Capabilities, Opportunities and Participation: GENDER EQUALITY AND DEVELOPMENT IN THE MIDDLE EAST AND NORTH AFRICA REGION

Tara Vishwanath, Nga Nguyen, Quy-Toan Do, Thomas Walker, Gabriela Inchauste Comboni, and Nandini Krishnan

Introduction: Many countries in the Middle East and North Africa (MENA) region are undergoing a profound transformation. From Bahrain to Yemen, from Tunisia to Egypt, popular movements are calling for political change and a more inclusive development path that will provide ordinary citizens with greater voice, social and economic freedom, and government accountability. Young men and women have been visibly at the forefront of these calls for change, and continue to participate actively.

This Quick Note is based on the overview of the regional report with the same title which complements the 2012 World Development Report (WDR) on Gender Equality and Development. The WDR highlighted the influence and interconnectedness of markets, formal and informal institutions and households in determining gender outcomes. Following the WDR, the report, which will go through a series of consultations in the countries in the region, draws on economic analysis of quantitative data from countries in the region, qualitative research and international evidence. The final report will identify policy directions to better exploit the benefits of a more inclusive development path.

These recent popular movements signal a need to renegotiate the social contract under which many governments in the region have long operated. These contracts brought stability and important human development gains but are characterized by large public sectors, weak government accountability, and limited opportunities for private sector growth and employment. The current economic structure in many of these countries is not conducive to the degree of job creation needed for fulfilling the demands of their expanding and well educated labor forces. The old modus operandi is no longer sustainable in terms of the corresponding fiscal burden and its limited potential for long term inclusive growth. The time for change is now.

Human Development and Gender in MENA: Over the past four decades, MENA countries have invested heavily in human development, making impressive strides in areas like education and healthcare. This is to a large extent an effect of the region’s growing wealth and its high natural resource rents. The region as a whole is close to achieving gender parity in primary and secondary enrollment rates, comparing favorably to Low and Middle Income countries worldwide.

Maternal mortality in the region is half the world average, and fertility rates have declined rapidly in the past decade. Although gender gaps remain in some dimensions of human development - for instance, in school completion rates - and gender differences in educational specialization remain significant, most MENA countries are well on their way to achieving gender parity in key human development indicators. However, the greatest puzzle is why, given MENA’s remarkable achievements in human development, so few
women participate in the workforce or in civic and political life.

**Employment Opportunities for Women in MENA:** While gaps in economic opportunities for women persist in all countries, rates of female labor force participation in the MENA region of around 25 percent are half the developing world average. Not surprisingly, the lowest participation rates are in fragile or conflict-affected countries such as Yemen, Iraq and the West Bank and Gaza. However, for the region as a whole, female labor force participation has increased by only 0.17 percentage points annually over the last thirty years. At this rate, MENA would take 150 years to catch up to the current world average.

The economic structure of countries in the MENA region influences work opportunities for women. On the one hand, formal sector opportunities are dominated by public sector employment in wealthier MENA countries. On the other hand, more women than men work in the informal sector in the relatively poorer countries in the region. Informal sector work does not provide the security of a formal sector job and moreover, may underutilize the skills of educated women who were unsuccessful in securing formal sector work. For less educated women in the informal sector, business ownership rates are low since women lack access to capital and business skills.

**Constraints to Women’s Inclusion in the Public Sphere:** A multitude of legal, social, cultural and economic constraints actively discourage women from participating in the public sphere. Constraints range from social and cultural norms that deny rights and freedoms to women, to legislation and regulations limiting women’s ability to work, start businesses and participate in politics. Economic constraints include labor market regulations, bureaucracy, and uneven enforcement of laws, which together stifle the private sector and curb job creation; distortions in the social security system that discourage women from working; an education system that often does not provide young men and women with the skills employers want; and an environment that is not conducive to women’s entrepreneurship.

While these constraints are to some extent present in all MENA countries that largely share a common religious identity, religion is not the primary driver. There is a great diversity in rates of female labor force participation among Muslim-majority countries. For example, Indonesia and Bangladesh have double the rates of female labor force participation of MENA. Similarly, while oil is a significant source of income for some MENA countries, and has unquestionably limited the growth of non-oil sectors, it cannot alone explain the slow progress of women in the public sphere in the region as a whole.

**The Critical Role of Social and Cultural Norms:** The report argues that one of the main characteristics explaining the region’s lack of progress is the region’s social and cultural norms and accompanying legal constraints. When presented with an environment where these constraints are more muted, women are better able to translate their aspirations into reality. Analysis of labor market outcomes for immigrants shows that participation rates of MENA women who migrate to the United States are much higher than those of non-migrants, and fall by less after marriage. Furthermore, women of MENA origin who migrated to France as youngsters have participation rates more similar to their male counterparts than do women who migrated as adults. This finding points to the important influence of deep-rooted social and cultural norms in explaining low rates of participation in the region.

**The Social Contract in MENA and Its Impact on Female Inclusion:** The second feature is the MENA ‘social contract’, by which governments provided generous social benefits, public employment and subsidies to their citizens in exchange for their support or quiescence. This has distorted labor markets and influenced women’s choices about education and work. The low participation rate of women is the result of two separate but reinforcing effects. On one hand, women who want to work have difficulty finding a job, because the public sector (traditionally the largest employer of women) has slowed its rate of hiring, and because private sector firms are discouraged...
from hiring women due to restrictive and costly regulations and generous remuneration in comparable public sector jobs. On the other hand, MENA countries offer a plethora of benefits to families which then encourage women to stay at home. Considering the legal and social difficulties faced by women who work, many justifiably avoid doing so.

To improve women’s presence in the public sphere, two sets of reforms are critical. Women’s legal and civic rights must be extended in order to facilitate and encourage their involvement in work and public life. At the same time, jobs must be created for all if efforts to increase women’s participation in the formal sector are to be effective. A range of policy options are proposed.

1. In the first place, reforms are urgently needed to give women freedom of mobility, ensure their safety in the workplace and in traveling to work. Also needed is an easing of the regulations on their employment, encouragement of entrepreneurship, and furthering their participation in the legal profession and politics. Without reforms in these areas, efforts to increase women’s job opportunities are likely to have a limited impact.

2. Promoting women’s participation in the formal sector will require concerted efforts on three fronts: job creation, addressing constraints to participation, and increasing women’s employability. In this regard, reforms must support private sector diversification and job creation. Policies to encourage women to work and increase their attractiveness to employers go hand in hand. First, tax and benefits systems should be reformed so that women are not penalized for choosing to work, and firms are not penalized for employing women. Second, policies like internships and scholarships are needed to change employers’ attitudes about women workers, and give women the skills needed in the modern workplace.

3. Finally, for most MENA countries there is a distinct lack of data on the labor market and households. Furthermore, of the many small programs being piloted to help women in the region, remarkably few are rigorously evaluated. In order to design informed policies to address gender inequality, the region must focus on investing in, and sharing, improved data on these issues.

**Conclusion:** The current calls for change in the MENA region present an unprecedented opportunity for women to engage in fundamentally reshaping the future of their countries as equal, productive partners. Doing so would allow countries to realize the full potential of their valuable human resource endowment, thereby generating productivity gains for the economy as a whole. This is especially true in a region where more women than men attend university. Equal opportunities and greater voice for both men and women in the civic and political sphere will make for a more representative and inclusive society.

**Contact MNA K&L:**
Laura Tuck, Director, Strategy and Operations.
MENA Region, The World Bank

Regional Quick Notes Team:
Omer Karasapan, Roby Fields, and Hafed Al-Ghwell

Tel #: (202) 473 8177

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