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# **Inequality in employment**

#### **Summary**

Decent employment promises productive work and fair income, security in the workplace, social protection, and equality of opportunity. Under decent employment, workers are protected by labour legislation and basic safety protocols. However, amidst dwindling formal employment opportunities in the Arab region and limited labour governance frameworks, decent employment is increasingly a benefit enjoyed by an already advantaged group, frequently contingent on their existing high levels of social capital and education.

The present document provides an overview of unemployment in the Arab region in relation to inequality. It considers population groups that are left behind in terms of access to decent employment, and the barriers that they face. The Committee on Social Development is invited to discuss those barriers and the means to dismantle them.

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#### Introduction

- 1. Decent employment for all promises considerable socioeconomic rewards. Societies could be equal, cohesive and peaceful, while economies could be productive, innovative and dynamic if everyone had a decent job. There would be no losers from a productive and engaged labour force, the world would be richer as a result, and poverty could be almost eradicated.
- 2. The Universal Declaration of Human Rights states that "everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment". Nonetheless, despite global adoption of the Universal Declaration of Human Rights, the world remains far from protecting the right to decent work.

# I. Not all employment reduces inequality

- 3. Unemployment directly contributes towards poverty and inequality by excluding individuals from a basic income to care for themselves and their families. In doing so, unemployment can also increase the desperation of individuals and increase the likelihood of risky, or illegal, behaviour in return for a small income.
- 4. However, even among the working population, a significant, and rising, proportion of the Arab region's population lives in poverty, frequently owing to a lack of decent employment opportunities, underemployment and informal employment.
- 5. Decent employment promises productive work and a fair income, security in the workplace, social protection, freedom for people to express their concerns, and equality of opportunity and treatment for all women and men. Under decent employment, workers are protected by labour legislation (including through contracted employment, leave and pensions) and basic safety protocols. However, amid dwindling formal employment opportunities and limited labour governance frameworks, decent employment is increasingly a benefit enjoyed by an already advantaged group, frequently contingent on their existing high levels of social capital and education.
- 6. While decent work for all promises greater equality and reduced poverty, the opposite threatens to entrench existing inequalities. A lack of access to decent employment opportunities has increased unemployment, underemployment and informal employment, thus ultimately increasing the vulnerability of those who are unable to earn a decent wage for decent work.
- 7. Underemployment occurs when workers operate below their potential, frequently because of limited opportunities to work fully, or through desperation to work for any form of income (in the absence of social protection benefits). Underemployment may arise from workers working less hours than they would like, earning less income than they deserve, or not utilizing their full skillset. At the national level, underemployment limits potential economic growth, productivity and equality. At the individual level, it increases vulnerability and dissatisfaction.
- 8. In contrast to decent employment, informal employment is frequently associated with little to no social protection, low wages (owing to low productivity) and a lack of regulatory safeguards. Informal workers are more likely to live in poverty than their formal counterparts, in part because they lack formal contracts and social protection, but also because they are frequently less educated and undertake low-skilled work. Even across the same skill levels, a wage gap dominates informal work, where informal workers earn less than formal workers for the same work. A lack of private sector development, combined with widespread displacement in conflict-affected countries and their neighbours, has created a deficit in formal jobs and caused a large proportion of the population in the Arab region to seek informal employment. Many formal firms in

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<sup>&</sup>lt;sup>1</sup> Corrine Delechat and Leandro Medina, What is the informal economy?, 2020.

the region also hire informal workers, particularly for ad-hoc tasks, as they offer greater flexibility at a lower cost than their formal counterparts.

9. High income inequality tends to aggravate informal employment and increase inequality.<sup>2</sup> Consequently, informal workers are more likely to face social exclusion, live in poverty, and risk being left behind.

# II. Lack of decent employment, poverty and inequality are a vicious cycle

- 10. By its very nature, decent employment fosters equality: it empowers individuals and reduces the risk of living in, or falling into, poverty.
- 11. However, a lack of decent employment can contribute towards greater poverty and inequality, and trigger a vicious downwards spiral whereby only those at the top of an unequal society have access to decent employment, while those at the bottom have no opportunities to enter the formal workforce, and in turn fall farther behind the rest of society.
- 12. Individuals living in poverty, be it monetary or multidimensional, are less likely to have the opportunity to attain a high level of education, and are more likely to have negative health outcomes. As a result, individuals living in poverty will have lower human capital, will be less productive, and will have fewer employment opportunities available to them. They are more likely to be unemployed, underemployed or informally employed. Since they are not engaged in decent employment, they are likely to be paid less, have irregular work, and are less likely to be offered protection against income shocks, thus reinforcing their experience of poverty. Furthermore, poverty will increase their desperation to accept dirty, dangerous or degrading work. The poor's weak access to decent employment widens inequality, thus in turn decreasing the opportunities available to them.
- 13. Widening inequality risks causing entire households to fall behind, and experience poor health and education outcomes and social exclusion. As a result, poverty becomes intergenerational and difficult to alleviate by households themselves.

# III. Employment in the Arab region: a pertinent case of inequality

- 14. Since the turn of the millennium until the eve of the COVID-19 pandemic, both global and Arab unemployment was falling, although unemployment in the Arab region remained stubbornly above the global average. From 2000 to 2019, global unemployment fell from 6 to 5 per cent, compared with a drop from 12 to 10 per cent across the region.<sup>3</sup> The pandemic caused a widespread increase in unemployment as movement restrictions, teleworking requirements, and the pandemic-induced economic contraction forced businesses to close and prevented workers from accessing their jobs. By 2021, unemployment in the region stood at 11 per cent, almost twice the global average of 6 per cent. Djibouti and the State of Palestine face acutely high unemployment rates at 26 per cent, while many Gulf Cooperation Council (GCC) countries are less exposed to rising unemployment (for example, unemployment in Qatar stands at just 0.1 per cent).<sup>4</sup>
- 15. Not all the working population in the Arab region enjoys the stability of decent employment. Many are underemployed or informally employed, and continue to suffer the deprivations of poverty.

<sup>&</sup>lt;sup>2</sup> ESCWA, Informality in the Arab region: another facet of inequality, 2017.

<sup>&</sup>lt;sup>3</sup> ESCWA Arab SDG Monitor.

<sup>&</sup>lt;sup>4</sup> ESCWA calculations.

- 16. Across the region (where data is available), informal employment varies from 51 per cent of total employment in Djibouti to 95 per cent of total employment in Mauritania. Only four Arab countries, namely Djibouti, Jordan, Lebanon and the State of Palestine, have informal employment levels below the global average (60 per cent).<sup>5</sup> Although informal employment in Lebanon is probably much higher given the ongoing economic crisis.
- 17. Working poverty (the proportion of the working population living below \$1.80 a day) also reveals an alarming trend in the Arab region. At the start of the millennium, working poverty stood at 26 per cent globally compared with a much lower rate of 7 per cent in the Arab region. However, by 2019 (latest available data), global working poverty fell to almost a quarter of its 2000 level at 7 per cent, while working poverty in the region rose to 8 per cent. Amongst Arab least developed countries (LDCs), working poverty has increased from 30 per cent of the employed population in 2000 to 32 per cent in 2019.<sup>6</sup>

#### IV. Who is left behind?

- 18. Although unemployment, underemployment, informal employment and working poverty are major challenges affecting the Arab region, they do not affect all people equally. Some groups are more likely to face barriers in accessing decent employment, which frequently exacerbate the exclusion they already face and enhance inequality in employment.
- 19. Young people, women, especially female youth, persons with disabilities, older persons, people living in rural areas and migrants are particularly vulnerable to unemployment, underemployment, informal employment and working poverty. Furthermore, many forms of inequality are cross-cutting; for example, poor women or persons with disabilities in rural areas may be acutely excluded from accessing decent employment.

#### A. Young people

- 20. Youth unemployment in the Arab region is of critical concern: it has been higher than any other region worldwide for the past 25 years, and risks an entire lost generation. In 2019 (before the increase in unemployment driven by the pandemic) youth unemployment in the region was estimated at 26 per cent, twice the level of global youth unemployment at 13 per cent, and over three times that of Arab non-youth unemployment at 8 per cent. Youth unemployment is highest in Djibouti at 73 per cent, where the non-youth unemployment rate is 18 per cent. While GCC countries have much lower unemployment rates, there still remains a disparity between the youth and non-youth unemployment rates: in Kuwait the youth unemployment rate is 15 per cent and non-youth unemployment is 2 per cent, while in Oman the youth and non-youth unemployment rates are 16 and 2 per cent, respectively.<sup>7</sup>
- 21. Among employed young people in the region, 85 per cent are estimated to be informally employed. Widespread informal youth employment has caused many working young Arabs to live in poverty. Given their age, most young people have not had time to accumulate assets or savings, and are thus acutely vulnerable to poor working conditions. Although the proportion of working young people living in poverty has fallen globally from 32 per cent in 2000 to 12 per cent in 2019, the proportion of working young people living in poverty in the region has risen from 7 per cent in 2000 to overtake the world's average at 13 per cent in 2019. This figure varies from less than 1 per cent in the GCC and Maghreb subregions to 39 per cent in Arab LDCs.

<sup>&</sup>lt;sup>5</sup> ESCWA calculations.

<sup>&</sup>lt;sup>6</sup> ESCWA Arab SDG Monitor.

<sup>&</sup>lt;sup>7</sup> Ibid.

<sup>&</sup>lt;sup>8</sup> ESCWA, Inequality in the Arab Region: A Ticking Time Bomb, 2022.

<sup>&</sup>lt;sup>9</sup> ESCWA Arab SDG Monitor.

22. Youth disenfranchisement is also of critical concern in the Arab region. Whether through a lack of employment, education and training, or through informal employment, youth disenfranchisement can trigger social exclusion over a lifetime. The longer young persons are unemployed, underemployed (typically through informal work), uneducated or untrained, the less likely they are to develop skills that will benefit their long-term career growth, and to meet social milestones such as getting married, buying a house or starting a family. Similarly, the longer young persons are informally employed, the less likely they are to find formal employment, and the resulting lesser accumulated savings will delay social milestones. The proportion of young people who are not in education, employment or training averages 32 per cent in the Arab region, and is most severe in Yemen (45 per cent), Somalia (44 per cent) and Iraq (41 per cent).

#### B. Women

- 23. Women in the Arab region are less likely to be in the labour force to begin with. When they are, they are more likely to be unemployed, informally employed, in junior positions, or in traditional sectors. The Arab region's female labour force participation rate is the lowest worldwide at 18 per cent. Arab female labour force participation is almost a third of global female labour force participation (48 per cent), and less than a quarter of the region's male labour force participation rate (77 per cent).
- 24. For women who are in the labour force, they are more likely to face unemployment. In 2019 (latest available data), female unemployment in the region stood at 20 per cent, which was over three times higher than the world's average of 6 per cent, and over twice as high as male unemployment in the region at 8 per cent. Furthermore, while male unemployment in the region has fallen since 2000 from 11 to 8 per cent, female unemployment has increased from 18 to 20 per cent. Female unemployment is highest in the State of Palestine at 43 per cent compared with a male unemployment rate of 22 per cent. Even in Arab countries with relatively low unemployment rates, there remains a sizeable difference between male and female unemployment rates. For example, in Bahrain, female unemployment is almost eight times that of male unemployment in Oman (9.7 compared with 1.4 per cent) and Qatar (0.5 compared with less than 0.1 per cent). <sup>10</sup>
- 25. Women are also more likely to face informal employment in many Arab countries. Across the region, 62 per cent of working women operate in the informal sector.<sup>11</sup> Female agricultural workers are particularly vulnerable: in Yemen, 100 per cent of female agricultural workers are informally employed.
- 26. Lastly, only 11 per cent of women in the Arab region hold managerial positions, compared with 27 per cent globally. 12

#### C. Young women

- 27. Compounding the exclusion faced by young people and women, young women are particularly excluded from access to decent employment opportunities.
- 28. As with female labour force participation, female youth labour force participation is very low, as many young women have exited the labour force altogether. The female youth labour force is 80 per cent smaller than its male counterpart.<sup>13</sup>
- 29. Among young women who remain in the labour force, female youth unemployment is high and rising. In the Arab region, it increased from 32 per cent in 2000 to 42 per cent in 2019, which is over three times the

<sup>&</sup>lt;sup>10</sup> ESCWA calculations.

<sup>11</sup> ESCWA, The impact of COVID-19 on gender equality in the Arab region, 2021.

<sup>&</sup>lt;sup>12</sup> International Labour Organization (ILO), Arab States: gender equality and non-discrimination, 2022.

<sup>&</sup>lt;sup>13</sup> ESCWA, Inequality in the Arab Region: A Ticking Time Bomb, 2022.

global average female youth unemployment rate and over twice the male youth unemployment rate. In contrast, male youth unemployment in the region fell from 24 per cent in 2000 to 21 per cent in 2019. In Egypt, Iraq, Libya, the State of Palestine and the Syrian Arab Republic, the gap between female and male youth unemployment is over 25 percentage points. In Djibouti, Iraq, Jordan, Libya and the State of Palestine, a young woman is more likely to be unemployed than they are to be employed. <sup>14</sup> Even in Arab countries with relatively lower female youth unemployment, there remains a significant gap between female and male youth unemployment. For example, in Bahrain, female youth unemployment is over four times that of male youth unemployment (12.2 compared with 2.6 per cent).

#### D. People with disabilities

- 30. People with disabilities in the Arab region, particularly women with disabilities, are less likely to be in the labour force and thus looking for employment. Using available data, over 84 per cent of women with disabilities and over 50 per cent of men with disabilities across the region have exited the labour force. In Iraq, 95 per cent of women with disabilities have exited the labour force, and 76 per cent of men with disabilities in Oman have exited the labour force.<sup>15</sup>
- 31. Where people with disabilities are in the labour force, they risk being unemployed or underemployed. In Saudi Arabia, unemployment among women with disabilities stands at 75 per cent, more than twice that of women without disabilities at 33 per cent.<sup>16</sup>

#### E. Rural populations

32. In rural areas, a severe lack of employment opportunities limits the possibility of decent employment, and renders rural inhabitants highly vulnerable to indecent employment and social exclusion. Informal employment is at its greatest in rural agricultural sectors, which are characterized by low productivity, irregular and low-skilled labour demand, and limited regulatory oversight. Across the region, informal employment within the agricultural sector varies from a low of 82 per cent in the Comoros to over 99 per cent in Mauritania, the Sudan and Yemen.

#### F. Older persons

- 33. The region's population of older persons is steadily increasing. The number of older persons (aged 65 and above) is projected to increase from around 21 million today to over 71 million in 2050.<sup>17</sup> Older persons are typically assumed to have left the labour force through retirement, but as many older persons have not benefitted from decent pension schemes prior to retirement, they are forced to continue working. Other older persons choose to continue working given the large experience and skills they have accumulated, and the desire to remain connected and engaged within society. Since older persons above retirement age are typically not covered by labour legislation, they are more susceptible to informal employment. Furthermore, if their age reduces their productivity, or if employers believe that it does, then older persons in need of work risk facing underemployment or unemployment.
- 34. Older women are particularly vulnerable to more limited employment opportunities. The inequalities that women face in employment (lower labour force participation and greater unemployment) compound over their lifetime, and negatively impact their work experience and qualifications, thus reducing their employment

15 Ibid.

<sup>&</sup>lt;sup>14</sup> Ibid.

<sup>16</sup> Ibid.

<sup>&</sup>lt;sup>17</sup> ESCWA, Population and Development Report: Building Forward Better for Older Persons in the Arab Region, 2022.

opportunities. In addition, older women (who are also more likely to live longer than men) are acutely vulnerable to poverty, as their lack of decent employment experience renders them less likely to have pensions.

## G. Migrants

- 35. The Arab region hosts more than 41 million migrants and refugees, equivalent to 15 per cent of the global stock of migrants and refugees. The majority of migrants and refugees in the region are of working age, and thus looking to enter the regional labour force.
- 36. While the region hosts many skilled professionals, who largely benefit from decent employment practices, there is also a large stock of low-skilled migrants working in low productivity (and thus low wage) informal jobs. Furthermore, because many migrants have a limited social support network and exist outside of social protection schemes, they are more willing to accept dangerous or degrading work, reinforcing the vicious cycle between their poverty and lack of access to decent employment.<sup>18</sup>

# V. Why are some groups left behind: what are the barriers to decent employment?

- 37. Across the Arab region, a lack of employment creation has limited the number of decent jobs available to jobseekers.
- 38. Since the turn of the millennium, the region has demonstrated the lowest rate of employment creation globally. At the same time, the labour force has increased considerably as a result of a youth bulge of working age. In 2019, the Arab region needed to create 33 million jobs to achieve an unemployment rate of 5 per cent by 2030. Alternatively, if female labour force participation in the region were to increase in line with that of middle-income countries globally, then the region would need to create 65 million jobs to achieve an unemployment rate of 5 per cent by 2030. Instead, however, the region lost 2.4 million jobs in 2020 owing to the pandemic.<sup>19</sup>
- 39. In short, there are insufficient decent jobs available for the entire Arab labour force. However, the lack of decent jobs is not felt equally by all. Young people, women, particularly young women, people with disabilities, older persons, people living in rural areas, and migrants are more likely to be prevented from accessing decent employment. Part of the reason why some groups are more likely to be left behind is because of the unique barriers to employment that they face in the region. Prohibitive legislation slows labour force participation for women, people with disabilities, older persons and migrants, and fails to protect many vulnerable groups from exploitative work environments. Prohibitive attitudes slow female labour force participation, and increases unemployment among women and persons with disabilities. Education that is not complementary to the labour market aggravates youth unemployment, while a lack of appropriate education prevents persons with disabilities from attaining the skills they need in the labour market. A high burden of unpaid care work prevents women from engaging in labour markets as effectively as men, and risks excluding some women from the economic sphere altogether. Moreover, a prevailing wage gap between men and women, and formal and informal workers, prevents equal work for equal pay, a critical component of decent work.

#### A. Prohibitive legislation

40. Across the region, legislation that has mostly been designed to protect employees in the workplace, at times risks being unintentionally discriminatory. Women, especially women of childbearing age and older

<sup>&</sup>lt;sup>18</sup> ESCWA and others, Situation Report on International Migration 2021: Building forward better for migrants and refugees in the Arab region, 2021.

<sup>&</sup>lt;sup>19</sup> ESCWA, Inequality in the Arab Region: A Ticking Time Bomb, 2022.

women, persons with disabilities, older persons and migrants all face inadvertently discriminatory legislation that prevents their full economic participation.

- 41. Women are frequently prohibited from undertaking culturally inappropriate work. In some Arab countries, they are prevented from undertaking night work, or from working in mining or other arduous jobs. Some Arab countries also require that women obtain their husband's permission to work and travel.<sup>20</sup> Such "protective" legislation portrays women as minors, who are unable to make their own decisions. In turn, such prohibitive legislation dissuades employers from hiring and promoting women owing to the extra costs and productivity losses incurred.
- 42. Although maternity leave is largely guaranteed for women in formal employment across the Arab region, in some cases maternity leave is less than 14 weeks (the international standard under the ILO Maternity Protection Convention, 2000), which negatively affects both the mother's recovery and child's development. Furthermore, maternity legislation largely stipulates that the employer (not the Government) is responsible for funding maternity leave, which disincentivizes employers from hiring or promoting women of childbearing age owing to the potential costs involved if they become pregnant. Paternity leave is minimal in the region, varying from one to three days in most cases where it is offered, which reinforces gender stereotypes on childcare and thus women's economic exclusion.<sup>21</sup>
- 43. Furthermore, a widespread lack of legislation protecting women from violence and sexual harassment in the workplace reinforces inequality in employment and prevents some women from entering the labour force.
- 44. While many Arab countries have legislation that stipulates equal pay for equal work, maternity leave benefits and access to childcare, such laws tend to be weakly enforced in practice, with limited remedial channels available to women who have faced discrimination.
- 45. Many Arab countries have intensified efforts to enact legislation and issue regulations to further the inclusion of persons with disabilities in labour markets. Nonetheless, persons with disabilities are frequently left out of, or not consistently included in, labour market policies. ESCWA research on national legislation regarding the inclusion of persons with disability in the workforce has uncovered inconsistencies between legislation pertaining to people with disabilities and to their employment in the civil service. In many cases, policies related to employment in the civil service require that applicants be free from any disability or illness, and thus prohibit persons with disabilities from accessing public jobs on an equal basis with others. A similar practice exists in private sector recruitment processes. For example, in Jordan, 35 per cent of private sector institutions and 55 per cent of public sector institutions require that applicants be free from any disability or illness. Such exclusion of persons with disabilities from the labour market is estimated to create a GDP loss of between 3 and 7 per cent. As a property of the persons with disabilities from the labour market is estimated to create a GDP loss of between 3 and 7 per cent.
- 46. Older persons are supposedly protected from exploitation in labour markets through legislation that sets out retirement ages for employees. However, if individuals wish to work beyond retirement, either to remain mentally or physically engaged or owing to a lack of funds to retire comfortably, then they are at higher risk of informal work, which may be demeaning, dangerous or low-paid. Similarly, legislation that provides earlier retirement for women than men prevents women from attaining senior management positions (which are

ESCWA, Persons with disabilities: Labour market perceptions survey Jordan, 2022. The survey questioned 69 Jordanian institutions in the public and private sectors on their perceptions of employing persons with disabilities. It considered the factors that limit the participation and involvement of persons with disabilities in the Jordanian labour market, and the reasons behind the non-employment of persons with disabilities per the perception of employers.

ESCWA and others, Gender Justice and Equality Before the Law: Analysis of Progress and Challenges in the Arab States Region, 2019.

<sup>&</sup>lt;sup>21</sup> Ibid.

<sup>&</sup>lt;sup>23</sup> ILO, The price of exclusion: The economic consequences of excluding people with disabilities from the world of work, 2009.

typically achieved later in an individual's career), limits the growth of their pensions, and pushes women who want to work beyond retirement into informal employment.

- 47. Even where migrants are formally employed, legislation frequently excludes them from contributing towards social insurance programmes, and thus excludes them from social protection against unemployment, old age, poor health and maternity, among other benefits. They are frequently also omitted from legislation guaranteeing protection against demeaning or dangerous jobs, or unemployment.
- 48. More broadly, all low-income workers risk being affected by inadequate minimum wage legislation. Such legislation is designed to protect those at the lowest income levels, and typically the most vulnerable. However, if such legislation is not well-designed, and not regularly updated, then the minimum wage risks being set so low that it contributes to the working poor. In Lebanon and Yemen, economic crises have triggered unprecedented wage crises, where workers' wages are no longer sufficient to secure the basic needs of food, medicine and shelter.
- 49. In Lebanon, the minimum wage, until recently, was established at LBP 675,000, or \$448 at the previous official exchange rate of 1,500 Lebanese pounds to the dollar. However, following the emergence of a blackmarket exchange rate, a sharp depreciation of the blackmarket rate and the realignment of prices to the blackmarket rate, 675,000 Lebanese pounds can no longer be considered a decent wage.

#### **B.** Prohibitive attitudes

- 50. In a recent ESCWA survey, engaging more women in the labour market was an unattractive policy option in the region: only 22 per cent of respondents believed that labour markets would be improved if more women were engaged, although women believed this more than men (29 versus 16 per cent, respectively). Respondents from Iraq and Oman valued women's labour market engagement least at 13 and 15 per cent, respectively, while respondents from Lebanon (31 per cent), Morocco (28 per cent) and Mauritania (27 per cent) valued women's labour market engagement the most.<sup>24</sup>
- 51. Furthermore, while 60 per cent of Arab citizens believed that a woman could be a female head of State (ranging from 37 per cent in Algeria to 77 per cent in Lebanon), 66 per cent of Arabs also believed that men were better political leaders (ranging from 35 per cent in Morocco to 82 per cent in the Sudan).<sup>25</sup> These findings reveal a general distrust in women's ability to make decisions, particularly at higher levels in society.
- 52. When women do engage in formal labour markets, ESCWA analysis of online job postings has uncovered widespread gender discrimination. Many advertisements explicitly demand a specific gender for skills that are gender neutral, resulting in only 12 per cent of job advertisements in the region being truly gender neutral (55 per cent of advertisements target men only and 32 per cent target women only). Moreover, 55 per cent of female-targeted advertisements are for entry-level jobs, whilst advertisements for senior-level positions favour male applicants.<sup>26</sup>
- 53. Attitudinal barriers and the perceived cost of needing to provide accessible accommodation, workplaces and transport for persons with disabilities often leads to their exclusion from the labour market. In a recent ESCWA survey,<sup>27</sup> engaging more persons with disabilities in the labour market was an unattractive policy option in the region: only 20 per cent of respondents believed that labour markets would be improved if more persons with disabilities were engaged, although women believed this more than men (at 23 and 18 per cent,

<sup>&</sup>lt;sup>24</sup> ESCWA, Opinion poll on social inequality in the Arab region, 2022.

<sup>&</sup>lt;sup>25</sup> Arab Barometer, Women's Rights in the Middle East and North Africa, 2019.

<sup>&</sup>lt;sup>26</sup> ESCWA, The Arab region may be missing the Fourth Industrial Revolution: Arab skills are still stuck in the past, 2022.

ESCWA, Opinion poll on social inequality in the Arab region, 2022. The opinion poll was conducted between March and April 2022, and surveyed 10,000 participants across 10 Arab countries, namely Egypt, Iraq, Jordan, Kuwait, Lebanon, Mauritania, Morocco, Oman, the Sudan, and Tunisia.

respectively). Interestingly, men were more likely to support the engagement of persons with disabilities in the labour market (18 per cent saw this as a priority) than the engagement of women in the labour market (16 per cent saw this as a priority). Respondents from Iraq and Oman valued persons with disabilities' labour market engagement least at 9 and 10 per cent, respectively, whilst respondents from Lebanon and Morocco valued persons with disabilities' labour market engagement most at 35 and 27 per cent, respectively.

54. Furthermore, ESCWA research into the barriers faced by persons with disabilities in the workplace revealed that persons with visual or hearing impairments and intellectual or psychosocial disability were more likely to face unemployment than persons with a physical disability. ESCWA uncovered misconceptions by employers that persons with disabilities were less productive and more vulnerable to accidents than their non-disabled peers. While employers believed that persons with disabilities were more accident-prone and costly to employ, employers of persons with disabilities reported the opposite, highlighting that such beliefs were a misconception. For example, in Lebanon, 75 per cent of companies surveyed reported that employees with disabilities were no less productive than their non-disabled counterparts, 90 per cent reported that employees with disabilities were able to work fulltime, and 63 per cent reported that employing persons with disabilities had had a positive effect on their company's performance.

#### C. Education and training

- 55. Education is a key driver of social mobility given its ability to secure decent employment, and is therefore a catalyst for equality.<sup>28</sup>
- 56. However, inequality in access to decent education reinforces inequality in access to decent employment. Children from low-income families, women, persons with disabilities and those living in rural areas may have weaker access to decent education, and thus reduced employment prospects.
- 57. In highly unequal societies, the wealthy have greater access to high quality private education. Since the wealthy also tend to be politically powerful, their lack of interest in public education frequently results in reduced funding to that service.<sup>29</sup> As a result, highly unequal societies typically provide poor public education, meaning that children enrolled in public schools may be less equipped to enter the competitive labour market and secure decent employment.
- 58. Women's education tends to be valued less than men's across the Arab region.<sup>30</sup> In poor families, even when boys' and girls' education is evenly valued, boys may be prioritized if they cannot afford education for all, simply because of their higher earning potential. Furthermore, early marriages can force girls to leave school early and limit their educational achievement, preventing them from reaching their full potential in adulthood.
- 59. Persons with disabilities are typically offered specialized education services until the age of 16 across the region, but little support thereafter.
- 60. Rural communities may be geographically constrained from accessing decent education. Geographical remoteness could further disadvantage young girls from attaining education, especially higher education, because of constraints placed upon the mobility of women and girls.
- 61. The pandemic exacerbated inequality in accessing decent education, as students from high- and middle-income families were more able to continue their studies uninterrupted from home, with access to the Internet, a computer, and a quiet place to study. Meanwhile, students from poor income families were more likely to face interrupted education owing to a lack of access to necessary equipment and infrastructure. If poor households had access to digital learning platforms, they were frequently limited and had to be shared among

<sup>&</sup>lt;sup>28</sup> The Equality Trust, Social mobility and education, 2019.

<sup>&</sup>lt;sup>29</sup> United Nations Department of Economic and Social Affairs, World Social Report, 2020.

<sup>&</sup>lt;sup>30</sup> Arab Barometer, Women's Rights in the Middle East and North Africa, 2019.

several family members, often resulting in a gender bias in accessing digital learning opportunities. This will undoubtedly be reflected in unequal access to decent employment when students from 2020 enter the labour market: they are predicted to lose at least \$10 trillion in foregone future earnings due to reduced productivity from limited learning.<sup>31</sup>

62. However, while a decent education may increase employment options, education frequently does not translate into higher employment among young people because of a skills mismatch between the skills they have and those demanded by the labour market. In a recent ESCWA survey, education system reform (in line with the needs of the labour market) was the third most popular policy option across the region to enhance employment opportunities. Around 39 per cent of respondents in the region, varying from 24 per cent in Iraq to 55 per cent in Morocco, said that education system reform would improve employment.<sup>32</sup>

### D. Unpaid care work

- 63. Across the Arab region, women spend a disproportionate amount of time engaged in unpaid care work, including domestic work and caring for children, older persons and people with disabilities. Women in the region are estimated to undertake between 80 and 90 per cent of all unpaid care tasks, spending on average five times more hours than men on unpaid care tasks.<sup>33</sup> Although such domestic chores are not remunerated, they hold significant economic value in sustaining families, and frequently in offsetting a lack of social services. For example, women's unpaid care work in Egypt is estimated to contribute 496 billion Egyptian pounds (\$30 billion) to the national economy.<sup>34</sup>
- 64. The high burden of unpaid care work exacerbates women's economic exclusion since it can be difficult to balance a formal job with domestic duties, meaning that women are more likely to accept informal employment that is more flexible but more precarious owing to a lack of social protection. Lower-valued work may in turn reinforce societal norms, causing women to bear the burden of unpaid care work.
- 65. The role assigned to women by society to undertake care work (particularly looking after children) is a major obstacle preventing greater female labour force participation, which is compounded by a lack of access to decent childcare options. Around 72 per cent of women in Morocco<sup>35</sup> and 71 per cent in Tunisia<sup>36</sup> say that a lack of childcare prevents their participation in the workforce.
- 66. The pandemic exacerbated the amount of time women spent on unpaid care work. Specifically, the burden of childcare increased dramatically during the pandemic, owing to the closure of many schools and nurseries, and caused many women to exit the labour force altogether.
- 67. National case studies on the care economy in several Arab countries, conducted by ESCWA, reveal that childcare is frequently undertaken by the mother or grandmother, which reinforces gender stereotypes. In Lebanon, childcare was the responsibility of the mother or grandmother in 85 per cent of cases. Furthermore, 56 per cent of surveyed non-working mothers of young children in Lebanon said that they did not work because they needed to care for their children. Similarly, in Saudi Arabia, 68 per cent of surveyed mothers with young children who worked part-time chose to accept reduced hours so that they could look after their children.

<sup>&</sup>lt;sup>31</sup> World Bank, A silent and unequal education crisis. And the seeds for its solution, 2021.

<sup>&</sup>lt;sup>32</sup> ESCWA, Opinion poll on social inequality in the Arab region, 2022.

<sup>&</sup>lt;sup>33</sup> ESCWA, Empowering women in the Arab region: advancing the care economy – Case study: childcare in Lebanon, 2022.

<sup>&</sup>lt;sup>34</sup> ESCWA and others, Gender Justice and Equality before the Law: Analysis of Progress and Challenges in the Arab States Region, 2019.

<sup>&</sup>lt;sup>35</sup> Arab Barometer, Morocco country report, 2021.

<sup>&</sup>lt;sup>36</sup> Arab Barometer, Tunisia country report, 2021.

Childcare was reported as a constant source of stress for parents in Lebanon<sup>37</sup> and Saudi Arabia.<sup>38</sup> Insufficient hours offered by childcare centres, the cost of childcare, a lack of work flexibility, and an inability to work remotely were all cited as reasons that prevented greater female labour force participation, or limited the amount of hours worked by mothers.

### E. Wage gap

- 68. Despite existing legislation in many Arab countries that provides for equal pay for equal work, and laws that address discrimination against women in promotion, training and conditions of employment, a persistent pay gap remains across the region between genders, formal and informal workers, national and immigrant workers, and private and public sector workers.
- 69. The female wage gap is of particular concern. On average, across the Arab region, women earn 86 cents for every dollar earned by men.<sup>39</sup> In Iraq, for example, women earn 78 cents for every dollar earned by men.<sup>40</sup>
- 70. Wage gaps prioritize the work of some individuals and undervalue the work of others. As a result, those suffering from a wage gap face greater economic exclusion and inequality in employment, and may be disincentivized from engaging in the labour market. In both Morocco<sup>41</sup> and Tunisia,<sup>42</sup> 69 per cent of women said that low wages prevented their participation in the workforce.
- 71. The prevalence of large informal sectors excludes many workers, such as domestic workers and seasonal agricultural workers (a large number of whom are vulnerable migrant workers and refugees), from minimum wage provisions, and subjects them to low wages. Even when individuals are protected by legislation, there is frequently a lack of implementation, evaluation and enforcement of such policies. In Lebanon, for example, the implementation of laws aimed at achieving equality and promoting equal opportunities is still partial and limited in effectiveness, owing to non-completion of their approval process, non-enactment by the legislative body, or a lack of implementing decrees long after their issuance. In Arab conflict-affected countries (such as Yemen) and countries under occupation (the State of Palestine), the implementation of laws aimed at achieving equality and promoting equal opportunities is limited by a lack of finance for wage support programmes, or for training and capacity-building in the design, implementation, and evaluation of wage policies.

#### VI. Conclusion

- 72. Decent employment is critical to empower populations, to prevent the working population from living in poverty or insecurity, and to foster social inclusion and cohesion. Furthermore, a population working at full capacity in decent employment promises significant benefits to economies and societies, reflected in greater economic growth, productivity, social cohesion and stability.
- 73. Nonetheless, women, young people, particularly female youth, persons with disabilities, older persons, people living in rural areas and migrants all face inequalities in accessing decent employment. Prohibitive legislation and attitudes, poor quality education and training, the prevalence of unpaid care work, and a persistent wage gap between genders, formal and informal workers, national and immigrant workers, and private and public sector workers all create barriers to decent employment, experienced acutely by certain population groups.

<sup>&</sup>lt;sup>37</sup> ESCWA, Empowering women in the Arab region: advancing the care economy – Case study: childcare in Lebanon, 2022.

<sup>38</sup> Ibid

<sup>&</sup>lt;sup>39</sup> UN-Women, Transforming economies, realizing rights – Fact sheet: Middle East and North Africa, 2016.

<sup>&</sup>lt;sup>40</sup> World Bank Group, Iraq Economic Monitor: Seizing the Opportunity for Reforms and Managing Volatility, 2021.

<sup>&</sup>lt;sup>41</sup> Arab Barometer, Morocco country report, 2021.

<sup>&</sup>lt;sup>42</sup> Arab Barometer, Tunisia country report, 2021.

74. The greater the inequality in accessing employment, the more likely certain population groups are to fall behind the rest of society, fall into poverty, and face social exclusion. If this happens, they risk becoming trapped in a vicious cycle of lack of access to decent employment, poverty and widening inequality, which is not easily reversed and could have severe repercussions for societies and economies.

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