Social Policy Brief - 8

Unemployment of Young Women in the Arab Region: Causes and Interventions
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High unemployment among Arab youth, and young women in particular, is a significant burden not only on young people themselves but also on the societies they live in. Out of the 72 million young Arabs, 45 million, including 32 million young women, are either economically inactive or unemployed. The opportunity cost of this staggering number is estimated to reach $50 billion annually, which is slightly more than the gross domestic product (GDP) of Lebanon.¹

In general, there are more young people entering into the job market than new jobs created. Between the years 2008 and 2013, the Arab labour force has grown by an average of 3.2 per cent per year, adding another 175 million new entrants to the labour market during that period. This trend has contributed to raising youth unemployment from 25 to 29.2 per cent during the same period,² rendering an additional 7 million young people unemployed.

There are stark differences between the unemployment rates of women and men. The unemployment rates of young Arab women and men stand at 47.9 and 23.2 per cent, respectively, which is staggering when compared to the global average female and male youth unemployment rates of 15.7 and 13.4 per cent, respectively.³ The startling gap between the unemployment figures of young women and men calls for serious investigation into its causes and consequences and requires urgent corrective policy interventions.

This policy brief first highlights the sizable and disproportionate percentage of young women who are unemployed, discusses a number of causes that contribute to this situation, and finally makes a number of policy proposals that have the potential to redress the disparity between the unemployment figures of young Arab women and men.

A. Why focus on young women?

Unemployment cripples the abilities and aspirations of young people to become self-sufficient and productive members of society. It does not only delay their transition from school to workplace, family formation and self-realization, but also puts young people at
risk for failing to successfully complete this transition, with grave consequences for their well-being. Young women represent over 71 per cent of this group, which explains why the present policy brief is entirely dedicated to them.

High unemployment among young women is a particular characteristic of the Arab region, where the percentage of employed young women is low, standing at less than one third of the global average, despite some variations among Arab countries, as table illustrates.

The high unemployment among young women can be mainly attributed to poor school-to-work transition opportunities. Only a successful transition enables young women to engage in value-added productive activities, which result in improved skills, productive capacity and income. Four Arab countries have undertaken school-to-work transition surveys to better understand this issue, with particular emphasis on the age group 14-29. The

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<tr>
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<th>Male</th>
<th>Female</th>
<th>Total</th>
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<td>Yemen</td>
<td>42</td>
<td>10</td>
<td>26</td>
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<tr>
<td><strong>Arab Region Average</strong></td>
<td><strong>36.7</strong></td>
<td><strong>9.8</strong></td>
<td><strong>23.7</strong></td>
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<tr>
<td><strong>World</strong></td>
<td>48.3</td>
<td>33.8</td>
<td>41.2</td>
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**Source:** ILO, 2013.

**Note:** Youth figures reflect all resident youth, including migrant workers. Region and world averages are weighted by the percentages of the youth population.
findings of these surveys, highlighted in the figure, illustrate why young women are more vulnerable to unemployment compared to young men as they undergo their transitions from school to work.

The surveys indicate a high percentage of idle young women in all four surveyed countries. In total, over 50 per cent of young women have not initiated their transition into the labour force by the age of 29. If young women have not entered the school-to-work transition phase, they either are still in school or are not looking for work. In addition, the share of young women not in education, employment or training is 73 per cent in Yemen, 49.5 per cent in Egypt and 32.2 per cent in Jordan. Such high proportions of idle young women are a significant loss at both the individual and collective levels. According to International Labour Organization (ILO) estimates, cutting the youth unemployment rate by half through creating over three million jobs for young people would result in an additional 1.1 per cent of economic growth in the Middle East and North Africa region.

The surveys furthermore reveal that the proportion of young women successfully completing school-to-work transition, in other words,

**Figure.** Results of school-to-work transition surveys in four Arab countries
reaching satisfactory employment, by the age of 29 is lower than the proportion of young men. It can be observed that the majority of young women who start seeking employment remain in the relatively unstable transitional phase for a prolonged period of time, which evidently has considerable effects on their employment status, income potential and exposure to poverty.

Once young women have successfully completed their school-to-work transition, chances are high that they will be faced with a number of challenges in the workplace, including harassment and discrimination, which negatively affect employment quality and career development aspirations. Such forms of discrimination include the expropriation of women’s right to work; the narrow scope for women to work at night; prohibition to work in certain fields of employment; and sexual harassment, which is not covered in many penal codes and not punishable unless it overlaps with other such sexual crimes as rape.⁶

The gender wage gap is another example of discrimination. In 2008, for instance, the median salary of female workers in the United Arab Emirates was lower than that of their male counterparts within the same category by 43 per cent.⁷

B. Causes of high unemployment among young Arab women

There are many causes behind the high unemployment of young Arab women, which differ from one country to another. However, five main causes were identified, namely: limited job creation, gender-blind economic policy, mismatch between educational outcomes and labour market demands, social and cultural constraints, and regulatory and policy issues.

1. Limited job creation

Since the 1980s, average economic performance in the Arab region has been relatively weak, with a low average pan-regional per capita annual growth rate of 1.1 per cent between 1980 and 2013.⁸ Economic performance in the region is mainly driven by the mining, construction and real estate and service sectors.⁹

Persisting high levels of labour market segmentation across the region further complicate the situation and result in low wages and limited crossover
mobility.¹⁰ In addition to all the above, the deficiency of Arab countries to design and implement quality economic policies negatively affects economic growth and creation of employment for both women and men.

The chronically low real economic growth is caused, in particular, by the inability of Arab countries to move from rent-seeking, import-driven economic models towards a more productive, value-added, and sustainable economic model that responds to the long-term employment needs of the population.¹¹ This explains why, for example, the share of mining and quarrying in the GDP of Arab countries reached 40.5 per cent in 2012, while manufacturing, which is more employment intensive, contributed only 9.2 per cent of the region’s GDP.¹²

Tunisia, for instance, introduced, in 2006, tax incentives to attract foreign investment. However, 47 per cent of all foreign direct investment entering the country between 2006 and 2010 went into the energy sector, only benefitting small geographic enclaves and having little impact on national job creation.¹³

2. Gender-blind economic policies

While economic policies adopted by many Arab countries aim to achieve a certain degree of inclusive economic growth benefitting young men and women equally, the reality is often different. Economic and employment policies habitually perpetuate the gender
divide between Arab women and men benefiting men more than women, particularly in terms of access to economic opportunities, incentives and stimuli, and in terms of job creation and economic growth policies.

For instance, Egypt has invested heavily in the modernization and expansion of its industrial base, achieving an average annual growth rate of 4.5 per cent for its industry and successfully boosting the sector’s contribution to the GDP from 31 per cent in 1999 to 40 per cent in 2014. Despite this progress, the share of Egyptian women employed in the industry sector was halved from 11.1 per cent in 1999 to 5.1 per cent in 2011. While the total number of employees in industry increased from 3 to 4.6 million, the number of women working in industry has decreased from 301,000 to 199,000 in Egypt during the same period, suggesting that industrial development policies did not explicitly aim at equitable job creation for women and men.

However, Egypt is taking action to rectify this issue. Egypt’s 2030 Sustainable Development Strategy includes a performance indicator to monitor progress towards the achievement of a 30 per cent increase in the number of women with a permanent formal job. While the strategy strongly focuses on the construction and infrastructure sectors, which are likely to create a significant number of temporary jobs for men, it does not elaborate on how the ambitious target of improving employment prospects for women will be achieved, with the exception of one programme proposal of “training women to be able to work at home, establish a micro-project or finding a job in factories and companies.”

3. Mismatch between education and labour market demands

In principle, new entrants into the labour force are more likely to be better educated than already active workers, have a higher productivity potential and are thus more employable. Yet, the reality is that Arab youth, particularly young women, are more likely to be unemployed or in vulnerable employment the higher they advance in their education. For instance, unemployment among working-age women with tertiary education in Algeria and Bahrain stands at 51.9 per cent and 25.5 per cent, respectively, while for women with primary education, it stands at 24.4 per cent and 8 per cent, respectively. These figures reflect a detrimental mismatch between role and impact of education and the skill needs of the labour market.
This disparity is only one result of the fragmented nature of development policies in Arab countries. Education, employment and economic policies and programmes are generally designed in isolation of each other and do not necessarily work hand in hand towards the same objectives, which results in educational policies producing graduates that are incompatible with the current and future needs of the labour market.

Because of this mismatch, further investments in education are hard to justify. Arab Governments, particularly those of Arab least developed countries, already have to deal with enormous expenditures per student in the tertiary education level, reaching 82.3 per cent of per capita GDP in Morocco, 191.6 per cent in Djibouti and 206.9 per cent in Mauritania, compared to the world average of 28.4 per cent of per capita GDP per student. In harsh contrast thereto, the gain in wages resulting from every additional year of schooling averages 5.5 per cent across the region and can even be as low as 3 per cent, compared to an average of 9.4 per cent in middle-income countries. Furthermore, a survey carried out in nine Arab countries among private-sector employers on the quality of education revealed that only one third of all new graduates are sufficiently prepared for the workplace when hired, which is a much lower rate than in other regions.

4. Social and cultural constraints

Women in many levels of society in the Arab region today have three roles to fill, namely, the productive, reproductive and community roles, while men only take on the productive and community roles. The productive role refers to value-added activities that result in economic benefits; the reproductive role refers to childbearing and childcare activities; and the community role includes household work, education, recreation, and engagement in politics, among others.

The ongoing sociodemographic changes that have taken place in the region over the last few decades have influenced these social roles significantly. For instance, the fertility rate per woman has halved from 6.3 children in 1980 to 3.2 children in 2015, while the age of young women at first marriage has increased, for instance, from 21.5 years to 26 years in Jordan and from 22.1 years to 24 years in Egypt between 1990 and 2011. These changes in the reproductive role allow young women to be more engaged in their productive and community
roles. This development is reflected in the increasing enrolment of young women in tertiary education across the region, which even surpassed that of young men in 2007. In total, 26.5 per cent of all young women aged 18-24 are currently enrolled in tertiary education.\textsuperscript{20}

However, there are deeply rooted social and cultural constraints that still restrict young women from capitalizing on this increased potential productivity for the benefit of the labour market. In Morocco, for instance, it is estimated that women spend 73 full working days every year doing unpaid household and care activities, which equals to 34.5 per cent of national GDP based on minimum wage calculations.

One example of these social and cultural constraints is the mindset of “female appropriate” occupations.\textsuperscript{21} Society’s disapproval of women working in “non-female appropriate”, or mixed-sex occupations such as in the hotel industry or factories predefines and limits the contributions women can make to the economy.\textsuperscript{22} In fact, a survey on school-to-work transition of youth in Jordan has revealed that 41.7 per cent of employed women in Jordan are working in the education sector alone, and another 28.7 per cent in the public administration and health sectors, whereas only 6.6 per cent of men work in the education and 3.2 per cent in the health sector.\textsuperscript{23}

5. Regulatory and policy issues

All Arab countries have adapted their legislations with a view to address gender inequality, and have included laws on labour, personal status, and civil rights and liberties. In fact, some Arab countries adopted specific measures to promote political participation and representation of women in decision-making, provide incentives for civil society organizations to strengthen the voice and bargaining power of women and induce policy reforms to promote the employment of young women. Yet, significant gaps remain unaddressed, particularly with regard to promoting the right of young women to decent work opportunities on equal footing with young men, equal pay, a harassment-free work environment, and employment opportunities that they deserve.

Labour inspections are one example of inadequate regulations and policies. ILO reports that “labour inspectors are not very familiar with issues related to discrimination, such as detecting cases of sexual harassment, denied maternity leave and termination of contract due to pregnancy. Labour inspectors do not inquire or
report on issues related to gender wage gaps, or differences in social security benefits and family allowances. Part of this is due to the fact that labour laws in these countries do not elaborate on discrimination issues, leaving room for inspection to neglect this problem.\textsuperscript{24} The ILO report is based on an assessment of 12 Arab countries, and identifies only one country, in which an extensive training module for labour inspectors to detect gender-related issues at the workplace exists. This indicates a significant region-wide lack of regulations and policies designed to address work conditions and equality in the workplace.

Domestic work is another economic sector in the Arab region with a regulatory gap. It is not regulated by the labour market legislative framework, except in Bahrain, Jordan, and most recently in the Syrian Arab Republic.\textsuperscript{25} Domestic workers are often young women who earn less than half of average wages, experience long and unpredictable working hours and have little protection and no opportunities to seek recourse for abuse of their rights, discouraging young women from seeking domestic work.

C. Recommendations for action

The number of unemployed young women, and the consequent loss of their potential, is enough of a reason to take concrete action addressing the root causes of unemployment of young women as well as moving towards a policy framework that empowers them in all walks of life. The following three recommendations could help Arab countries address the aforementioned challenges:

1. Creating more jobs, specifically aimed at young women

The central concern remains not only the overall lack of employment opportunities, but in particular opportunities created to attract young women to join the labour force. Policymakers should adopt an incentive structure for job creation targeting young women that gives employment-centric projects priority over investments purely aimed at profit-making. A range of policy tools can be adopted to stimulate job creation, including monitoring number of jobs created per investment, exercising regulatory authority and providing tax-related incentives. Active labour market policies can also be used to influence targeted job creation, aided by labour market information systems and analyses of current and future supply and demand of human capital.
One key prerequisite is to have a diversified, balanced and healthy economic structure that enables a fair distribution of growth. This is only possible through a balanced workforce and job creation in various sectors that target young women, including in different geographic regions and various skill levels. As such, the existence of sex-disaggregated data is instrumental in monitoring the impact of economic policies in job creation for women and men, particularly in order to estimate their impact on the employment of young women in various sectors and regions, and consider the nature, quality and wages of jobs created. Monitoring is also important to identify emerging issues and challenges that require action at the policy and programme levels.

In 2007, Egypt's Ministry of Finance undertook an assessment of gender mainstreaming in the development policies of national small and medium enterprises (SMEs). The assessment highlighted a pattern of gender-bias and a high rate of loan denial for women seeking capital to support their SMEs. The assessment further prompted a comprehensive revision of the national SME policy to address gender biases, and devise instruments dedicated to promote women entrepreneurship and improve their access to finance. Parallel to these reforms, the percentage of self-employed women in Egypt increased from 13.9 per cent in 2005 to 15.6 per cent in 2010, generating over 25 per cent of new jobs for women during that period.

2. Embracing gender equality and social progress

The prevailing social and cultural beliefs that discourage young women from taking part in the world of work should be addressed. This refers to limitations of young women’s choices in education based on socially imposed labels identifying specific areas of the labour market as appropriate or inappropriate for young women, thereby discouraging young women from pursuing education and employment in a wider range of sectors, opportunities and geographic locations that are open to young men. This requires addressing social and cultural stereotypes reinforcing such attitudes.

Through communication and public advocacy, change in social behaviours can be instigated and young women can be encouraged to participate more widely in various walks of life. Female role models and opinion leaders can play an important role in increasing awareness of young women’s rights, and motivating them to economically benefit from educational opportunities and compete in the labour market to reach economic independence and well-being.
Such measures need to be reinforced by legislation and policies that promote gender equality and representation of women in the workforce and need to include the ratification of four principle ILO conventions on gender equality, namely, No. 100 on equal remuneration for men and women workers for work of equal value; No. 111 on discrimination in respect of employment and occupation; No. 156 on equal opportunities and equal treatment for men and women workers, in particular workers with family responsibilities; and No. 183 on the revision of the maternity protection convention. Furthermore, gender-based discrimination in the workforce has to be criminalized, regulatory authority exercised against employers who have not established an acceptable threshold of women in their workforce, and working collaborations established with the trade unions or civil society organizations to endow female workers with knowledge of how to overcome various challenges and a voice in collective bargaining.

Civil society is a key factor in advancing social progress and economic advancement of women. Lebanon is one example of a country with a strong tradition of civic activism. It is reported that almost half of civil society activities focus on awareness-raising and that 40.3 per cent of these organizations focus on women’s issues. In addition to these promising efforts, the World Bank reported that the percentage of firms with female participation in ownership in Lebanon has increased from 33.5 per cent in 2009 to 43.5 per cent in 2013.

“Women should stop being or feeling that they are part of the problem and become part of the solution. We have been marginalized for a long time, and now is the time for women to stand up and become active without needing to ask for permission or acceptance.”

Tawakul Karman, 2010
Nobel Peace Laureate

3. Empowering young women

Programmes dedicated to the empowerment of young women should be developed to complement the previous recommendations and create a push factor for young women to join the labour force. Such
programmes can include incentives for young women to pursue education in fields where job growth is anticipated, strengthened career guidance services, quotas for young women in employment and government-supported enterprise development schemes, and other measures aiming to support school-to-work transition of young women.

The Government of Saudi Arabia has recently presented a package of programmes to encourage the employment of young women. It earmarks specific employment opportunities for women in a number of sectors such as retail and customer services, and provides a salary subsidy scheme for employers to encourage the recruitment and retention of young women. These measures are complemented with programmes promoting flexible working arrangements such as telecommuting, together with additional incentives to facilitate transportation and day-care provision.29
References


ESWWA (2013b). Priority issues in the field of social development in the Arab region: employment and labour markets (E/ESCAW/SDD/2013/IG.14/Part I).


Endnotes

1 IFC and IDB, 2011, p. 9.
2 Ibid.
3 ILO, 2013.
5 ILO, 2014a, p. 66.
10 ESCWA, 2013b, p. 12.
15 UIS. Numbers for Morocco are for 2009, numbers for Djibouti and Mauritania are for 2010.
17 IFC and IDB, 2011, pp. 9 and 23.
19 ESCWA, 2013c, p. 8.
20 UIS, 2013.
22 Ibid.
24 ILO, 2014b, p. 47.
25 Ibid., p. 43.
27 ESCWA, 2013b, p. 54.
28 EU, 2015, p. 56.
29 G20, 2014, p. 5
Further Reading

Technical Toolkit for National Youth Policy Reform

This toolkit was developed in collaboration with policymakers and experts from Arab countries to inform and guide the design and implementation of national youth policies and programmes of action based on the World Programme of Action for Youth (WPAY). The cornerstone of the toolkit is a Reference Manual for National Youth Policy Development, which is a step-by-step guide that assists policymakers at the technical level in designing responsive and integrated national youth policies. Other tools include a report containing thematic examples of youth policies, a technical report on youth issues, priorities, and policies in select Arab countries, and a guiding principles booklet for national youth policy.

Social Policy Brief No. 7: Reaping the Rewards of Demographic Transitions: Investing in Arab Youth (E/ESCWA/SDD/2014/Brief.7)

This policy brief highlights the importance of focusing on young people aged 15-24 as a distinctive social group that requires particular attention from policymakers. The brief argues that investing in them yields best results, through a dedicated cross-sectoral national policy that considers various developmental needs of youth in a holistic approach.

Addressing Barriers to Women’s Economic Participation in the ESCWA Region (E/ESCWA/ECW/2012/1)

This study discusses current trends in the education and employment of women to identify structural barriers impeding women’s economic participation in Arab societies. It draws attention to the failure of economic policies to empower women, the weak commitment of governments to gender equality and relevant international labour standards, and the need to institutionalize regulatory and organizational measures to improve the number, scope and quality of opportunities for women in the labour market, potentially through a multidimensional and gender-sensitive policy framework.