

# Increased Gender Inequality in Arab Labour Markets due to COVID-19: Causes and Solutions

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For decades, empowering women and encouraging gender equality has been a feature of all development protocols. Women suffer from a gender discrimination that is imposed by society. Specific regulations and rules have been brought in to give women more visibility in the labour market. Although women have proven themselves in many fields of work, to this day, gender stereotyping against women is very common in Arab society. Numerous well-paid jobs are inaccessible for women and assigned to men because of society's mindset. Arab women's lack of employment opportunities are hindering their abilities, ideas and innovation. There is, nonetheless, clearly a new generation of young women who are trying to move beyond the restrictions of the current economic situation. Currently in the 21st century, society's view on women has changed slightly; as their role in the workforce has become more effective than in previous years. Now we can find women in almost every area of society; in work, education and even in government.

There are countless arguments in favour of empowering young women so as they can lift, not only themselves, but the whole of society out of the poverty cycle, thereby enhancing economic growth. Scholars have highlighted the fact that if women were allowed to engage more in the workforce and received training on the latest technologies, this would strengthen productivity and accelerate path to development and growth and reduce unemployment. The International Labour Organization (ILO) has estimated that decreasing the gender gap by 25 percent will boost global GDP by \$5.8 trillion by 2025, (ILO, 2019).

Recently, in 2020, women were beginning to realize their dream of making more progress to close the gap, but after COVID-19, women are now facing greater health risks, especially since most nurses are women, being deprived of important health services, particularly pregnant women, and are having to deal with stressful working conditions, especially those working in education, the informal economy or agricultural services. In addition, migrant women are suffering from the travel ban, which is severely limiting their ability to provide their families with financial support.

This article will discuss the reasons for gender inequality and the solutions proposed in Arab countries. The solutions will provide policy makers with insight for reinforcing today's mission to empower women and reduce inequality in Arab countries, and more precisely, in Egypt. It will also offer a policy mix that would contribute to achieving sustainable development.

## **Stylized Facts for the Reasons for Gender Inequality in the Labour Markets of Arab Countries**

The Arab population accounts for 5.55 percent of the world's population, with Arab women accounting for half of the total population (WPP, 2019). Historically, the region has witnessed a substantial increase in the working-age population, which has contributed to rising unemployment. Barton *et al.* (2013), estimates that a one-percent increase per year in the annual unemployment rate induces a 2.5 percent loss in total GDP (about \$115 billion). The increase in the unemployment rate creates more pressure on the labour market due to the unavailability of relevant jobs. The current increase in the workforce discourages women's participation. These problems are closely connected and can be addressed through policies

that encourage family-friendly employment circumstances and the formalization of the private sector. According to the ILO, in 2019, the Arab region is characterized by having a young and well-educated population. Nearly more than half of the population in the Arab region is below the age of 30, with persisting high youth unemployment rates, particularly for young unemployed women, which in Saudi Arabia reached 42.5 percent, its highest rate, while in Kuwait, it reached 6.5%, which was its lowest rate for 2019. Despite the changes brought about to close it, the gender gap remains wide. Many countries lag behind in terms of life expectancy, high mortality and fertility rates, with fewer than two births per woman in Kuwait, Lebanon, Qatar and the United Arab Emirates, while Comoros, Iraq, Mauritania, Sudan, and Somalia, average more than four births per woman (WDI, 2020). Women in the Arab region face a higher risk of unemployment while still facing high barriers to enter into the labour market due to cultural obstacles. The female youth unemployment rate registered a 38.5 percent which was almost double that of young men, (ILO, 2019).

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Following the start of 2020, the gap will widen, since COVID-19 has uncovered the vulnerability of the economic situation, especially in Arab countries that rely heavily on oil-driven growth and rentier states. These countries rely heavily on informal and temporary jobs. ESCWA, in April 2020, has estimated that COVID-19 has had a strong impact on women in the informal sector, which account for 61.8 percent of workers in the Arab region. This situation reduces employment opportunities and increases layoffs. Working in the informal economy deprives women of any kind of social safety net, placing them in potential danger. While governments are trying to flatten the rising curve of infections, the decisions taken to this end are depriving

women who live from temporary employment from earning an income, thereby escalating poverty levels. It is estimated that around 1.7 million jobs in the Arab region will be lost, including approximately 700,000 jobs held by women, due to the COVID-19 pandemic (ESCWA, 2020). Moreover, the world economic forum report in 2020, estimated that gender gaps can potentially be closed within 140 years in the Middle East and North Africa, although progress remains slow and uneven across countries and regions.

### Reasons behind Gender Inequality

Despite the progress achieved by some governments, women's access to the labour market remains significantly limited; the occupational structure of employment is still dominated by men, and women's salaries are still significantly lower, even when both genders are doing the same task. The lower rate of female participation in the labour market is partly due to many women being housewives, and therefore unpaid. An analysis of the gender differences across occupations, showed an observable increase in private sector job opportunities for women, which was inversely proportional to the downsizing of the public sector. However, regardless of the employment sector, occupation or position, women are still earning less than men, worsening income inequalities.

This gender gap provides an argument for exploring the developments in women's employment status. It is worth mentioning that the structure of women's employment has changed, with high percentages of women concentrated either in the service occupations (professionals, technicians and clerical support workers) or as skilled agricultural workers. This underlines the value of the unpaid work done by Egyptian women in the agricultural sector.

A recent study showed that Arab women suffer from the wage gap, despite the increase in the number of women in some jobs. This can firstly be justified by their increased numbers in low-skill and low-income jobs, while they are deprived of high-income employment. Egyptian women's share in managerial positions has declined, while their share as professionals improved – such as female white collar technicians, social professionals and clerical support workers. Blue collar occupations witnessed a decline in women's employment share. However, women's share in

elementary occupations witnessed a growth. In addition, all occupations seem to be male-dominated except skilled agricultural, forestry and fishery workers, where women's share in employment exceeds half of the total employment (Abdou, D. *et al.*, 2019).

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The feminization of employment has proceeded in Jordan more slowly than in Egypt, and is focused specifically on two main occupational groups (managers and skilled agricultural workers). Interestingly, the first of these groups was already a female-dominated one (owing to the positive gender-bias of the public sector), while the second (skilled agricultural workers) became female-dominated owing to the substantial increase in female employment there. Abdou, D. *et al.* (2019) showed that a number of female-dominated occupations experienced de-feminization: these were both at the high-end of the occupational ladder (e.g., professionals) and at the lower-end (e.g., elementary occupations). A number of occupations have witnessed increased feminization (craft and related trades workers; plant and machine operators and assemblers), while remaining male-dominated. It is noticeable that the mean hourly wage of males and females is approximately the same. However, the real monthly wage differs with an upward bias toward males. This result reflects the fact that women in Egypt are less likely to work long hours due to their preference toward domestic and family care work. Maternity leaves leads women to maintain fewer working hours thus less monthly payment. In addition, offering jobs with low wages minimizes costs from the view of the tax payer.

Arab women face countless social, legal, political, economic and cultural challenges. Looking first at the social challenges, women's illiteracy rates are much higher than men's, as a result of unequal access to education and information. Another vital issue is that women in Arab countries face unequal and insuffi-

cient access to healthcare. These challenges are a result of the traditions and stereotyping that encourage discrimination against women and enables their basic rights, such as access to healthcare and education, to be violated. Moreover, laws in Arab countries discriminate against women in numerous ways and their access to justice is extremely limited. In addition, there are certain economic challenges that women have to face every day because of a lack of awareness of their economic rights, the burden of poverty on women, high unemployment rates, high percentage of participation in poorly paid jobs, both part time and informal, occupational segregation, entrepreneurial and cultural barriers and, finally, labour market inequality. Other obstacles that women face come in the form of political participation, due to a lack of awareness of women's political rights, inequality between both sexes in the holding of power and discrimination against women in decision-making positions. Last but not least, women have to deal with cultural challenges and sexist behaviour.

## Conclusions

Arab countries must have faith that by adopting the following policies they can help to strengthen the current search to empower women and reduce inequality. These policies are as follows:

- *Setting up a Ministry for Women's Affairs:* Initiatives, women's conferences and written recommendations are necessary but insufficient. A robust executive body at a high level is necessary to reduce the predicted 140 years before achieving equality and development. This institutional body could be tasked with developing short and long-term visions and strategies to change the current culture. Similarly, legislative change is needed to promote gender equality, leverage participation in the economy, boost political engagement, provide freedom, increase respect and enhance the lives of Arab girls, mothers and elderly women. The Ministry for Women's Affairs could work in close collaboration with other ministries to raise women's participation in managerial posts and ensure that gender issues are included in the national development framework (Salman D. & Bassim M., 2019).

- *An urgent need for legislation to change gender norms.* During World War II, women entered the labour market, replacing men in industries, thereby evidencing the possibility of changing norms. COVID-19 showed how men could share women's chores, especially those of women working in the health sector.
- *Enact a "Preferential Treatment" Policy for Women-Owned businesses:* Preferential treatment policies towards women-owned businesses and women's employment, similar to the policies adopted in the US to increase the participation of women in the economy. These supportive policies in the US have increased women's participation in the economy and sped up the growth of women-owned businesses.
- *Develop Capacity building to eradicate poverty in the economy.* This should include and be broadened by a continuous process of capacity building and development to enable women to improve and retain the skills they need to do their jobs competently. Education can be a powerful instrument in eliminating poverty. Arab countries should set clear strategic targets for reducing and eliminating poverty. They should also stimulate female participation in the service sector, which is where opportunities lie for future expansions and narrowing the gender gap.
- *Allow flexible working hours:* COVID-19 has highlighted the opportunity for more flexible work arrangements, especially through the use of remote-working technology, as one of the ways to decrease the gender pay gap. Such a policy would benefit mothers as it would allow them to manage both work and childcare.

Finally, the government should take the initiative to increase public awareness regarding women's economic participation and empowerment. Moreover, the government has to ensure that it is meeting the needs of women suffering from poverty and should introduce a "Gender Support Fund," aimed at helping women, especially those who are supporting their families. Applying these policies will pave the way so that every girl and woman has the chance and rights

they deserve to pursue whichever line of work they choose, unhindered by sexism and discrimination.

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