

# ▶ The Kingdom of Saudi Arabia and the ILO

April 2024

## ▶ Overview

**The Kingdom of Saudi Arabia (KSA) is a G20 member state with 19 ILO Conventions ratified, including eight core Conventions. The Kingdom of Saudi Arabia has been exerting great efforts to support the creation of a modern economy and a labour market conducive to decent and productive job creation, including for nationals and women in particular. A wide array of programmes, strategies, and plans have been developed to promote decent work for all. The Ministry of Human Resources and social Development has been in the driving seat, leading efforts for improved employment outcomes in KSA, including through the development and implementation of the Saudi Labour Market strategy.**



## ▶ Saudi Arabia and the UN

Saudi Arabia works with 21 UN Agencies, Funds, and Programmes to support Vision 2030, the National Transformation Programme, and the 17 Sustainable Development Goals (SDGs). The partnership is outlined through a 5-year agreement, focusing on four strategic priority areas from the UN's 2030 Agenda, 17 SDGs, and the 5Ps: People, Planet, Prosperity, Peace, and Partnership. The UN system received 51.6% of Saudi Arabia's multilateral contributions, mainly in the form of earmarked contributions. The top three UN recipients of Saudi Arabia's support were WFP (USD 276.0 million), WHO-Assessed (USD 82.3 million), and UNICEF (USD 47.6 million).

## ▶ Arab Partners Engagement

The ILO has developed a draft "MENA Engagement Plan" to secure voluntary funding from potential partners in the Middle East and North African (MENA) region. The plan aims to address challenges such as COVID-19 impacts, gender equality, youth employment, and conflict resolution in the MENA region. It details past and current South-South Cooperation projects, targets specific funding partners, and outlines priority areas for engagement. The plan includes multiple phases, from initial analysis, to monitoring and reporting. The engagement with Saudi Arabia aims to secure funding and build a robust partnership framework that supports the ILO's broader objectives in the Arab States and North Africa. This engagement should begin with an in-depth analysis of Saudi Arabia's labour market and align with the ILO's objectives. It should focus on capacity building, knowledge sharing, and developing tailored initiatives to address specific challenges. Therefore, this includes designing targeted training programs, workshops, and policy advocacy campaigns that support Saudi Arabia's labour market evolution.

## ▶ ILO Engagement with Saudi Arabia: Current and Future Trends

Following a successful first phase of the ILO/KSA Development Cooperation Programme between 2018 and 2021, a second phase of the Programme was launched in 2022. This second phase builds on the achievements of the first phase of the ILO/KSA Development Cooperation Programme including in the areas of labour market inclusiveness and non-discrimination, Social Dialogue, child labour and labour market information, and goes beyond to address issues related to skills development, Fundamental Principles and Rights at Work, and Occupational Safety and Health, amongst other things.

During this second phase, the ILO is providing technical and capacity building support, primarily to the MHRSD, but also to other relevant stakeholders, including workers' and employers's representatives, in the Kingdom of Saudi Arabia. The technical assistance is primarily provided through a **five-pillared approach** focused on the below areas, which have been agreed with the Labour Sector of MHRSD:

**Improved Employment and Labour Market Policies and Outcomes:** The ILO supports Saudi Arabia's Ministry of Human Resources and Social Development (MHRSD) in enhancing employment policies, addressing labour market duality, and improving outcomes for Saudi nationals through policy reviews and effective monitoring with a focus on building a robust Labour Market Information System (LMIS).

**Promotion of Fundamental Principles and Rights at Work:** The ILO collaborates with Saudi Arabia to enforce fundamental principles like the abolition of child labour, elimination of discrimination, eradication of forced labour, freedom of association, and ensuring safe and healthy working conditions. This includes technical assistance and capacity-building to align national policies with international labour standards.

**Strengthened Social Dialogue Institutions:** The ILO assists in enhancing social dialogue in Saudi Arabia by assessing its current status, recommending improvements, and promoting the ratification of ILO Conventions. This supports the development of credible social dialogue actors and institutions crucial for social cohesion.

**Improved Skills Governance:** Addressing skills mismatches in Saudi Arabia's workforce, the ILO aids in reforming the skills development system to align with market demands. This involves enhancing national skills governance, building capacities in skills development institutions, and promoting lifelong learning initiatives.

**Improved Occupational Safety and Health (OSH):** Under Saudi Vision 2030, the ILO supports the implementation of the National Occupational Safety and Health Policy to ensure safe working environments. This includes technical support and capacity building for effective OSH standards and practices.

▶ In addition to the above and based on the success of the Cooperation Programme and the joint work between the ILO and the Labour Sector of the Ministry, the MHRSD and the ILO agreed to further expand the second phase of the programme with an additional pillar on **Cooperative Sector Development**. Under this new pillar, the ILO is working with the Social Development sector of the MHRSD on developing Saudi Arabia's cooperative sector through policy formulation, legislative alignment with international standards, capacity building, and enhancing statistical frameworks to monitor cooperative impact effectively. In addition to the direct technical cooperation on labour market regulation and policymaking, the **ILO/KSA Cooperation Programme** incorporates capacity building for the MHRSD, workers representatives and employers representatives to empower them to continue to address labour market challenges and improve regulation in line with international labour standards and best practice.

## ▶ Saudi Arabia and the BRICS



On January 1, 2024, Saudi Arabia officially joined the BRICS group along with the UAE, Egypt, Iran, and Ethiopia, Saudi Arabia accession to this group is a strategic move, aligning with its Vision 2030 objectives to diversify its economy beyond its traditional oil base. The membership is expected to foster increased economic collaboration, investment prospects, and broader market access between Saudi Arabia and the other BRICS nations. Additionally, as a leading global oil producer, Saudi Arabia's participation in BRICS is poised to influence not just the energy sector but also the dynamics of economic collaborations within the group.

## ▶ Direct Trust Funds



Based on a direct request from the (MHRSD), the ILO has developed a Development Cooperation programme to provide technical assistance and policy advice in several key thematic areas, which support the KSA to implement Vision 2030 and other national initiatives. The first phase of the ILO/KSA Programme of Cooperation had made significant breakthroughs, including in the areas of labour market inclusiveness and non-discrimination, social dialogue, child labour and labour market information.

Ministry of Human Resource Development (MHRSD) signed the second phase of its Programme of Cooperation with the ILO Regional Office for Arab States in December 2022, promoting Decent work and productive employment in the Kingdom.

## ▶ Supporting the Ministry of Human Resources and Social Development in analysis, policy and capacity development – Phase 2 (2022-2025)

The second phase of the ILO-MHRSD collaboration aims to provide technical support and capacity building in various areas, building upon previous activities and supporting new Ministry efforts. This includes aligning with Saudi G20 presidency commitments and Vision 2030 goals for inclusive labour markets. The program focuses on enhancing the capacities of MHRSD and the social partner in promoting decent employment and social dialogue, improving the skills governance system

and institutions, international standards and promoting fundamental rights at work, and cooperative development. The project is budgeted at US\$ 4.2 million. The ILO will support through five pillars: (1) Labor market policy development and evaluation; (2) Promoting rights at work and supporting policy development; (3) Strengthening social dialogue; (4) Improving skills governance; and (5) Enhancing Occupational Safety and Health standards.

## ▶ Fostering Cooperative Development in the Kingdom of Saudi Arabia

The project, part of the Programme of Cooperation with KSA, focuses on cooperatives development as its sixth pillar. Its objective is to provide technical support for the MHRSD's Social Development Sector. Key outputs include reviewing the National Cooperative Strategy and Executive Regulation, enhancing the Apex organization's role, strengthening the capacities of MHRSD, cooperatives, and educational institutions, and producing a report on national cooperative statistics while promoting global cooperative experiences. The project's budget is US\$ 725,995.

The **Mini-Skills Academy on South-South Cooperation and GCC** aims to address challenges faced by Gulf Cooperation Council (GCC) countries, including outdated curricula, lack of professional development, poorly equipped schools, poor coordination, and limited collaboration between TVET and the private sector. The academy aims to build partnerships with trainers and experts, promote South-South cooperation, and create an online community of practice for open discussion. Saudi Arabia participated in four modules of the course, demonstrating its commitment to addressing common challenges and replicating good practices in the region. The Module courses were the following: E-Learning course on systemic approach to skills development (30 participants); Learning course on Skills Anticipation and Matching with focus on green skills (10 participants); E-Learning Lab on Digital TVET & future skills (8 participants); E-Learning course on Career Guidance (10 participants).

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