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Women on the Arab labour market. Option becoming reality

The key potential of Arab economies, currently rather turning into their curse, is the human capital. According to the *Arab Human Development Report 2002* there are approximately 6 million entrants yearly to the Arab labour market (UNDP 2002: 10) and the labour force is expected to grow in the next 10 years to 3,4% yearly—twice as much as in other developing regions (World Bank 2003: 3). The ‘demographic gift’—the growing number of labour force and decreasing dependency ratio, might lead to economic growth—if used properly. However, in case of most Arab countries, labour demand doesn’t meet the supply, which translates into huge unemployment rates, being among the highest in the world.

There are two groups particularly vulnerable to unemployment in the Arab world:

- young people—who account for 37% (in Morocco) to 73% (in Syria) of all unemployed (53% on average), and
- women—whose unemployment rate is on average twice as high as that of men (World Bank 2004b: 5)¹

However, it is not the high unemployment rate that is the decisive factor of women’s position on the labour market, but their—the smallest in the world—labour force participation. In 1996 it was only 26%, while the world average is 40% (UNIFEM 2004: 5).

The article shall explain the reasons why female participation in the labour market is lower than it could be. The analysis will be carried out both on micro (family) and macro (state) level with attention focused on cross-country differences.

Despite the scanty participation, the women’s role on the Arab labour market could become much more significant due to several reasons. Firstly,

¹ In some countries the unemployment rate of men is higher than that of women. They are e.g. Algeria, Kuwait, Lebanon, Tunisia and Yemen (ESCWA 2004: 53).

women's health conditions improved among other by decreasing maternal mortality and fertility rates. It means that women may spend less time on bringing-up their children and devote more time to work. Secondly, women are much better educated—the gender gap in primary education enrolment is actually closed; as for secondary and tertiary enrolment the gender gap still exists, however there are few countries where rates for female enrolment are higher than that of male. Still a lot needs to be done regarding education in the Arab world, what is reflected by huge illiteracy rate (38% in 2005 according to *Human Development Report*; UNDP 2005: 222) with women being twice more likely to be illiterate than men. However, improved education means that women may be more competitive on the labour market and available for more high-skill jobs. Thirdly, increased female labour force participation can result in more diversified labour supply and in long-time perspective might even lead to decreasing of the unemployment rate, social capital development, cultural acceleration and an improvement of households' financial conditions. Moreover, the income generated by female labour force would lead—in macroeconomic terms—to reimbursement of financial outlays incurred by the state for their education and therefore will contribute to more optimal redistribution of national income.

Female Labour Participation Rate in Cross-Country Perspective

If ethnic, religious or even linguistic differences are taken into account one might start arguing whether it is justified to speak about one Arab culture. Arabs do not consist of one ethnic group, they are rather people speaking Arabic and feeling the sense of belonging to one 'Arab nation' (*Arabowie* 2001: 49). As for religions—about 85% of the Arab world is Sunni, but there is a significant Shi'i minority, as well as large groups of Christians (Copt and Maronite), Druze, Alawi and Animist. As for Arabic language, there is a homogeneity as for the *fuṣṣḥā*, but parallelly lots of diversity reflected in 'āmmiyyas. If one adds economic, social and political differences between all countries in the region the question arises—can we speak about one Arab world? This question is may be slightly exaggerated, but it points out a great diversity of the Arab world which makes many generalisations and aggregated data unreliable for more detailed research.

The same refers to the situation of working women in the Arab world. It depends heavily on the sub-region or even the country itself. It will be

quite different e.g. in Libya—the only Arab country with compulsory female military service (a sort of force-female-empowerment), Lebanon—one of the most liberal countries in the region, or Oman—a labour-importing and rather conservative country. One common basis could be Islam (as a culture and religion) but its influence on social life differs depending on country (despite its legal diversity—e.g. *madhabs*). The most important indicators regarding situation of women in Arab countries are presented below.

Table 1: Women Empowerment in Arab Countries

Country	GDI ²	HDI ³ rank minus GDI rank	GEM ⁴	Adult literacy rate (2003)		Estimated earned income (PPP, US\$, 2003)	
				Female	Male	Female	Male
Algeria	0,706	-3		60,1	79,5	2 896	9 244
Bahrain	0,837	-2	0,393	83,0	92,5	7 685	24 909
Egypt			0,274	43,6	67,2		
Jordan	0,740	-3		84,7	95,1	2 004	6 491
Kuwait	0,843	1		81,0	84,7	8 448	24 204
Lebanon	0,745	-4		81,0	92,4	2 430	7 789
Libya				70,7	91,8		
Morocco	0,616	-1		38,3	63,3	2 299	5 699
Oman	0,759	-4		65,4	82,0	4 013	21 614
Saudi Arabia	0,749	-5	0,253	69,3	87,1	4 440	20 717
Syria	0,702	-2		74,2	91,0	1 584	5 534
Tunisia	0,743	0		65,3	83,4	3 840	10 420
UAE				80,7	75,6		
Yemen	0,448	-4	0,123	28,5	69,5	413	1 349

Source: (UNDP 2005: 299-301); blank means: data not available.

² GDI (Gender-related development index) ranges between 0 and 1 as calculated by UNDP.

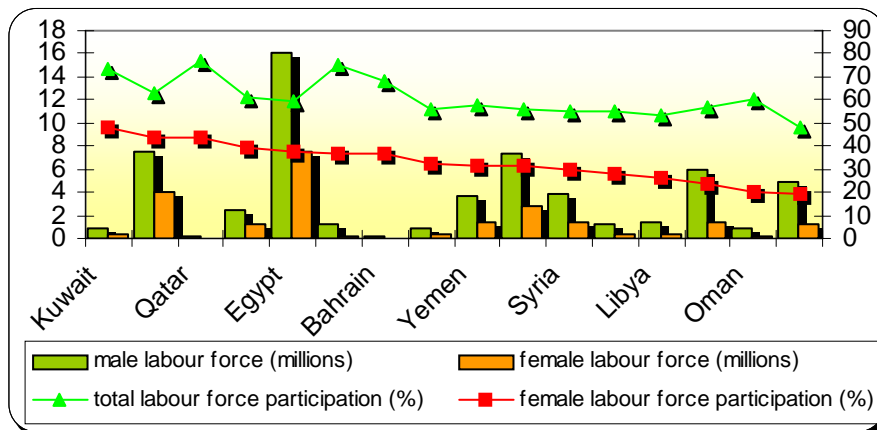
³ HDI (Human Development Index) ranges between 0 and 1 as calculated by UNDP.

⁴ GEM (Gender-related empowerment measure) ranges between 0 and 1 as calculated by UNDP.

As one can notice, all Arab countries except for Kuwait, scored worse on the GDI rank than on the HDI one. It means that gender-related development in the Arab world is generally less advanced than its human development. The gap is reflected by just two comparisons—male and female literacy rate and estimated income.

However, many of the cross-country differences might be attributed to the divide between the GCC countries and the rest of the Arab world. In some countries, mostly resource-poor and labour-abundant, with developed labour-intensive industries or agriculture, the female participation rate in the labour force was always considerable. For instance in Yemen female labour force participation accounts for 31%. Most of women work in agriculture which is the base of economy. It is a quite a big share—taking into account their education level (being one of the lowest in the Arab world). Also in Morocco relatively many women work (43%)—many of them in clothing or textile industry (World Bank, 2004b: 222-230).

Figure 1: Male and Female Labour Participation (2000)



Source: World Bank 2004b: 222-230.

In most GCC countries the female labour participation rate is much lower, and has to do both with conservatism and sticking to the dichotomic role division between man and woman. This tradition has a double-edged character because it is not only—as many people in the West believe—males that can make it hard for females to work but also many (native) women in the Gulf just don't want to work. For instance, in Saudi Arabia in 2003 only 5% of native Saudi females had a job (Madhi 2003: 71). And it is not because they spend too much time taking care of their children, since

many of them have full-time domestic service. It is also not because they are worse educated than men—it's the GCC (apart from Oman and Saudi Arabia) where females caught or even outperformed males in terms of literacy rate (World Bank 2004a: 157-160; UNESCO 2002: 61). Male and female labour participation reflecting cross-countries differences is presented above.

In official statistics—as the one above—the female labour participation rate is inflated by immigrant workers, who constitute most of the labour force in this region. The same reason is behind much lower unemployment rate in GCC countries—it is also an effect of immigration, especially since one practically cannot settle down (even for a short period of time) in some GCC countries as a foreigner unless (s)he has a work agreement.

Another difference between the GCC and the rest of the Arab world in regard to female employment is motivation. In GCC countries females usually treat work as self-fulfilment or even entertainment between graduation and setting up a family (Sanad 1988: 449). In other Arab countries, one of the most important reasons is gaining an extra salary for the household. Of course, there are exceptions on both sides and the country of residence is not the only factor that matters in the motivation for work. Other important factors include among others: marital status, social status (also this of the family) and personal traits of woman.

Public Sector vs Own Business

What seems to be common for most of the countries in regard to the situation of women on the labour market is the predominance of the public sector acting as the main employer. There are three main reasons for that:

- Some professions available in the public sector such as a nurse or a teacher correspond with the cultural role of women in the Arab world and therefore are perceived as suitable for them.
- Appropriate work conditions are required in some Arab states, in particular in the Gulf; work security and stability as well as better treatment can be guaranteed only in the public sector. The private sector is more focused on competitiveness, which is reflected in a pressure on effectiveness and availability of the employees. It should be mentioned that these are the reasons why also (native) males in the Gulf choose public sector. For instance, in Kuwait

about 90% of all Kuwaitis are in some way professionally bonded with the public sector (Hijab 2001: 19).

- The public sector is more egalitarian towards the employees so women do not earn much less than men, while in the private sector there is a huge wage gap (see below).

In 1990s in Algeria 85% of women were employed in the public sector, 54% in Jordan, 57% in Egypt and 42% in Syria (World Bank 2004b: 100).

The predominance of women in the public sector is higher in the GCC countries. For instance, native Qatari women can work only in schools, hospitals or do social work (Abdalla 1996: 30) what limits their employment opportunities almost exclusively to the public sector. In some countries, however, there are relatively many females who work in the private sector. This is especially the case in Lebanon due to its free market economy (60%) and Tunisia (38%)—due to the type of industry (World Bank 2004a: 79).

An interesting alternative for the public sector is self-employment. By running her own business, a woman becomes her own boss so there is no need to worry about inappropriate working conditions. Moreover, in the Arab world the social status of an employer is much higher than that of an employee. Even if there are some restrictions regarding e.g. contacts with males, setting up a bank account or driving a car, which happen in some Gulf countries, women still can enjoy much freedom doing their own business. They can either count on the help and understanding of their husbands who sign the documents needed (McElwee 2003: 344) or employ an immigrant worker who manages the company while they act as investors and decision-makers. Women are also becoming important traders on local stock-exchanges—there is even a special room for female traders in the Kuwaiti Stock Exchange. Another tool for businesswomen is the Internet. The cyber-reality helps them to get beyond the male-female social distance and enables direct (virtual) contact with the client (The Economist 1999: 48).

Companies ran and owned by females are more frequent in the Gulf countries than in other Arab countries due to two main reasons: firstly, because of more strict social norms that limit career opportunities for women and secondly, because they possess financial resources (i.a. thanks to *mahr*) which they can use as seed capital for their companies. Only in Saudi Arabia women possessed assets of 16,5 bln USD according to SAGIA (Saudi Government Investment Authority). In other Arab countries there are also businesswomen but many of the self-employed females own just a small sewing or knitting plant, acting simultaneously as the sole

employer and the sole employee. Lots of them work in an informal sector which makes them even more vulnerable (ESCWA 2004: 20).

Gender-based Labour Discrimination

Gender-based discrimination on the labour market is nothing one could attribute only the Arab world. Some phenomena exist across the globe such as: employing women more often in part-time jobs, in jobs of lower social status and for lower pay than that of men. However, some of these obstacles are evident in the Arab world and strengthened by the cultural pattern of woman. This might explain why in other regions of the world, where women also face various forms of discrimination, their labour force participation rate is much higher than in the Arab region.

In the Arab world there are two institutions creating the most obstacles for females who are willing to work or already work—the family and the state.

Family

The stereotypical conviction of a dichotomic social role division between males and females is the crucial determinant of women's ability to work. It originates both in the Islamic tradition and the patriarchal Arab culture which states that it is the man who shall represent the family in public while woman's activity ought to be limited to the private sphere. According to *Shari'ah*, it's the man who is obliged to maintain the family while the woman, as more emotional and weaker, should put herself at his care. Providing family with welfare might therefore become the point of honour of some traditionally-oriented males while a working woman might be perceived as a sign of man's inability to take care of his family.

Another issue of honour for the traditional Arab family is woman's activity in the public sphere. For a woman working means entering the public sphere and being left on her own—usually without any care of her husband (or any other *maḥram* relative). Therefore, if she decides to work, she should pick up jobs traditionally corresponding with the cultural role of the woman and have appropriate working conditions so that the risk of staining her (and her family's) honour would be the smallest. The issue of honour and its vulnerability differs across the region, social strata and also

depends on the family itself. In more liberal countries and urban areas women can actually work in any kind of jobs (provided they find it). In more conservative families and in the Gulf countries it is rather improper for a woman to work with men or immigrants, or do some low-status jobs.

Another issue is woman's obedience toward the man, which, in some countries, is sanctioned by law (World Bank 2004a: 98). In some countries the man decides whether the woman is allowed to work or travel. Therefore, some women can work only at home or near home, which limits their competitiveness and availability or even disqualifies them from the labour market.

Such attitudes are more popular in some GCC countries than elsewhere. Many native female citizens would gladly apply for a job but they have no chance. As mentioned above, it is not because they cannot combine work with house chores but rather because of the social pressure. This pressure has an impact even on women who decided to work. According to an empirical research carried out on female employees of the Kuwaiti public sector their satisfaction with work was rather low and it was attributed to the patriarchal culture of Kuwait (Metle 2002: 253). The scope of this problem is also reflected by an international research *World Value Survey*. The results clearly state that Arabs have nothing against equal rights for women in education but only 15% of them agree for equal rights on the labour market, which is the lowest result in the world (UNDP 2003: 19).

State

The second institution influencing possibilities of employment by women in the Arab world is the state, however its influence is ambivalent. The labour law in most countries of the region takes care of women's interests: the legislator provides women with paid maternity leave (from 60 days in Yemen to 6 months in Iraq) with an option of a further unpaid leave even for 5 years; in many countries breaks for breast-feeding and work protection are provided, and in some cases even some medical care for the child.

Table 2: Maternity Leave Laws in Arab Countries

Country	Maternity leave		Work breaks for breastfeeding	Employer pays maternity-related medical care	Job protection during maternity	Incentives to retire upon marriage
	at full or partial pay	without pay				
Algeria	14 weeks	5 years		+	+	
Bahrain	45 days	15 days	+		+	
Egypt	50 days	1 year if 50+ employees	+			
Iraq	6 months		+			
Jordan	10 weeks	1 year if 10+ employees	+		+	
Kuwait		100 days				+
Lebanon	7 weeks				+	+
Libya	90 days		+			
Morocco	1 year	2 years				
Oman		6 weeks				
Qatar	40-60 days			+		
Saudi Arabia	10 weeks		+	+	+	+
Syria	105 days	1 month	+			
Tunisia	30 days		+		+	+
UAE	4 months	2 months				
Yemen	60 days	6 months	+			

Source: World Bank 2004a: 119; if blank—not available

In most cases, all these expenses or most of them should be covered by the employer (World Bank 2004a: 119-121). Therefore, it is not hard to guess that such regulations discourage employers from employing women even if they have the same qualifications as men. If they decide to have a

child, the employer will have to cover extra expenses. Also women are often persuaded to quit their jobs if they are pregnant. Detailed regulations in various Arab countries are presented in the table below.

Another issue is the right for an extra family allowance. In many Arab countries only a married man (but not a married woman) receives extra family allowances (UNIFEM 2004: 60-61). The right regulations are constructed in such a way that they reflect the traditional family model with the male maintaining the family and the female taking care of home and children. Therefore, it is 'logical' that the woman doesn't need to receive any allowance because they will be obtained by the man. A woman might receive family allowances only if she officially proves that she is the head of the family. That might be rather difficult not only because of the honour of the husband but also in the case of a separation (often the man's signature is needed).

The above examples clearly show that the policy of many states is inconsistent. On the one hand, the state provides women with an access to education, health care and with laws protecting their interests on the labour market. On the other hand, however, these regulations are inefficient due to two reasons. Firstly, they work to women's disadvantage because they limit their competitiveness. Secondly, they don't protect women from discrimination at work, especially in the private sector.

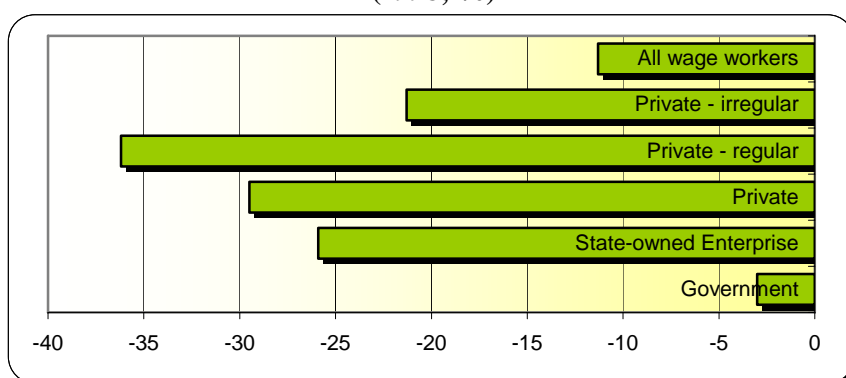
Wage Gap

Similarly to the world at large, also in Arab countries women earn less than men⁵. The wage gap in the Arab world ranges from 4% in Egypt to 79% in the Gaza Strip. This data, however, does not reflect the actual differences in salaries because it does not include differences in the professional structure, education and experience between men and women. If considered they show that, in 1998, women earned on the average 15% less than men in Egypt and 86% less in the Gaza Strip (World Bank 2004b: 118). A relatively low wage gap in Egypt is related to the dominant role of the public sector as the major employer for women. The wage gap in the public sector amounts to just 3% while in the private sector even to 36-41%

⁵ However few exceptions exist. E.g. in United Arab Emirates women earn on average about 25% more than men, even though female unemployment rate is over twice as high as that of men (Women in Business International 2005).

(World Bank 2004b: 119-120; *Economic Trends* 2002: 99), as showed below:

Figure 2: Gender Wage Differential Corrected Estimates in Egypt (1998; %)



Source: *Economic Trends* 2002: 99.

The discrimination in the private sector limits the room for changing for many women to the public sector. There are however other barriers arising:

- The number of jobs in the public sector, traditionally dominated by women, doesn't grow. Due to some economic transformations even the opposite trend—shrinking of the public sector. The employment reduction concerns women in particular and since the wage gap in the public sector is lower than in the private one, females loose more than men.
- There is an over-supply of female labour force in the public sector not only because of working conditions but also because of their education, which is focused on such professions as a nurse, a teacher or a secretary. Over 55% of women with higher education graduated in human sciences, which limits their employment possibilities (UNIFEM 2004: 51).
- Despite of its egalitarian character also the public sector is discriminatory in some ways. Females usually work as low and middle-level employees, their promotion opportunities are limited and chances to apply for a managerial position are practically non-existent.

Future prospects

A potential impact of women on Arab economies cannot be overestimated. Even today female workers are visible on the labour market. If their participation rate will grow it might positively influence the productivity and effectiveness of the labour force in general, especially since working females on the average are better educated than men (World Bank 2004a: 102). Moreover, females obtain rights in other spheres of the social life—among others voting rights, but also the right to transmit nationality.

There are, however, two issues. The first one is related to the scope and pace of changes. An increase in the female labour participation rate takes time—not only to create jobs and restructure the system but also to change the mentality of more traditionally-oriented segments of the Arab societies. A good example is that of Qatar in which, after the succession of new Emir, more conservative fractions were put in the backstage. The second issue is related to the attitude of women themselves towards these reforms. Will they follow the way set by a few pioneers, who are described in so many publications in order to show the progress of women empowerment? What about other female masses who are illiterate and can hardly imagine any better future? A recent failure of female candidates in the elections in Bahrain and Qatar show how difficult this can be. Getting rights is one thing, becoming aware of them—another.

Women empowerment on the labour market might be perceived in a wider framework. In GCC countries, it is a part of labour nationalisation programs, but, furthermore, a part of so called “modernization” of Islam. This problem is explained by Jehan Al-Meer, Professor of Biotechnology at the Qatar University: *We cannot segregate society into two different parts, women and men. We have to be able to interact together. Wahhabism is a very purist form of Islam. But does this mean go back to the 7th century? No, I want to live in the 21st one* (Trofimov 2002: A1).

In other Arab countries, the problem of an increased female labour participation is connected with the general problem of job creation, which has become one of the priorities for an economic revival of the region. Most of these countries have problems with making use of this ‘*demographic gift*’ so chances for an effective absorption of female labour entrants are rather weak.

Nevertheless, changes leading to gender empowerment and transformation of professional structures do happen in the Arab world. But they need time. And this might not be enough.

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