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OIC FRAMEWORK FOR COOPERATION ON LABOUR, EMPLOYMENT AND SOCIAL PROTECTION

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LABOUR, EMPLOYMENT AND SOCIAL PROTECTION**

I. INTRODUCTION

1. The need to address the developmental challenges in OIC member states has brought to the fore the importance of human capacity development and the necessity to address related labour market issues such as youth and women employment, entrepreneurship, and social inclusion. The recent global economic and financial crises have adversely affected the labour markets in OIC Member Countries and a significant number of job losses were registered in many OIC countries, especially in those which their economies are heavily depending on industrial exports.

2. Pursuant to the commitments the OIC member states as provided in the OIC Charter, the General Agreement on Economic, Technical and Commercial Cooperation (1977) and the OIC Ten Year Programme of Action (TYPOA) aimed at fostering cooperation for exchange of expertise and manpower and promoting transfer of knowledge, experiences and best practices. It is also aimed at conducting joint action and training programmes in these areas with a view to generating effective and efficient improvements in labour markets in the OIC member states, thereby reducing unemployment, increasing labour productivity, and improving the state of occupational health and safety.

3. According to the latest available data, in OIC member states, the average labour force participation rate of people between 15-64 years old stood at 60.4% compared to the world average of 64.8%, the average of the developing countries of 65.6%, and the average of high income countries of 61.0% average. While the average rate of male labour force participation in OIC member countries (78.9%) is comparable to the 77.7% of the world, 79.5% of the developing countries and 69.9% of the high income countries, their performance in terms of female labour force participation rate remained significantly low; at a level of 41.6%, compared to the world average of 51.9%. Youth labour force participation rate also remained low at 32.8%, compared to the world average of 39.8%, 41.9% of the other developing countries and 48.4% of the high income countries.

4. Given the comparatively large segment of young population in OIC member countries, the negative implications of high rates of youth unemployment on the socio-economic development in many of these countries are clearly significant. Combined with high rates of unemployed women, this situation is still hampering the developmental efforts of many OIC member states, particularly the efforts of poverty alleviation. The root cause of many social phenomena could also be traced back to persistent high unemployment rates. Thus, it is clear that unemployment, especially among women and youth, remains one of the major economic and social challenges that face many OIC member states.

5. The causes of unemployment in OIC countries are attributed to some inadequacies in their labour markets such as the shortage of job opportunities, skills mismatch, low levels of productivity, macroeconomic instability, seasonality of jobs, disconnect between the demands of employers and the output of education systems, and low quality of vocational education and training systems. Due to various causes, tackling unemployment usually requires different approaches, especially among different age groups and gender, which include, among others, investing in upgrading skills. Low quality jobs prevent productivity

improvements and hinder economic growth. Lack of experience and incompatible education, on the other hand, put labour force at a disadvantage state even when higher economic growth translates into overall increased employment opportunities.

6. Given this state of affairs and considering the importance of the role of the labour market in socio-economic development in the OIC member states, there is an urgent need for seeking ways and means to stimulate cooperation among the member states in this important area. Cooperation in labour and employment related issues in the OIC member states requires long term strategies to be translated into concrete actions that are likely to promote improvements in the level of employment and productivity with effective responses to the new requirements and demands of the labour market. This requires, among others, implementing communication strategies; identifying new tools, and effective functional and organizational models for public employment services, including upgrading of skills of public employment services personnel; exchange information on the initiatives to incorporate the fundamental principles and rights at work into educational curricula; exchange information and best practices on member states' regulations and codes, as well as strategies, policies and experiences in the area of occupational safety and health, and migration, with a view to promoting a culture of prevention and control of occupational hazards in the member states.

7. In this connection, the OIC Framework for Cooperation on Labour, Employment and Social Protection will facilitate collaboration and cooperation among the OIC member states through certain ways and means in the following six cooperation areas:

- a) Occupational Safety and Health;
- b) Reducing Unemployment;
- c) Workforce Capacity Development Projects;
- d) Migrant and Foreign Contract Labour;
- e) Labour Market Information Strategy; and
- f) Social Protection.

8. The member states should devote financial, technical and logistical resources for the implementation of the Framework for Cooperation on Labour, Employment and Social Protection and to facilitate the participation of their relevant national institutions in the implementation of this Framework. Relevant OIC institutions and those of other international and regional organizations should be also encouraged in taking role in the implementation process of the Framework.

II. COOPERATION AREAS

a) **OCCUPATIONAL SAFETY AND HEALTH (OSH)**

Objectives

9. Occupational safety and health was identified as an extremely important area for the developing countries in general and for the OIC member states in particular. Occupational safety and health is important for moral, legal, and financial reasons. Moral obligations would involve the protection of employee's lives and health. Legal reasons for occupational safety and health practices relate to the preventative, punitive and compensatory effects of laws that protect worker's safety and health. Occupational safety and health can also reduce employee injury and illness related costs, including medical care, sick leave and disability benefit costs. Occupational safety and health involves interactions among many subject areas, including occupational medicine, occupational hygiene, safety engineering, public health, industrial engineering, chemistry, health physics and occupational health psychology. The main focus in occupational safety and health is on three different objectives: (i) the maintenance and promotion of workers' health and working capacity; (ii) the improvement of working environment and work to become conducive to safety and health; (iii) protection against occupational risks; and (iv) development of work organizations and working cultures in a direction which supports health and safety at work and, in so doing, promotes a positive social climate and smooth operation, which, in turn, enhance productivity of the workers.

Programmes of Action

- Establishing network among occupational safety and health institutions in the OIC member countries (already done and hosted by SESRIC);
- Designing capacity building programmes for occupational safety and health (SESRIC already implementing such programmes);
- Establishing trainers' database in the field of occupational safety and health (SESRIC);
- Encouraging SESRIC, IDB Group and OSH Institutions for future cooperation in organising events in the field of occupational safety and health with the aim of exchanging knowledge and best practices among member states, including exchange of programmes by specialists in this area;
- Determination of potential international and intra-OIC partners;
- Adoption and enforcement of international OSH regulations and standards;
- Popularising occupational health and safety standards with regard to projects financed by relevant OIC institutions;
- Developing an information system on the main indicators of occupational safety and health, as well as exchange of information and expertise in OIC member states; and
- Elaborating practical guidelines for prevention of occupational risks.

Strengthening the Existing OIC Programmes

OIC Occupational Safety and Health Network (OIC-OSHNET)

10. Aims of the OIC-OSHNET is to create closer cooperation for sharing and exchanging knowledge and experience, and to conduct joint research projects and training programmes among the relevant institutions in the area of Occupational Safety and Health in OIC member states. The areas for future cooperation within the framework provided by this programme include designing capacity building programmes for occupational safety and health, establishing a network among occupational safety and health institutions in the OIC member states, establishing a trainers database in the field of occupational safety and health, and encourage SESRIC and OSH Institutions for future cooperation in organising related events in the field of occupational safety and health.

b) REDUCING UNEMPLOYMENT

11. It is essential to enhance the employability of the workforce in the OIC member states through, inter alia, efficient use of labour market policies, which mainly should target both the employed and unemployed people.

Objectives

12. Unemployment is a major concern at both national and global levels. There is a significant risk that the jobs crisis will have long-lasting negative social and economic implications. The problem of youth unemployment is rapidly assuming dangerous proportions in many countries around the world, particularly in developing countries, including the OIC members, as their economies are unable to accommodate these numbers of youth.

13. Total global unemployment rate increased from 5.5 per cent in 2007 to 6.2 per cent in 2009 (ILO *Global Employment Trends 2011* report), and, despite the modest economic growth in 2010 and 2011, it was estimated at 6.1 and 6.0 per cent, respectively, which are still well above the 5.6 per cent rate in 2007. World adult unemployment rate (percentage of labour force age 24 and over) increased from 4.0 per cent in 2007 to 4.7 per cent in 2009, and declined in 2010 to 4.6.

14. This is while in some OIC countries the total unemployment rate remained at the 10 to 15 per cent levels, with drastically higher rates for youth and women unemployment, which are in some cases well above 20 per cent.

15. With respect to the situation in the OIC member countries, although labour market conditions vary significantly, the following issues are considered as common problems in many of these countries:

- i. A significant portion of the jobs available in many OIC countries are either low-quality informal jobs or formal jobs in the public sector;
- ii. There are weak linkages between education institutions, enterprises and employment offices;

- iii. Mismatch between composition of skills and capabilities and the needs of the labour market;
- iv. Difficulties for workers to move between jobs prevent them to find positions suitable to their skills; and
- v. Unemployment is persistently high for women and young people.

16. Unemployed people usually require more than skill upgrading as unemployment can take different forms and each form may require different responses. There is need for unemployment programmes aimed at reducing cyclical, frictional, seasonal, and structural unemployment. While some of these programmes aim at preparing people to match the skills required for existing jobs, others aim at creating jobs that will match the existing skills of workers.

Programmes of Action

- Developing integrated programmes to support growth of SMEs and Islamic microfinance institutions with a view to improving self-employability and youth micro-entrepreneurs;
- Exchanging best practices of effective policies and programmes to address the challenges of informal employment, particularly as they relate to the incorporation of non-registered workers into formal employment;
- Exchanging views on options for scaling up the benefits and coverage of the Short and Long Term Programmes, including Job Guarantee option, based on research reports of international relevant experiences and other national expert views;
- Enhancing linkages between industries and education/training institutions to ensure that the critical skills required by the industries from the potential work force are taken into consideration in the education/training curriculum;
- Improving information transparency on employment statistics and opportunities;
- Monitoring labour figures and real market need of professions and competencies;
- Developing intra-OIC cooperation in the field of career counseling;
- Providing technical support and assistance to the youth to enable them realise their professional competences and setting up mechanisms for job-seekers to test and evaluate their skills and abilities;
- Encouraging member states to develop national strategies and work plans for youth employment, and to carry out studies impacting on employment policies;
- Developing professional and job-marketing materials as well as material creation techniques;
- Emphasising on adoption of special policies on SMEs in development strategy interconnected with entrepreneurial development strategy;
- Encouraging private sector's partnership in investment with an emphasis on SMEs access to financial resources;
- Promoting of supportive policies to transfer SMEs from informal sector to formal sector of economy;

- Exchanging of member states' experiences in the field of youth employment, development of small enterprises and preparing suitable ground for "Bench Marking";
- Promoting labour protection, which comprises decent conditions of work, including wages, working time and occupational safety and health, essential components of decent work; and
- Putting in place adequate measures to stimulate employment.

Strengthening the Existing OIC Programmes

Youth Employment Support (YES) Programme

17. In February 2011, Islamic Development Bank (IDB) approved a Youth Employment Support (YES) Programme with an additional allocation of US\$ 250 million over and above the 2012 Operation Plan to support efforts to generate youth employment growth in the affected countries in the Arab region. The YES Programme will support Operations that will lead to (i) employment generation, (ii) building capacity for skills adjustment for jobs market, and (iii) designed within the Education for Employment (E4E) Programme, which is being coordinated by the IDB Group and the International Finance Center (IFC) of the World Bank. An additional feature of the US\$ 250 million YES Programme is that borrowing costs will be on concessional terms reflecting the macroeconomic crisis conditions of the most affected Arab countries.

SMEs Development Programme

18. The objective of SME Development Programme is to assist enterprises improve their competitiveness, sustain growth and market expansion, build entrepreneurial skills, and improve access to appropriate technologies and finance. The Programme has two major components. The first component is SMEs Fund Management where activities related to launching of market-based SMEs funds in target countries, fostering cross-border networking of SMEs funds and supporting migration of best practices across target countries are carried out. The second component is SMEs Advisory Services which focuses on providing solutions to authorities to help direct technical assistance in the areas of regulations, banking and capacity building.

Regional Initiative under the Education for Employment (E4E) Programme

19. In April 2010, both IDB and IFC of the World Bank launched a US\$ 2 million joint study Education-for-Employment (E4E) Initiative for the Arab Youth. The study identified education gaps in three key areas: (i) identifying gaps in existing E4E framework, (ii) identifying linkages between the private labour market and education institutions, and (iii) advocating the importance of the private sector in bridging these gaps and enhancing these linkages. The study proposed the following measures to address education gaps: (i) achieve better quality of education in the Arab world, (ii) reform education system that impart appropriate mix of competencies to students, (iii) support strong linkages between education systems and the labour markets, (iv) establish an appropriate database for employment and training opportunities, and (v) incentivize the private sector investments in the education sector.

20. Following the release of the study, in April 2011, both IDB and IFC formally launched implementation of the E4E Initiative for the Arab Youth, over the next five years, while engaging the private sector to create new job opportunities for employment-based education, and enhancing labour market skills for Arab youth and women for productive employment. For this purpose, IDB approved an allocation of US\$50 million to support development and implementation of the E4E country plans for Jordan, Tunisia, Egypt and Morocco.

c) WORKFORCE CAPACITY DEVELOPMENT PROJECTS

Objectives

21. Education provides a foundation for development, the groundwork on which much of our economic and social well being is built. By increasing the value and efficiency of their labour, education helps to raise the poor from poverty. Education also increases the overall productivity and intellectual flexibility of the labour force. It helps to ensure that a country is competitive in world markets, which are now characterized by changing technologies and production methods. In general, education raises people's productivity and creativity and promotes entrepreneurship and technological advances.

22. Under the capacity building, some of the examples of the specific areas under consideration are as follows: vocational education and training, improving the access and quality of higher education, technical and vocational education to develop competitive workforce in emerging sectors, capacity development in science, technology and innovation, capacity development in technical and vocational education.

23. With respect to the situation of capacity building in the OIC member countries the following issues are considered as common problems in many of the member states and conformity assessment of national education standards with international standards in the global labour market:.

1. There are weak linkages between education institutions, research and development centers;
2. The lack and low quality of vocational education and training trap the poor workers in low-skilled, low-productive and low-wage jobs; and
3. Skills and capabilities of the educated people mismatch the needs of the labour market;

24. In addition, globalization, meanwhile, is bringing the distance between basic skill needs and advanced skills, forcing countries to cover a wide educational band even at low levels of development to catch up with advanced economies and then remain competitive.

Programmes of Action

- Strengthening and promoting the cooperation among the member states in the field of education and vocational training through allocation of scholarship, exchange of experiences, publications and organization of research, training courses, seminars and workshops, especially with regard to the effective implementation of active labour force market programmes;

- Promoting national higher vocational institutions to educate the teachers and trainers needed in the technical training institutions, as well as local staff to be employed in supervisory and managerial capacities in the labour market;
- Encouraging SESRIC, IUT, ICDT, IDB Group, ISESCO and ICCI to promote cooperation with the relevant national institutions of OIC member states in the area of capacity building projects;
- Developing a system to ensure the exchange of information between public employment institutions as well as the development of their institutional capacities;
- Creating a special mechanism to organize academic exchanges of students and teachers;
- Promoting mutual recognition of degrees, diplomas and certificates;
- Encouraging administrative and support agencies to build up technical-specialized skills, technology and economic activities of Tech-Parks;
- Encouraging the development of systems allowing recognition of professionalism through acquisition of experience;
- Encouraging empowerment of autonomous workers' and employers' representative trade union organizations to conduct vocational trainings for sustainable employment of official and contractual workforce;
- Revising and updating technical and vocational trainings standards with an emphasis on development of "multiskill trainings" aimed at further adaptability and flexibility of the youth with technological and skill developments of production tools of national and international labour market; and
- Preparation and development of professional standards and a framework for national qualifications.

Strengthening the Existing OIC Programmes

Vocational Education and Training Programme for OIC Member Countries (OIC-VET)

25. Vocational Education and Training Programme for OIC Member Countries (OIC-VET), executed by SESRIC, presents a very important framework of cooperation for enhancing the quality of vocational education and training in the Member Countries. The OIC-VET Programme aims to support and enhance the opportunities for individuals in the Member Countries to develop their knowledge and skills and thus to contribute to the socio-economic development and competitiveness of their economies.

26. Vocational Education and Training is one of the practices that can effectively contribute to capacity building and skill improvement of labour force. VET could play a vital role in meeting the demand of the current labour market and helping people to increase their chances of securing appropriate jobs. The empirical studies show that vocational training significantly increases the likelihood of young people to be employed and get higher earnings compared to those without vocational education and training.

Vocational Literacy Programme for Poverty Reduction (VOLIP)

27. This Programme was launched in 2008, which are a pro-poor initiative aimed at simultaneously addressed two key gaps facing the rural poor and illiterate namely, access to

education and access to financial services. VOLIP objectives are to enhance opportunities for employability and productivity by seeking to improve (i) functional literacy and skills competencies of youth and women, and (ii) access to micro finance services. Within the Five-Year Strategy (2008-2012), VOLIP is part of the ISFD flagship programmes with a budget of US\$100 million. So far, a total amount of US\$ 43.63 million has been approved for the four VOLIPs in Mauritania, Niger, Senegal and Yemen.

d) MIGRANT AND FOREIGN CONTRACT LABOUR

Objectives

28. International migration represents any cross border movement by people from one country to another as a result of personal, economic and/or political motives. International migration focuses mainly on three related issues: 1) what determines the size and skill composition of immigrant flows to any particular host country; 2) how do the migrants adapt to the host country's economy; and 3) what is the impact of migrants on the host country's economy? All these issues demonstrate that the economic approach, using the assumptions that individual migration behaviour is guided by the search for better economic opportunities and that the exchange among the various players are regulated by a migration market, can leads to substantive insights into these issues. Moreover, migrant and foreign contract workers in an irregular situation are at high risk of exploitation in the labour market. Although the labour rights of migrants in an irregular situation are recognized in human rights and labour law instruments at the international level in order to assess the extent to which their fundamental rights are respected and protected. Areas covered by the research include health, housing, education, social care, employment status and fair working conditions, access to remedies as well as implications of immigration law enforcement.

29. The personal motives for migration range from having better education opportunities to seeking a mild climate for a better life standard. The economic motives for international migration which especially gained speed after the Industrial Revolution are centred on finding jobs which offer better wages and work conditions. The political motives for international migration due to increasing instabilities within nations have made migratory flows increase since the 20th century in which mankind happened to see the World War I and II, and many other regional clashes.

Programmes of Action

- Increasing the constructive effects of migration for development, including better management of migration and promotion of migrant and foreign contract workers;
- Creating an accurate statistical data system on immigrants;
- Exchanging information and data on regular migration, through seminars, conferences, training programmes, briefing, among others, in order to collect, analyse and disseminate reliable statistical data on migration and to facilitate the maximum benefit of the multidimensional aspects of international migration and development, including exchange of information on services rendered to their respective Diasporas;
- Establishing common rules and regulations to ensure that migrant flows take place in accordance with established rules and under conditions that are mutually beneficial to the countries involved;
- Accelerating brain gain by promoting the return of the diaspora (because when it capitalised, it refers specifically to Jewish diaspora) to their original countries;
- Within the framework of foreign employment policy, establishing a "Labour Migration Administration as a self-regulating national body to coordinate its

executive policies in the development strategy and as a system of migration flows management;

- Improving cooperation among the relevant institutions of the origin-transit-destination countries;
- Facilitating movement of workers within member states through such measures as visa issuance, remittances and residence permits, and the signing of bilateral agreements;
- Ensuring the exchange of experts and personnel between the relevant institutions of the member states; and
- Promote elaboration of an OIC multilateral convention addressing migrant labour issues among others.

e) LABOUR MARKET INFORMATION STRATEGY

Objectives:

30. An effective labour market information system needs to be constructed because it is necessary for employers, businesses, governments and as well as other stakeholders to have the ability to access to accurate information on the labour market. The main objective is to provide relevant, accurate and timely labour market information for economic actors to let them make informed decisions. The quantity of the data might not be much however the quality must be high.

31. For instance, the unemployment rates across different sectors/regions may diverse, even though an increase occurs in the overall unemployment rate of a country. Labour market information will serve the governments, businesses, employers as a key element to respond any changes that are occurring throughout the country. With the help of an effective labour market information system, accurate information for governments to plan for specific initiatives will be guaranteed.

32. As is widely known, unemployment statistics are not easily provided. For instance, because of the way the statistics are compiled, hidden unemployment issue raises. In many countries, those who do not seek for job actively are not officially considered unemployed despite the fact they are not employed. Similarly, those who qualify for social security benefits but do not work are counted among unemployed. It is, therefore, very important to develop an efficient labour market information strategy which will provide accurate data. In order for the strategy to be effective and useful, information needs to be updated regularly and revised as the labour market evolves.

Programmes of Action

- Determining a set of important employment indicators;
- Coordinating the organization of the labour market data statistics collection as defined on the above item;
- Promoting awareness of the importance of labour market information to all the stakeholders;
- Exchanging experiences in labour markets monitoring and follow up;
- Supporting and encouraging member states to establish employment observatories;
- Creation of employment observatories network;
- Establishing a professional classification system; and

- Increasing the accessibility of affordable and reliable employment data to those, other than the stakeholders, who want to access the information.

f) SOCIAL PROTECTION

Objectives:

33. Social protection is widely considered to be instrumental in promoting human welfare and social consensus on a broad scale, and to be conducive to and indispensable for fair growth, social stability and economic performance, and contributing to competitiveness.

34. Today, only 20 per cent of the world's population has adequate social security coverage, and more than half lack any coverage at all. They face dangers in the workplace and poor or non-existent pension and health insurance coverage. The situation reflects levels of economic development, with fewer than 10 per cent of workers in least-developed countries covered by social security. In middle-income countries, coverage ranges from 20 to 60 per cent, while in most industrial nations, it is close to 100 per cent.

35. It is essential to actively promote policies and provide with tools and assistance aimed at improving and expanding the coverage of social protection to all groups in society and to improving working conditions and safety at work. The social protection is also promote access to essential social security transfers and social services in the areas of health, water and sanitation, education, food, housing, life and asset-savings information. It emphasizes the need to implement comprehensive, coherent and coordinated social protection and employment policies to guarantee services and social transfers across the life cycle, paying particular attention to the vulnerable groups.

Programmes of Action

- Establishing of rational and systematic relationship between employment policies and social protections in development plans;
- Encouraging establishment of a self-funding bank and partnership allocation fund to financially support SMEs in OIC member states;
- Developing a national strategy for social protection that allows for the provision of minimum level of protection for all workers, including the self-employed;
- Supporting and encouraging cooperation among social security institutions; and
- Encouraging the conclusion of bilateral social security agreements.

III. COORDINATION AND MONITORING OF THE IMPLEMENTATION

36. The following measures shall be followed with regard to the implementation of this Framework:

1. A Steering Committee shall comprise 09 (nine) members and shall be set up by the member states at senior officials' level. The membership of the Steering Committee shall be as follows:
 - A Chairman;
 - Two Representatives from the African Group of the OIC;
 - Two Representatives from the Arab Group of the OIC; and
 - Two Representatives from the Asian Group of the OIC.

2. The country assuming the chairmanship of the Islamic Conference of Labour Ministers shall assume the chairmanship of the Steering Committee. The OIC General Secretariat shall facilitate the work of the Steering Committee and any of its working groups or forums.
 3. The country assuming the chairmanship of the previous Islamic Conference of Labour Ministers and the country hosting subsequent Conference shall be ex officio members of the Steering Committee.
 4. Representatives of concerned OIC Subsidiary Organs, Specialized and Affiliated Institutions shall participate in the meetings of the Steering Committee and shall collaborate with the OIC General Secretariat in the execution of the various programmes and projects approved by the Conference and the Steering Committee.
 5. Representatives of some relevant international organizations, such the ILO, may be invited to participate in the meetings of the Steering Committee.
 6. The Steering Committee in collaboration with the OIC General Secretariat shall follow-up the implementation of the decisions and resolutions of the Conference.-
 7. The Steering Committee is mandated to draw up detailed and quantified programmes and projects for the implementation of the Framework. The Framework shall take into consideration, among others, the following objectives:
 - a. Identify a common vision and common definite objectives for cooperation among the member states in the Field of Labour;
 - b. Develop short and long term plans for the cooperation in the field of labour in OIC member states; and
 - c. Adapt, wherever required by the circumstances, the common policies and programmes in the field of labour development to international changes and developments, e.g. the rise of unemployment, migration and protect the rights of women and children.
 8. The Steering Committee shall assess the implementation of the OIC Framework for Cooperation on Labour, Employment and Social Protection every year and shall submit a report thereon to the Islamic Conference of Labour Ministers through the Secretary General of the OIC. The Islamic Conference of Labour Ministers shall be held biennially or as may be otherwise decided by the Conference.
 9. The Framework will come into force following its adoption by the Islamic Conference of Labour Ministers and its endorsement by the CFM.
37. Adopted at Baku, Republic of Azerbaijan, on 26 April 2013 by the Islamic Conference of Labour Ministers.

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