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# EQUALITY AND THE ECONOMY: WHY THE ARAB WORLD SHOULD EMPLOY MORE WOMEN

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## BROOKINGS

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# EQUALITY AND THE ECONOMY: WHY THE ARAB WORLD SHOULD EMPLOY MORE WOMEN

BESSMA MOMANI<sup>1</sup>

One of the major drivers of the popular uprisings that swept through the Middle East and North Africa (MENA) region in 2011 was widespread economic stagnation and frustration. Five years later, economies throughout the region continue to struggle, even in relatively peaceful states. Governments are under pressure and are resorting in some cases to unprecedented measures in hopes of spurring growth and development. To this point, however, most MENA countries continue to underutilize a potentially extremely valuable resource: women.

Since 2000, MENA has made some impressive progress in the areas of female literacy, infant mortality, and life expectancy by vastly increasing the number of women completing post-secondary education.<sup>2</sup> These gains were realized under the United Nations' Millennium Development Goals (MDGs) framework, which laid out eight objectives centered around ending poverty. The third goal was to "promote gender equality and empower women." This goal, rephrased as "achieve gender equality

and empower all women and girls," became the fifth of 17 Sustainable Development Goals (SDGs), established in 2015 with the mission of building on the expiring MDGs. SDGs on education, full employment, equitable sanitation, and safe cities speak to an increased focus on improving the lives of women.

In the Arab world, the broad gains in female education are dampened by a mixed record on female employment. In some Gulf states, such as Bahrain, Kuwait, Qatar, and the United Arab Emirates, many women work, often being absorbed by expansive public sectors. In Saudi Arabia, 21 percent of women had joined the labor force as of 2016, doubling their rate of participation in a few years. Still, particularly when compared to other high income countries, the Gulf states have dismally low rates of female labor force participation (see figure 1).<sup>3</sup> This is disappointing given that, globally, higher per capita incomes have been accompanied by progress in achieving human development goals such as gender parity.<sup>4</sup>

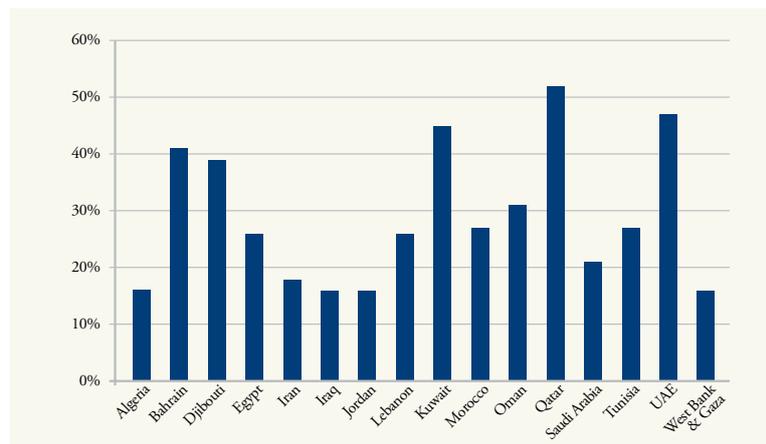
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<sup>2</sup> World Bank, *Opening Doors: Gender Equality and Development in the Middle East And North Africa* (Washington, DC: World Bank, 2012), 5–7, <http://documents.worldbank.org/curated/en/338381468279877854/pdf/751810PUB0EPI002060130Opening0doors.pdf>; World Bank, "Capabilities, Opportunities and Participation: Gender Equality and Development in the Middle East and North Africa Region," 2011, 1, [http://siteresources.worldbank.org/INTMENA/Resources/World\\_Development\\_Report\\_2012\\_Gender\\_Equality\\_Development\\_Overview\\_MENA.pdf](http://siteresources.worldbank.org/INTMENA/Resources/World_Development_Report_2012_Gender_Equality_Development_Overview_MENA.pdf).

<sup>3</sup> Maha El-Swais, "Despite High Education Levels, Arab Women Still Don't Have Jobs," *Arab Voices and Views* (blog), World Bank, March 9, 2016, <http://blogs.worldbank.org/arabvoices/despite-high-education-levels-arab-women-still-don-t-have-jobs>.

<sup>4</sup> World Bank, "Capabilities, Opportunities and Participation," 1.

Figure 1: Female Labor Force Participation in MENA



Source: World Bank “Women, Business, and the Law” report, 2016

This policy briefing argues that introducing diversity through gender parity will benefit economic growth and can help Arab countries generate prosperity—as well as the normative and social imperative of change. It begins with a discussion of Arab women’s participation and representation in the region, with a particular focus on female education and labor force participation rates. It then proceeds to examine how gender advancement will enhance economic prosperity for Arab countries, before concluding with a number of key recommendations for policymakers.

These recommendations include policy proposals that will advance educational opportunities for women, providing the foundation for increased female participation in the labor force. First, to raise awareness of gender parity and education gaps, policymakers should conduct gender impact studies that examine gendered processes within the formulation of government policies. These studies will facilitate the reform of primary and secondary education curriculums to shape normative views of gender parity. Following this with greater investment in primary and secondary education will offer alternative post-

secondary streams for areas still struggling with low female educational attainment.

Additionally, incentives can cultivate greater female participation in the labor force. Increasing salaries, raising retirement ages across the Arab world, enhancing maternity benefits, and providing women with safe and affordable public transportation can make employment more attractive to young women. Quotas and affirmative action programs in the public and private sector, aimed at securing positions for women in traditionally male-dominated fields can help women access all positions in the job market. Government and private support for female entrepreneurship initiatives can not only create jobs in the community, but also foster economic growth.

## ARAB WOMEN’S PARTICIPATION AND REPRESENTATION

Under the MDGs, the Arab world made great strides in increasing female literacy to levels on par with the 2015 global average of 80 percent.<sup>5</sup> Similarly, female enrollment in post-secondary education soared in the region, surpassing gains made in other developing regions. One indicator

<sup>5</sup> Reem Nejdawi, Monia Braham, Jana El-Baba, Cameron Allen, and Fadi Hamdan, “Arab Sustainable Development Report: Technical Summary,” prototype ed., U.N. Economic and Social Commission for Western Asia, 2015, 13, [http://www.preventionweb.net/files/45335\\_ar-absustainabledevelopmentreport.pdf](http://www.preventionweb.net/files/45335_ar-absustainabledevelopmentreport.pdf).

of this success was the observation that female enrollment across campuses in the Arab world has generally surpassed that of male students. However, Arab women are still more likely to study arts and humanities and less likely to study science and engineering than Arab men.<sup>6</sup>

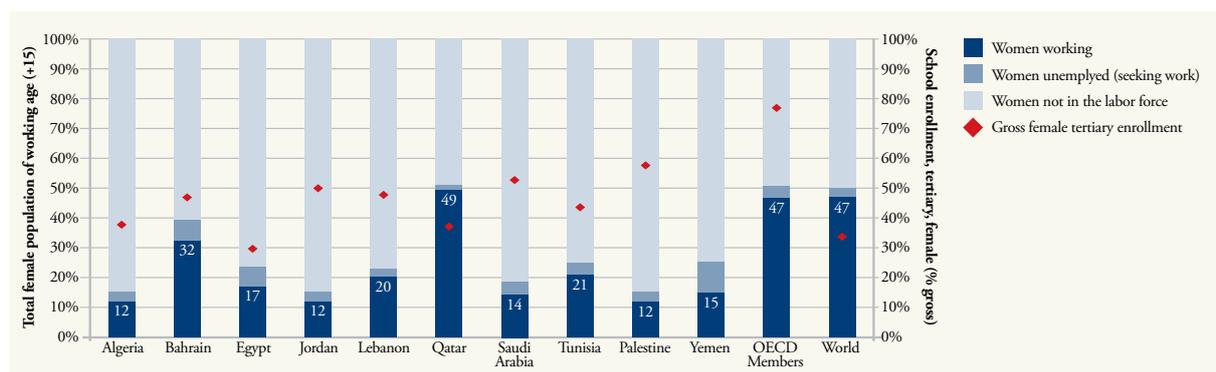
This gap is often explained by gendered cultural practices of encouraging women to focus on arts and humanities and discouraging them from entering the disciplines of science, technology, engineering, and mathematics (STEM), which are associated with difficult and competitive career paths in the so-called hard sciences.<sup>7</sup> The underrepresentation of women in STEM disciplines represents a global problem, which tends to worsen in graduate programs and professional STEM schools.

Gendering education in this way systematically results in women earning less than men because jobs in the arts and humanities typically pay less than jobs in STEM fields. Additionally, in most parts of the Arab world, arts and humanities programs tend to train women for the public sector, where, except for in Gulf countries, salaries and opportunities for advancement are

more limited than in the private sector. Increasing female enrollment in STEM disciplines remains a challenge throughout the region, but it provides one way of increasing female incomes, professional opportunities, and career advancement.

Despite the overall steep increase of Arab female education rates, commensurate increases in Arab female employment have yet to materialize (see figure 2). The Arab world is an aberration to economic theories that assume that increased education of women leads to significant change in their employment levels. In fact, Arab women with post-secondary educations are more likely to be unemployed than women who do not have a post-secondary education. For example, 30 percent of those with post-secondary educations were unemployed in Jordan and Egypt in 2011 and 2012, while unemployment rates for the most educated women in these two countries exceeded 60 percent and 40 percent, respectively.<sup>8</sup> Nevertheless, over the 1991–2011 period, Arab women made modest gains of increasing employment by 18 percent across the region, with the exception of the Levant sub-region—comprised of Jordan, Iraq, Lebanon, Palestine and Syria—which showed no substantive changes.

Figure 2: Arab Women’s Participation in the Workforce and Gross Tertiary Enrollment Rates, 2012<sup>9</sup>



<sup>6</sup> World Bank, *Opening Doors*, 5, 112.

<sup>7</sup> David Beede, Tiffany Julian, David Langdon, George McKittrick, Beethika Khan, and Mark Doms, “Women in STEM: A Gender Gap to Innovation,” U.S. Department of Commerce, ESA Issue Brief no. 04–11, August 2011, <http://www.esa.doc.gov/sites/default/files/womeninstemagaptoinnovation8311.pdf>.

<sup>8</sup> Lili Mottaghi, “The Problem of Unemployment in the Middle East and North Africa Explained in Three Charts,” *Arab Voices and Views* (blog), World Bank, August 25, 2014, <http://blogs.worldbank.org/arabvoices/problem-unemployment-middle-east-and-north-africa-explained-three-charts>.

<sup>9</sup> Maysa Jalbout, “Unlocking the Potential of Educated Arab Women,” *Education Plus Development* (blog), Brookings Institution, March 12, 2015, <http://www.brookings.edu/blogs/education-plus-development/posts/2015/03/12-unlocking-potential-education-arab-women-jalbout>.

Throughout most of the Arab world, women continue to lag behind in achieving formal employment and decision-making opportunities.<sup>10</sup> In the MENA region, studies suggest that women's full employment would increase household incomes significantly—by as much as 25 percent.<sup>11</sup> Moreover, if Arab women worked in the same numbers as Arab men, data suggests that the GDP of many countries in the region would rise significantly. For example, having an equal number of working men and women in the UAE would raise its GDP by 12 percent, while the same achievement in Egypt would raise its GDP by 34 percent.<sup>12</sup>

Yet, female labor force participation in the MENA region has only grown by 0.17 percent annually over the past 30 years.<sup>13</sup> According to the World Bank, only 25.2 percent of MENA women are employed or actively looking for work, compared to all other developing countries where over 50 percent of women are doing the same.<sup>14</sup> Furthermore, there are socio-cultural impediments that depress the rate at which Arab women participate in the workforce. For an array of cultural and familial reasons, many Arab women choose not to work. In some cases, reservation wages—the lowest wage one is willing to accept—remain high, such that wealthier Arab women, particularly in the Gulf countries, choose voluntary unemployment.

Young Arab women are also more likely to be unemployed when compared to young Arab men.<sup>15</sup> According to one study, young women actively seeking work faced nearly twice the unemployment rate in the region as young men, at 43.9 percent and 22.9 percent respectively.<sup>16</sup> These results are supported by the World Bank, which finds that in many Arab countries—including Syria, Saudi Arabia, Jordan, and Egypt—female unemployment rates hover around 50 percent (see figure 2).<sup>17</sup> Moreover, a considerable gender wage gap also persists throughout the region, even in the formal sector, as women are still paid less than men for equal work. In Egypt, for example, the wage gap between men and women is 22 percent.<sup>18</sup> According to the World Economic Forum's "economic participation and opportunity" metric, which combines participation rates, compensation, and advancement, the MENA region had by far the largest gender gap in the world in 2012.<sup>19</sup>

Arab women's employment is highly gendered, as women are more likely to work for the public sector, as well as in traditional roles of teaching, administrative and clerical services, and social and welfare services like nursing. In a study on the UAE, researchers found that career choices were more likely based on societal pressures of what were deemed to be respectable occupations for Emirati women. Here, the public sector was viewed as a respectable work

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<sup>10</sup> World Bank, "Capabilities, Opportunities and Participation," 1.

<sup>11</sup> World Bank, "The Status and Progress of Women in the Middle East and North Africa," 2009, 7, [http://siteresources.worldbank.org/INTMENA/Resources/MENA\\_Gender\\_Compendium-2009-1.pdf](http://siteresources.worldbank.org/INTMENA/Resources/MENA_Gender_Compendium-2009-1.pdf).

<sup>12</sup> Katrin Elborgh-Woytek, Monique Newiak, Kalpana Kochhar, Stefania Fabrizio, Kangni Kpodar, Philippe Wingender, Benedict Clements, and Gerd Schwartz, "Women, Work, and the Economy: Macroeconomic Gains from Gender Equity," International Monetary Fund, September 2013, 4, <http://www.imf.org/external/pubs/ft/sdn/2013/sdn1310.pdf>.

<sup>13</sup> World Bank, "Capabilities, Opportunities and Participation," 3.

<sup>14</sup> El-Swais, "Despite High Education Levels."

<sup>15</sup> World Bank, "Gender in the Middle East," April 2010, [http://siteresources.worldbank.org/INTMNAREGTOPPOVRED/Resources/MNA\\_Gender\\_EN\\_Final.pdf](http://siteresources.worldbank.org/INTMNAREGTOPPOVRED/Resources/MNA_Gender_EN_Final.pdf).

<sup>16</sup> Maysa Jalbout, "Unlocking the Potential."

<sup>17</sup> World Bank, "Capabilities, Opportunities and Participation," 4. See also World Bank, "Opening Doors," 112.

<sup>18</sup> World Bank, "Opening Doors," 112.

<sup>19</sup> Ricardo Hausmann, Laura D. Tyson, Yasmina Bekhouche, and Saadia Zahidi, "The Global Gender Gap Index 2012," World Economic Forum, 2012, 20, [http://www3.weforum.org/docs/GGGR12/MainChapter\\_GGGR12.pdf](http://www3.weforum.org/docs/GGGR12/MainChapter_GGGR12.pdf). See also World Bank, "Capabilities, Opportunities and Participation," 4.

environment with short hours that end early in the day, substantial time off, and oversight by and of fellow nationals. There was greater skepticism and uncertainty about private sector environments with more diverse workforces, longer hours, more work-related travel, and fewer adherences to conservative customs. As a result of this gendered sorting, the UAE public sector is overwhelmingly female—65 percent of civil servants are women.<sup>20</sup>

The situation of female employment in the Arab world is worse in both the private and formal sectors of the economy. Akin to global trends, women across North Africa are overrepresented in the unregulated informal sector, primarily in gendered services such as street vendors, agricultural workers, and domestic housekeepers. The informal sector evades taxation, uses cash-based transactions, and does not get counted in GDP statistics. In contrast, more women are absorbed in the public sector than in the informal sector throughout the Levant or Gulf countries.<sup>21</sup>

In the region's private sectors, men surpass women in starting their own businesses: 19 percent of Arab men have started their own businesses, while only 9 percent of Arab women have done so.<sup>22</sup> This follows findings in a survey of 2300 young Arabs entering the job market, where only 9 percent of women wanted to start their own businesses.<sup>23</sup> Yet, entrepreneurship can stimulate future economic development throughout the MENA region. The World Bank remains one

of the strongest proponents of the economic benefits of entrepreneurship that come from small and medium-sized enterprises (SMEs). Best practices in development hold that SMEs tend to exhibit higher rates of productivity than larger firms and tend to be more labor intensive than larger firms, and yet governments tend to favor larger enterprises, making the market environment less competitive.<sup>24</sup>

Regardless, Arab entrepreneurs typically face challenges in raising capital from banks that are overly risk averse. Here also, Arab women find accessing funds more challenging than men, as women typically do not have equal access to collateral, such as land and real estate, to back financial loans.<sup>25</sup> In fact, according to the World Bank's global comparisons of legal restrictions placed on women, Arab women face far more obstacles in terms of mobility, legal rights, and other forms of discrimination that can keep them not only from starting their own businesses, but also from affirming legal rights to ownership, opening bank accounts, and conducting business transactions.<sup>26</sup>

Another barrier to increased female labor participation is the MENA region's retirement ages, which are typically around 50 or 55 years, can be lower for women than for men, and are often mandatory. This effectively limits women's career expectations and reduces the pensions they receive, discouraging them from entering the workforce, especially after raising

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<sup>20</sup> Sylvia A. Hewlett and Ripa Rashid, *Winning the War for Talent in Emerging Markets: Why Women are the Solution* (Boston: Harvard Business Press, 2011), 151–52, 160.

<sup>21</sup> OECD, "Women in Business 2014: Accelerating Entrepreneurship in the Middle East and North Africa Region," OECD Publishing, 2014, 54, [http://www.keepeek.com/Digital-Asset-Management/oecd/development/women-in-business-2014\\_9789264213944-en](http://www.keepeek.com/Digital-Asset-Management/oecd/development/women-in-business-2014_9789264213944-en).

<sup>22</sup> DeAnne Aguirre, Leila Hoteit, Christine Rupp, and Karim Sabbagh, "Empowering the Third Billion: Women and the World of Work in 2012," Strategy&, 2012, 105, [http://www.strategyand.pwc.com/media/file/Strategyand\\_Empowering-the-Third-Billion\\_Full-Report.pdf](http://www.strategyand.pwc.com/media/file/Strategyand_Empowering-the-Third-Billion_Full-Report.pdf).

<sup>23</sup> Ashley Barry, "First Jobs for Young Women in the Middle East and North Africa: Expectations and Reality," Education for Employment, YouGov, and Bayt.com, 2015, 13, <https://t.e2ma.net/click/lht4h/58fczd/dfaewc>.

<sup>24</sup> Wim Naudé, *Entrepreneurship and Economic Development* (London: Palgrave Macmillan UK, 2011), 3–17.

<sup>25</sup> OECD, "Women in Business 2014," 19.

<sup>26</sup> World Bank Group, *Women, Business and the Law 2016: Getting to Equal* (Washington, DC: World Bank, 2015), 7–20, <http://wbl.worldbank.org/-/media/WBG/WBL/Documents/Reports/2016/Women-Business-and-the-Law-2016.pdf>.

children.<sup>27</sup> Finally, labor laws in the Arab world do not provide generous maternity benefits, with a number of countries falling short of meeting the International Labor Organization's recommendation of 14 weeks of fully paid leave. Jordan, Oman, Saudi Arabia, and Tunisia exemplify this trend.<sup>28</sup>

Increasing female representation in decision-making positions has been a long-standing goal of development experts and a repeated goal at global conventions, including the 1995 U.N. Conference on Women in Beijing. The global norm continues to aim for 30 percent female representation in all decision-making bodies. Despite significant gains made in enhancing female education and modest gains in attaining employment, Arab women remain highly underrepresented in economic and political decision-making bodies. In Arab businesses, 20 percent of shares are owned by women, compared to 32 percent female ownership in OECD businesses.<sup>29</sup>

## HOW GENDER ADVANCEMENT ENHANCES ECONOMIC PROSPERITY

This briefing makes the broader business and economic case for increasing women's participation in the workforce and decision-making structures. Numerous academic researchers and development organizations

have already shown that at the microeconomic level, increasing female incomes and welfare yields a positive development effect on reducing poverty, leading to declining birth rates and improvements in child welfare rates.<sup>30</sup> Most Arab countries, although to a lesser extent in the Gulf, have encouraged lower birth rates by promoting family planning and increasing the minimum legal age for marriage.<sup>31</sup>

Women with higher levels of education and increased market access through employment are more likely to have fewer and healthier children, as well as higher earnings, increasing their ability to contribute to household incomes and savings. Furthermore, one study shows that women-led households tend to save more money than men-led ones, and have more productive and long-term effective use of savings.<sup>32</sup> On a national scale, data suggests that gender parity in the socio-economic realm can lower dependency ratios in households, increase national output, cumulatively increase national savings, and allow for increased investment and productivity, thus leading to national economic prosperity.<sup>33</sup>

Moreover, increased household earnings can have a positive effect on the broader market economy, as national consumption of goods and services also increase, making markets stronger and more effective. Increased female participation in the workforce is also believed

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<sup>27</sup> Massoud Karshenas, Valentine M. Moghadam, and Nadereh Chamlou, "Women, Work, and Welfare in the Middle East and North Africa: Introduction and Overview," in *Women, Work, and Welfare in the Middle East and North Africa: The Role of Socio-demographics Entrepreneurship, and Public Policies*, eds. Nadereh Chamlou and Massoud Karshenas (London: Imperial College Press, 2016), 8; World Bank, "Capabilities, Opportunities, and Participation," 13.

<sup>28</sup> MENA-OECD Governance Programme, "Women in Public Life: Gender, Law and Policy in the Middle East and North Africa," Organisation for Economic Co-operation and Development, 2014, 23, <https://www.oecd.org/mena/governance/women-in-public-life-mena-brochure.pdf>.

<sup>29</sup> Aguirre et al., "Empowering the Third Billion," 105.

<sup>30</sup> Armando Barrientos and Jocelyn DeJong, "Reducing Child Poverty with Cash Transfers: A Sure Thing?" *Development Policy Review* 24, no. 5 (2006): 537–52.

<sup>31</sup> Barry Mirkin, "Population Levels, Trends and Policies in the Arab Region: Challenges and Opportunities," United Nations Development Programme, Arab Human Development Report Research Paper Series, 2010, <http://www.arab-hdr.org/publications/other/ahdrps/paper01-en.pdf>.

<sup>32</sup> Åsa Löfström, "Gender Equality, Economic Growth and Employment," Swedish Ministry of Integration and Gender Equality, 2009, 10, [http://www.forschungsnetzwerk.at/downloadpub/2009\\_12\\_Gender\\_Equality\\_study.pdf](http://www.forschungsnetzwerk.at/downloadpub/2009_12_Gender_Equality_study.pdf).

<sup>33</sup> Andrew Morrison, Raju Dhushyanth, and Nistha Sinha, "Gender Equality, Poverty and Economic Growth, World Bank, Policy Research Working Papers 4349, November 2007, <http://elibrary.worldbank.org/doi/abs/10.1596/1813-9450-4349>.

to boost creativity and innovation as new ideas, preferences, and experiences go into creating products and providing services at local and national firms.<sup>34</sup> Thus, from both the micro- and macroeconomic perspective, the academic literature often supports the relationship between gender parity and economic prosperity.

Various organizations have offered estimates of the positive economic benefits that could potentially accrue in the Arab world from increased female employment. The IMF estimated that had the MENA region narrowed the gender gap between 2000 and 2011, it could have gained an estimated \$1 trillion in additional output—an annual gain of approximately 6 percent of GDP. The IMF observed that female participation rates in the labor force throughout MENA were three times lower than the average in other developing countries. It modeled a scenario that found that had the region's rate only been twice as low, MENA economies could have realized significant gains.<sup>35</sup> The World Bank has estimated that existing gaps in women's labor force participation results in a 27 percent loss of income across the region.<sup>36</sup> The broad mechanism here is that increasing female employment creates a more productive economy in which the full potential of all available human resources are utilized.

The McKinsey Global Institute modeled an economic scenario in which women participated in the workforce to the same level as men, in similar sectors, and at the same productivity rates. Based on these assumptions, global female participation rates would increase

from 64 percent to 95 percent. On a global scale, McKinsey estimated that the effect of this full-potential scenario of increased female employment would add \$28 trillion to annual GDP by 2025. In the MENA region, McKinsey found that this same scenario of full and real gender parity would contribute \$2.7 trillion to regional GDP by 2025 or \$600 billion per annum; this would translate into an increase of regional GDP by 47 percent in a decade.<sup>37</sup> Therefore, increasing the employment of women, especially by giving them access to the same opportunities as their male counterparts, would be a boon to the global economy.

In another study, Booz & Company assessed the potential economic impact of increased female employment on national prosperity. This study reflected on the practical realities that overall labor productivity and work hours might decrease with women making up half of the workforce. Using these cautious assumptions, Booz & Company forecasted that the economic contribution of women at gender parity would increase Egypt's GDP by 34 percent and the UAE's by 12 percent.<sup>38</sup>

Finally, in a groundbreaking study, researchers at the Peterson Institute looked at nearly 22,000 companies across 91 countries and found that “the presence of female executives is associated with unusually strong firm performance.” Specifically, firms with more women in upper management had their profits increase by 6 percent in 2014. Yet, female representation in corporate leadership is still low across the globe—just over half of the 22,000 companies studied had no women in upper management

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<sup>34</sup> Kasia Staszewska, “Close the Gap! The Cost of Inequality in Women's Work,” ActionAid, January 2015, 10, [https://www.actionaid.org.uk/sites/default/files/publications/womens\\_rights\\_on-line\\_version\\_2.1.pdf](https://www.actionaid.org.uk/sites/default/files/publications/womens_rights_on-line_version_2.1.pdf).

<sup>35</sup> International Monetary Fund, *Regional Economic Outlook: Middle East and Central Asia* (Washington, DC: IMF Publishing, 2013), 29.

<sup>36</sup> El-Swais, “Despite High Education Levels.”

<sup>37</sup> Jonathan Woetzel, Anu Madgavkar, Kweilin Ellingrud, Eric Labaye, Sandrine Devillard, Eric Kutcher, James Manyika, Richard Dobbs, and Mekala Krishnan, “The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion to Global Growth,” McKinsey Global Institute, September 2015, <http://www.mckinsey.com/global-themes/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>.

<sup>38</sup> Aguierre et al, “Empowering the Third Billion,” 25.

or on corporate boards. Interestingly, having a female CEO had no discernible effect on company performance, and it appeared that companies that were closer to achieving full gender balance were the most likely to see bottom-line success.<sup>39</sup>

This global study found that no variable other than the presence of women in upper management could explain firms' increased earnings. A similar study found a strong correlation between gender diversity in corporate boards and financial performance, with companies with women on their boards experiencing a 42 percent higher return on sales and a 66 percent higher return on invested capital than those with less gender diversity.<sup>40</sup> Equality of gender opportunity renders success for firms, and one can extrapolate that at a cumulative level, this may also lead to economic growth for national economies.<sup>41</sup>

## **POLICIES AND STRATEGIES FOR ECONOMIC PROSPERITY**

Enhanced employment and empowerment of women in Arab economies and societies can be achieved through political, legal, and regulatory reforms.<sup>42</sup> However, without larger changes in societal and cultural attitudes, top-down reforms will have a limited impact. The socio-cultural impediments to gender equity are beyond the scope of this briefing.

Despite this, the following policy recommendations can therefore serve as an important mechanism to shape socio-cultural change on gender equity issues. Moreover,

wealthier Arab countries may have greater policy space and financial capacity to implement certain reforms, while poorer countries will have a more difficult time introducing these reform measures. Nevertheless, even poorer countries with high unemployment, like Egypt, could benefit from all of these reform measures, because as noted in the previous section, there are proven economic gains from including women in the economy.

### *EDUCATION-BASED REFORMS*

**Require gender impact studies:** A thorough examination of gendered processes in formulating government policies would be a revolutionary means of helping to shift cultural attitudes.<sup>43</sup> For example, in some European countries, all government policies, from urban planning to budgeting, undergo a gender impact study. Akin to the more familiar process of an environmental impact study, a gender impact study requires all government entities to consider how their policies impact the gender situation in their country. While many Arab countries report that they consider gender when crafting policies, the process is far from uniform across government initiatives and laws.<sup>44</sup> Morocco remains among one of the few Arab countries that have used a uniform, gender-responsive budgeting process. Therefore, building the capacity of civil servants to properly assess gender impact is integral to reforming policy-making procedures. International aid agencies and philanthropic organizations can assist Arab civil services in building the capacity to conduct gender impact assessments.

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<sup>39</sup> Marcus Noland, Tyler Moran, and Barbara R. Kotschwar, "Is Gender Diversity Profitable? Evidence from a Global Survey," Peterson Institute for International Economics, Working Paper 16-3, February 2016, 8-9, <https://piie.com/system/files/documents/wp16-3.pdf>.

<sup>40</sup> International Finance Corporation, "Gender Diversity in Jordan," World Bank Group, 2015, [http://www.ifc.org/wps/wcm/connect/e93318004a0d7ff195cfb7e54d141794/IFC\\_Jordan\\_Gender\\_Report\\_Sep\\_2015.pdf?MOD=AJPERES](http://www.ifc.org/wps/wcm/connect/e93318004a0d7ff195cfb7e54d141794/IFC_Jordan_Gender_Report_Sep_2015.pdf?MOD=AJPERES), 16.

<sup>41</sup> Staszewska, "Close the Gap!" 10.

<sup>42</sup> MENA-OECD Governance Programme, "Women in Public Life," 4.

<sup>43</sup> Ibid.

<sup>44</sup> Ibid.

Policies and gendered processes can create and reinforce negative socio-cultural attitudes about women and work. For example, primary and secondary education is an important policy space managed by governments throughout the Arab world that significantly influences views about women and work in Arab societies. Indeed, a 2014 study examined why Jordan displayed some of the lowest rates of female employment, 15 percent, in the Arab world, despite reported successes in achieving high female post-secondary education rates and other socio-economic development goals (see figures 1 and 2). The study found direct and indirect gender biases in the national educational curriculum, including that textbooks devalued women in the workplace and used gendered language and symbols that are part of the socio-cultural building blocks of a male-dominated workforce.<sup>45</sup>

**Reform curriculums and introduce internship programs:** Stereotyping of gender roles starts early in the formulation of cultural norms and values. Consequently, significant reform of primary and secondary education curriculums can help shape normative views of gender parity. Introducing internship programs for women has also proven useful in breaking down stereotypes, particularly in positions that have been gendered as masculine. For example, Emirati programs embedding internships in university programs have helped gradually change perceptions of women and work.<sup>46</sup>

**Increase investment in primary and secondary education:** As this briefing has noted, female rates of educational attainment

are generally impressive throughout the Arab world. However, countries including Egypt and Yemen continue to lag in this regard. Unfortunately many families cannot afford to send both sons and daughters to school, and many perceive girls' education as not worth the investment given that women are less likely to use their educations to earn viable incomes.<sup>47</sup> In these countries, there is still a great need to invest in primary and secondary education, as well as vocational training, which acts as an alternative to post-secondary education streams. Increased state investment in rural areas and urban slums is also needed.

#### *MORE INCENTIVES, FEWER HURDLES*

**Boost salaries for young women:** Reservation wages are often higher for young women than for young men. Therefore, increased salaries that make employment more attractive in general can also provide positive inducements to encourage women to enter the workforce. That Arab women without a university education are more likely to work than women with one also suggests that reservation wages are higher for middle class women throughout the Arab world than for poor, rural women.<sup>48</sup>

Moreover, married Arab women are less likely to participate in the workforce than unmarried women, a pattern that remains consistent throughout the MENA region. This can be partially explained by the reality that some women opt to stay home while rearing children. However, it is also likely that the patriarchal nature of Arab societies—in which women's primary influence remains in the

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<sup>45</sup> Mayyada Abu Jaber, "Breaking through Glass Doors: A Gender Analysis of Womenomics in the Jordanian National Curriculum," Brookings Institution, December 16, 2014, <http://www.brookings.edu/research/papers/2014/12/womenomics-jordan-national-curriculum-jaber>.

<sup>46</sup> Katy Marmenout and Pamela Lirio, "Local Female Talent Retention in the Gulf: Emirati Women Bending with the Wind," *The International Journal of Human Resource Management* 25, no. 2 (September 2014), 151.

<sup>47</sup> Maysa Jalbout, "International Women's Day: Why Educating Girls Should be a Priority for Arab States," *Education Plus Development* (blog), Brookings Institution, March 6, 2015, <http://www.brookings.edu/blogs/education-plus-development/posts/2015/03/06-international-womens-day-jalbout>.

<sup>48</sup> Mottaghi, "The Problem of Unemployment."

home and men remain the primary decision-makers and breadwinners—make it more difficult for married Arab women to negotiate their participation in the workforce. That said, many Arab women face more difficulty finding work than men because of non-socio-cultural structural barriers currently in place.<sup>49</sup>

**Raise retirement ages:** In addition to high reservation wages for women, a key segment of the female demographic in the MENA region (35–65 years of age) may be an untapped labor pool that is disadvantaged by current early retirement expectations in the public sector. Raising retirement ages across the region is recommended not only because of potential savings to the public purse, but also because with increased life expectancies, current early retirement ages are impractical and premature.

**Enhance benefits and flexibility for mothers:** Existing labor laws across the Arab world offer little in terms of maternity benefits, falling short of international recommendations, particularly for time off and wages paid. Investing in a social insurance fund to pay for maternity benefits would avoid creating disincentives or penalties for employers that hire women. Governments and other employers should also note that in a survey of young Arab women, many believed the policies that would most motivate them to enter and stay in the workforce included flexible working hours (part-time and home-based work), nursery and daycare facilities, and on-the-job training.<sup>50</sup>

**Reduce harassment on public transportation:** In the same survey, many young Arab women also noted that they struggle to find safe and affordable transportation to work, thus further inhibiting their entrance into the workforce. Arab

governments should therefore invest in providing safer and less gendered public transportation. Some women view mixed public transportation as uncomfortable and unsafe, as many fear being harassed on trains or buses and report incidents to authorities. Possible reform options may include assigning security personnel who are trained to spot and stop sexual harassment to public transport systems, increasing the prosecution of and penalties for offenders, broadcasting public service announcements on the illegality of harassment, having female drivers and operators, and providing segregated options such as all women train carriages or women-only taxis, measures which have succeeded in reducing harassment levels.<sup>51</sup>

#### *REWARD THE PIONEERS*

**Implement quotas and affirmative action programs:** Quotas or affirmative action programs can contribute to getting more women into male-dominated government agencies such as those related to finance, security, and science. Training programs aimed at helping women in the civil service upgrade their skills can also be effective. Many Gulf countries have also implemented nationalization programs requiring private sector entities to hire more nationals. This has often helped women gain a competitive edge in entering the labor market.<sup>52</sup> Also in the private sector, temporary quotas requiring companies to increase female representation in their boardrooms and upper level management can help achieve gender parity. Moreover, mandating disclosures of gender diversity policies, providing statistics on gender composition in the labor market, and providing leadership programs for women in middle management can help encourage gender equality in the private sector.

<sup>49</sup> World Bank, “Capabilities, Opportunities and Participation,” 11–12.

<sup>50</sup> Education for Employment, “First Jobs for Young Women,” 22.

<sup>51</sup> World Bank, “Status and Progress of Women,” 70.

<sup>52</sup> Emilie Rutledge, Fatima Al Shamsi, Yahia Bassioni, and Hend Al Sheikh, “Women, Labour Market Nationalization Policies and Human Resource Development in the Arab Gulf States,” *Human Resource Development International* 14, no. 2 (April 2011): 183–98.

**Support female entrepreneurship initiatives:**

Financial access remains a significant challenge for women across the Arab world, which directly impacts women who want to start a business, enter the labor force, and secure their financial independence. Some of this challenge is a result of inheritances, ownership of property, and financial outcomes, particularly in cases of divorce, often favoring men over women.<sup>53</sup> Therefore, enhancing female rates of entrepreneurship in the Arab world requires a multifaceted approach. Governments must work to enhance business literacy among women, provide mentorship programs for aspiring entrepreneurs, encourage incubator-like programs in the public and private sectors, incentivize mainstream banks to offer microcredit loans, and work with international donors, civil society groups, and the financial sector to study, assess, and strengthen female entrepreneurship in the Arab world.<sup>54</sup>

emanating from the conflicts in Syria, Yemen, Iraq, and Libya will remain. War and conflict have an increasing burden on women and tend to lead to regressive socio-economic and socio-political environments. Without stability and security for all Arab citizens, it will prove difficult for Arab governments to enact the types of policy reforms needed to achieve gender equity. That said, the Arab world is on the cusp of change and Arab youth and women are hungry for more equity and rights. This may in fact be an opportune time for governments to enact the difficult policy decisions, especially legal reforms, that can lay the groundwork for gender parity—and the economic gains that will come with it.

## CONCLUSION

Arab countries face major challenges in achieving gender equality and female empowerment. Despite impressive gains in post-secondary education, there remain political, legal, and structural economic impediments that will hold Arab countries back as they seek to meet the sustainable development goals in the allotted 15-year time frame. Yet, as outlined above, there are concrete steps that governments can take to make progress in these areas. Furthermore, potential synergies with partners within the Arab world, such as the budding philanthropic sector and growing official Gulf donors, can help Arab countries achieve the SDGs.

Undoubtedly, one of the largest impediments to achieving national economic growth and gender parity in the Arab world is the instability

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<sup>53</sup> World Bank, “Status and Progress of Women,” 34, 46, 50, 54, 58, 62.

<sup>54</sup> OECD, “Women in Business 2014,” 21–26.

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