentives for the highly-skilled. Empirically, the memo draws on conversations and interviews with Careem captains and managerial staff, taxi drivers and customers in spring and summer 2019 in Amman.

Careem’s quick market entry in Jordan’s capital
Amman: mobility and jobs

The ride-hailing platforms Uber and Careem entered the Jordanian market in 2015 as major players for ride-hailing via smartphone app. Both improved mobility and created lucrative, flexible jobs as so-called captains (Careem) and partner drivers (Uber). Local competitors never reached sizeable market coverage.

By offering safe, reliable and highly customised ‘from doorstep to doorstep’ transport, digital ride-hailing services quickly grew in Jordan’s capital. Amman’s urban sprawl, notorious traffic congestion, a dearth of public transport options and a predominant perception of local cab drivers’ behaviour as fraudulent and aggressive helped to spur the trend. Tourists and international aid personnel supporting Jordan in its Syrian refugee response contributed to the upsurge in interest, since they did not need knowledge of the place, Arabic or bargaining skills...
to use a ride-hailing app. Passengers were prepared to pay 10-50% higher fares in comparison to taxis. For platform operators, it proved a highly profitable business – both Careem and Uber in 2019 received 20-25% of the ride fare – and its drivers expected to earn a decent income.

By definition, the platform economy eases job creation because it digitally brokers work tasks to contracted labour with huge efficiency gains. Jordan, like most MENA countries, struggles with high unemployment: in 2019, the official rate stood at 19.1%,4 with youth and graduate unemployment at 37.3% and 33.5%, respectively.5

With its market success, applying to Careem became a viable option for many Jordanians. In 2015 it had 50 captains; by 2018, before it was regulated, it had 11,000. By mid-2019, around 6,000 Jordan worked for Careem, 5,500 as drivers, 480 in a regional call centre and 45 as operating staff in Careem’s Amman office.6 Three issues attracted applicants for driver positions: fairly easy application procedures, a modern image and, especially, high income opportunities.

**Easy application procedures:** Most conditions for becoming a captain are rather easily met, like a driving licence and a clean police record, maximum age and good maintenance of the car,7 as well as a smartphone including mobile broadband. Because of specific Jordanian regulations prospective drivers need to prove car ownership or being a first-line relative of the owner. This involves a major upfront investment, maintenance costs and incidental expenses. This means that unemployed members of the middle classes, who can afford it and seek to secure their social status, often become captains, not those in dire need of part-time jobs. Several interviewees confirmed that they or co-workers had taken out a bank loan, resulting in financial dependency while paying-off the loan (mostly 600 JOD monthly for 5-6 years, rarely private loans at a cheaper interest rate). Some had sold their small business or spent their dismissal wage on the car.

**Modern image:** Careem’s modern ‘techie’ image reinforces the attraction for the job-seeking middle class. Even those “from a good family”, as one interviewee put it, who would have never considered driving a cab because of the associated low status, became captains. Careem Jordan staff emphasized: “We kind of elevated their role: in our branding, in our communications we’ve always used the young, cool [term] captains.” This is in line with international experiences that “[t]he gig economy tech-washes this work into something more culturally desirable.”

**High income opportunities:** Most importantly, applicants were attracted because gross income is – or was pre-Covid-19 – high, especially for a task not requiring specific skills or qualifications. Interviewees reportedly earned up to 1,000 JOD per month as full-time captains – almost double the average nominal Jordanian wage of 524 JOD or over 4.5 times Jordan’s minimum wage of 220 JOD,9 though at longer working hours and before the deduction of incidentals.10 One interviewee estimated he earned 1,000-1,200 JOD per month for driving 12 hours per day, compared to previously 300 JOD monthly as an accountant. A retired teacher calculated earnings of up to 1,500 JOD monthly for driving passengers 10 hours per day, which is double to triple his previous salary of 500 JOD for 6-7 hours daily. Even part-timers, switching on their Careem account for about 5 hours, make 20 JOD daily or about 560 JOD monthly.11

The recruitment of captains became highly competitive. As of summer 2019, about 75% of applicants were turned down and 3-4,000 kept on a waiting list. There were no free licenses due to an over 90% retention rate,12 which is much higher than Uber’s in the US.13

Supporting businesses benefitted from Careem’s success, too. Business opportunities widened for mobile phone operators and car dealers, especially those offering sought-after hybrid models, insurance companies, or banks granting car loans. Careem uses a particular bank as a billing agent, so captains need to open a bank account with it to receive their weekly breakdowns of credit-card payments.
Drivers’ profiles and precarious working conditions

Most captains are male and well-educated, but they vary by age and by motivation for driving. Above all they value the flexibility – they can log onto the app regularly or occasionally, thus easily accommodating alternative duties like part-time jobs or childcare. Despite this flexibility and the modern image, there are hardly any female captains – few Jordanian women are self-employed or in the informal sector.¹⁴ Ride-hailing, however, indirectly contributes to female labour market participation as female customers commuting to work value the safety of a five-star rating system and the “track my ride” function to share driver details and passengers’ exact location. Using Careem thus helps women respect cultural norms but driving Careem counteracts these norms as it requires customer contact with strangers.

Captains drive for different motivations, but all of them are enterprising and proactively navigating through sometimes difficult life situations (this further illustrates Nada Berrada’s point in this volume, that the common labelling of young job-seekers’ efforts as “waithood” is misleading). A first group of captains sees their job as a temporary solution, supporting them while they are transitioning to a new job or field of work, as a springboard and cash cow for emigration or, in rare cases, to accumulate seed capital for a small enterprise. A second group regards Careem as a more permanent job, as a backup while waiting for their next order as a freelance architect or graphic designer, or after they were laid off or experienced a major wage cut in their old job. Some sold their old businesses (e.g., small restaurants, car-repair shops) because of better income opportunities. Several lorry drivers switched to passenger transport after Jordan’s 2015 anti-terror border closure with Iraq. Public sector retirees signed up, some drive just for the entertainment. Yet, most captains rely on the income to make a living for themselves and their families. Some spend it on their own or – in my sample more often – their children’s education, paying university or private school fees. Yet, part-time university students, which became to be seen as the ‘prototype’ captains, constituted only a fraction of captains in my sample.

Globally, platform workers are by default labour-market outsiders – a new class of informally working new-comers to an already established system of unions, regulations, and even other informal, yet entrenched workers in the same field. They are misclassified as micro-entrepreneurs or freelance contractors. They bear the full risk of entrepreneurs but lack control over entrepreneurial decisions like which products or services are offered to which customers at which price. No matter the reason demand for their services drops, it is the drivers and not the platform operators which face fluctuating income. Platform operators self-ascribe as mere brokers and providers of a labour-matching technology and deny employers’ responsibilities, thus circumventing regulations valid for competitors, e.g. transport companies.¹⁵ Working conditions are mostly poor as workers receive no social benefits; they cannot appeal against unfair treatment or missing payments; they may be dismissed quickly by unilateral de-activation of their accounts and face immense difficulties in organizing themselves; usually they are not represented by any workers’ council.¹⁶ Flexible working hours come at a price as drivers also must be flexible and work in accordance with demand, not with their own preferred schedule, to maximise their income.¹⁷ The informality can take its toll on the quality of the service and jeopardize road safety because, as interviewees confirmed, there are no maximum driving hours or agreed off-times.

In 2019, most interviewed captains were, however, content with Careem’s working conditions. Considering that in Jordan there are no unemployment benefits and – unlike in some North African countries¹⁸ – no unemployed associations, they were grateful to have found any paying job; like in most low- or middle-income countries the informal sector provides the best options. If interviewees complained, it was usually that Careem charges 20-25% of all ride fares. Questions about missing social benefits were shrugged off. Drivers can voluntarily register with Jordan's Social Security Corporation but less than 2% did.¹⁹

During the pandemic lockdown only a tiny fraction was eligible to apply for cash assistance and although the Central Bank of Jordan recommended banks to postpone...
private customers’ loan repayments, only some followed through. In May 2020, Careem cut its staff across the Middle East by 31% due to an 80% loss of business. Many captains struggled with unpaid car loans and by 2021, several of them had been forced to sell their cars and quit their jobs. Careem’s pool of drivers massively shrunk and those still offering their services request cash instead of credit-card payments to immediately cover their expenses. The sudden drop in business caused by the lockdowns thus underlines the precarious nature of platform work, much to the detriment of customers and platform operators but, especially, of the registered drivers. Fairwork Foundation, campaigning for decent work in the platform economy, estimates that 50 million platform workers globally had been adversely affected by the Covid-19 pandemic, either by losing their jobs or on average two-thirds of their income.

Regulators’ arbitration between taxi drivers and Careem captains

After 2015, Uber’s and Careem’s services in Amman grew at first unregulated and quickly. Like in other countries experiencing the fast growth of the ride-hailing business, taxi drivers faced fierce competition. Their usual monthly income about halved and taxi medallions quickly lost in value. In 2016, over 1,200 taxi drivers protested against unfair competition and low fares. Traffic police impounded Careem and Uber cars and fined their drivers, who were accused of violating Jordan’s Public Transport Law. Reportedly, Uber refunded drivers the fines and a share of foregone income. This quick growth and subsequent taxi driver protests also mirror Jordan’s ruling monarchy’s gradual disconnect to its traditional power base: platform owners are said to be very close to elite and royal circles in Jordan, so state support for traditional taxi drivers slackened and led to protests.

To counteract these protests, regulators eventually reacted in two steps: In 2017, Careem and other ride-hailing operators received preliminary licences by the Land Transport Regulatory Commission (LTRC). Simultaneously, both Careem and Uber attempted to calm taxi drivers’ hostility by including a number of yellow taxis on their app. By mid-2018, regulators handed out regular licenses, yet setting a maximum at about half of already app-registered drivers. Regulators thus struck a compromise, curbing both ride-hailing operators’ uncontrolled growth and taxi operators’ previous monopoly position, to enable fairer competition. To halve its registered captains from 11,000 to 5,500, Careem told captains to re-apply on a first come first served basis and a surplus drivers found their accounts deactivated. Some of the laid-off captains found a new job in Careem Box, a delivery service launched in late 2018.

Regulators not only set a maximum number of licences, they also kept ride-hailing apps in an upscale line of business. They barred Careem from offering bus services or cars with small engines. Careem’s managerial staff described Jordan as fairly difficult regulatory environment in regional comparison, for instance, more complicated than most GCC countries. “We are one of the biggest […] providers of income in Jordan […] but] the government has not yet seen us as that. […] To me, they are not even concerned about the money they can make from the licenses [400 JOD per licence], it’s more for them to avoid pressure from the taxis and the unions.” Working conditions were not part of the negotiations.

Regulators thus reinforced a labour market segmentation, but they still could not fully eradicate the competition between Careem and taxi drivers. While customers are willing to pay higher ride fares for the better, digitally enhanced ride-hailing service, the actual work of captains and taxi drivers is very similar, at unequal pay.

Regulatory side-effects? Crowding out and deskilling

Confined to providing an upmarket service, Careem earned higher ride fares and its captains earned better than in other jobs. This led to crowding out because income opportunities drew people from other jobs into the ride-hailing business and made highly-skilled job-seekers apply to Careem rather than to a job vacancy in their own field of specialisation. This crowding out reflects just how
Poor alternative job opportunities are in both Jordan’s informal and formal private sector. Captains constitute a new peculiar set of outsiders to Jordan’s labour market dualization, equally informal and vulnerable as taxi drivers but earning a higher income and benefiting from a prestigious modern image. This introduces a new layer of ‘privileged outsiders’ in comparison to other outsiders and to insiders in public sector jobs (similar to new insider-outside divisions in the Gulf as discussed by Steffen Hertog in this volume).

Seen by skill level, captains take over jobs that could be filled by less skilled persons. If captains work outside their actual professional field, it leads to – as one interviewee put it – “a misuse of skills” and deskilling. Highly-skilled persons in unskilled or low-skill jobs gain no additional work experience, they neither apply their skills nor learn about new developments in their respective field. Captains use basic digital tools but gain hardly any digital skills helpful toward a future career. Such deskilling blocks individuals’ career choices and has adverse effects on a country’s stock of human capital. Furthermore, anecdotal evidence suggests that, rather than reducing brain drain, platform-earned income provides a means to enable emigration.

Yet, driving for Careem has positive effects on skills and productivity if it helps to bridge income gaps while captains pursue their professional career as part-timing students or freelancers waiting for new assignments. However, problematically, low-skill drivers or student part-timers were less common in Amman than at ride-hailing platforms workers elsewhere. The requirement of owning a well-kept car constitutes both a barrier to entry and a lock-in effect pushing captains to stay longer in this low-skill job than they would otherwise do.

**Conclusions**

On a cursory glance, the case study of Careem in Jordan’s capital is largely in line with other international experiences with ride-hailing platforms. It reflects the same steep growth, fashionable image, informal work arrangements and precarious working conditions. As the income losses during the Covid-19 pandemic painfully showed, Jordan’s Careem captains are equally risk-prone as their global colleagues. Yet, in contrast to dumping prices and low earnings of platform drivers elsewhere, as of 2019, Jordan’s captains earned quite well and their experiences were rather positive. In that sense, Jordan could be seen as a positive regulatory example.

Yet, to protect taxi drivers against large-scale competition and perhaps to divide-and-rule different constituencies in the transport sector, regulators spurred a price differentiation between mobility choices, which helped to create a niche for and by the middle classes. By licensing ride-hailing platforms as an upmarket choice, Jordanian authorities alleviated the employment crisis and to a degree placated middle class members threatened by downward social mobility. Their approach, however, built on short-term wins and informal work arrangements, did not tackle but aggravate long-standing labour market shortcomings and inefficiencies. Highly-skilled persons were drawn from their professional fields into jobs that could be done by less skilled persons – if only the latter had the means to afford the loan for a modern, medium-size vehicle. The ‘split’ between Careem as a middle-class transport service and cheaper taxi services was deepened by regulators. Regulators chose a way of least resistance, creating additional jobs and mobility choices but unloading risks onto the workers themselves.

In Jordan – as in many middle-income economies – there is a lack of decent, well-paid formal jobs. Under these circumstances regulators had the choice between bad and worse: Had they banned ride-hailing businesses altogether, they would have forgone jobs and income for drivers and a safe, reliable and convenient transport service for passengers. They chose to license ride-hailing, but in a way that avoids job losses by taxi drivers. By doing so, however, regulators segmented the Jordanian labour market and upset wage levels and incentives for the highly-skilled.
Endnotes

1. *Platform economy* is a neutral term purely describing the technical intermediation and thus will be given preference over *gig economy*, *sharing economy* or *collaborative economy*.

2. The driver sample consists of 99 encounters, 70 with captains, 25 with taxi drivers (11 of them also registered on the Careem app) and 4 with Uber drivers. Sampling was random since potential interviewees were approached after app-ordering a Careem service or hailing a taxi on the street.

3. Global market leader Uber was created 2009 in San Francisco; Careem 2012 in Dubai. In 2019, Uber bought Careem for 3.1 billion USD but stayed independent brands after the merger entered into force in 2020.


7. In comparison to existing taxi services, app-registered cars tend to be more environmentally friendly; the vast majority of the interviewed captains drive hybrid cars. In the short run, urban authorities see ride-hailing platforms as helpful in reducing carbon emissions.


12. Staff interview, 2019, Amman.


15. ibid.

16. ibid.


28. Interviewed app-registered taxi drivers switch between both services depending on traffic and ride fares. They tend to switch off the app during rush hours, just serving customers from the streets. During evening hours, when most people are at home and few hail taxis from the road-side, using the app saves waiting time and petrol-guzzling street cruising.

29. The competition indeed incentivised cab drivers to provide a better and friendlier service and cleaner cars. For instance, several taxi drivers formed *ghad sirri* (Arabic: quick answer), a lose association coordinating via WhatsApp to guarantee quick pick-up of phoning-in customers.

30. Not competing with passenger transport, the regulations did not apply to Careem Box. By mid-2019, when it had 1,000 captains, an agency affiliated with the Ministry of Telecommunications investigated for unlicensed competition with postal services. Staff interview, 2019, Amman.

31. Staff interview, 2019, Amman.

32. Interviewed Careem and taxi drivers reported occasional aggressive behaviour, ranging from cutting into each other’s ways to outright brawls. Many interviewed taxi drivers emphasised their own professionalism and experience, while pointing to app-registered drivers’ lower-class driving licence and car insurance coverage.


34. There is, however, a methodological bias since only active captains could be approached for interviews, not those whose accounts had been deactivated in 2018 or who for other reasons had to quit their Careem job.
The Project on Middle East Political Science

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