

BRIDGING THE GAP

Improving Capabilities and Expanding Opportunities
for Women in the Middle East and North Africa Region



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Opportunities for Women in the Middle East
and North Africa Region



Office of the Chief Economist and MNSED
Middle East and North Africa Region
The World Bank

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The Middle East and North Africa (MENA) region has made striking progress in reducing gender gaps in human development. The ratio of girls to boys in primary and secondary education is 0.96, which compares favorably to that in Low and Middle Income Countries worldwide. Women in the MENA region are more likely than men to attend university, maternal mortality is around 200 deaths per 100,000 live births (compared to a world average of 400 deaths), and fertility rates have decreased in the past decade. Despite these remarkable achievements in improving women's educational and health outcomes, significant gender gaps remain in economic and political inclusion. The region as a whole faces a considerable unemployment challenge. Young women, in particular, face very high rates of unemployment (as high as 40 percent in Egypt and Jordan). Significantly, this comes at a time when the MENA region is undergoing a demographic transition characterized by a rising share of the young in the population.

Improving gender equality is at the core of the World Bank's work globally and in the region. The Bank has launched the Gender Action Plan (GAP), "*Gender Equality as Smart Economics*", a four-year action plan to improve women's economic opportunities through increasing female labor force participation and entrepreneurship. This emphasis is particularly relevant in MENA where female labor force participation rates are only 25 percent on average.

This paper outlines the challenges faced by women in the region, assesses the progress to date, and suggests policy op-

tions. It also outlines the World Bank's strategy for improving gender equality in the MENA region. Specifically, the region has initiated a concerted work program on gender and economic inclusion, which includes knowledge products, pilot projects, and gender-focused lending operations.

In Jordan, as part of President Zoellick's Adolescent Girls Initiative, a policy experiment on employment of young female graduates is currently under implementation, addressing the critical constraints that young female entrants face in the labor market. In Egypt, a

USD 300 million project to foster micro and small enterprise growth introduces a new credit line for disadvantaged women through post office branches in the poorest 1000 villages in the country. An impact evaluation has been initiated to assess the effectiveness of the program.

Despite tremendous progress on human development outcomes in MENA, some gender gaps still remain. Females are still more likely to drop out of school than males. This is an acute problem in low income countries like Yemen but also in some middle income countries such as Morocco. Conditional cash

transfer pilots are now being tested to improve dropout rates for girls in primary schools in these two countries.

Gender equality in the economic arena remains a significant development challenge for MENA, and must remain at the forefront of the Bank's strategy in the region.

Shamshad Akhtar
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Acronyms and Abbreviations

ALMP	Active Labor Market Policies
CCT	Conditional Cash Transfer
EITC	Earned Income Tax Credit
ELMPS	Egypt Labor Market Panel Survey
ELMS	Egypt Labor Market Survey
FMLA	Family and Medical Leave Act
GAP	Gender Action Plan
GCC	Gulf Corporation Council
GDP	Gross Domestic Product
GEME	Gender Equity Model Egypt
HPP	Health and Population Project
ICA	Investment Climate Assessment
INDH	Initiative Nationale pour le Developpement Humain
JSA	Job Search Assistance
LFP	Labor Force Participation
LMI	Low and Middle Income Countries
MDG	Millennium Development Goal
MENA	Middle East and North Africa
MNCH	Maternal, Neonatal and Child Health
MSE	Micro and Small Enterprise
NOW	New work Opportunities for Women
SCI	Schistosomiasis Control Initiative
SCP	Schistosomiasis Control Program
SFD	Social Fund for Development
SSC	Social Security Corporation
SYPE	Survey of Young Population in Egypt
TFP	Total Factor Productivity
WDI	World Development Indicators

Executive Summary

Improving women's access to economic opportunities and their participation in the civic and political sphere remains a fundamental development challenge for the Middle East and North Africa Region. Although impressive strides have been made region-wide in improving women's educational and health outcomes, low female labor force participation rates of 25 percent on average are not commensurate with these achievements. The youth are especially vulnerable, facing significantly higher rates of unemployment: In Egypt and Jordan, for instance, young males experience unemployment rates above 10 percent; young women face rates of unemployment in excess of 40 percent.

This brief summarizes some of the significant constraints women in MENA face: limited labor market mobility, a mismatch between skills acquired in school and what is in demand in the labor market, and legal or institutional factors related to cultural norms, all of which inhibit the transition from school to work.

The brief identifies various policy options and outlines the World Bank's strategy for supporting governments in achieving gender parity in the region. Rigorous analytical work, experimental policy pilots and lending operations with a strong gender focus all form part of the Bank's strategy towards reducing gender gaps in economic opportunities.

Chapter 1

GENDER GAPS IN MENA

Reducing gender disparities in economic opportunities is one of the foremost development challenges faced by the economies of the Middle East and North Africa (MENA) region. MENA's achievement in improving women's health and education outcomes in recent decades is impressive. Although gender gaps in school completion rates still exist in some MENA countries, most countries are well on their way to achieving gender parity in key human development indicators. In contrast, the region continues to fall well short on indicators of women's economic participation and political empowerment. Women are severely underrepresented in politics and in civic life. The region exhibits some of the lowest rates of female labor force participation in the world. Women face greater challenges than men in accessing employment opportunities and in their school-to-work transition, experiencing significantly higher unemployment rates than men. Female entrepreneurship opportunities too continue to remain remarkably limited. These gender gaps in economic participation and labor market opportunities have now emerged as the key priority areas for the region.

Constraints on women's economic participation imply a failure at realizing the full potential of a valuable human resource. MENA has invested heavily in women's education, and the results are visible. However, while education is of great intrinsic value in itself, high unemployment among educated women and large gender wage gaps point to an untapped pool of educated women who are willing to work but are unable to find suitable jobs. In fact, all women, irrespective of their education, would be better able to find more fulfilling and productive uses of their time if labor markets served them well. Moreover, an improved job market outlook would increase women's incentive to invest in their human capital in ways that are economically relevant. Thus, addressing constraints on women's labor market opportunities will

Impressive achievements in improving women's health and education, but women lag behind in economic participation.

contribute to economic growth by raising investment in human capital and improving the efficiency of its allocation.

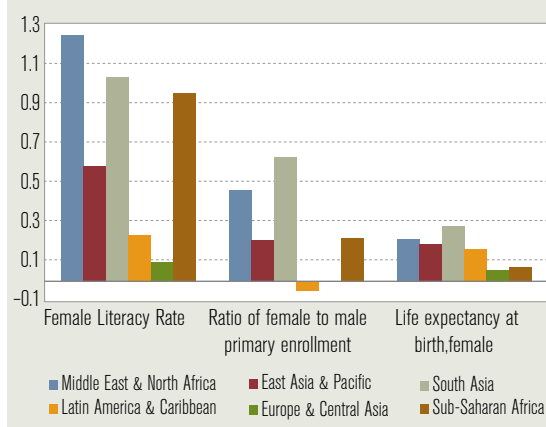
Improving women's labor market opportunities has other benefits as well. Amartya Sen has long argued that education and participation in paid work are important determinants of female voice and agency in a society's decision making processes. Indeed, there is some evidence that the income gained from participating in the labor market enhances women's bargaining and decision making powers.

While women's economic participation is the major focus of gender related work in MENA, this is not to suggest that no significant policy challenges remain in other areas. Narrowing the gender gap in school completion rates continues to be a major concern: despite tremendous progress in narrowing gender gaps in school enrollment, females are still more likely to drop out of school than males in almost all MENA countries. Improving educational quality—or more specifically, reducing the mismatch between what women learn in school and what the job market requires—is another focus area for gender work in MENA.

Gender Disparities in Human Development Indicators Have Narrowed in Recent Times

Average annual growth rates of key indicators such as the female literacy rate and life expectancy show that MENA's progress in improving women's health and education outcomes in the last two decades exceeded that of most other developing regions (Figure 1). In fact,

FIGURE 1 MENA's Progress in Women's Health and Education (average annual growth rates in key indicators)

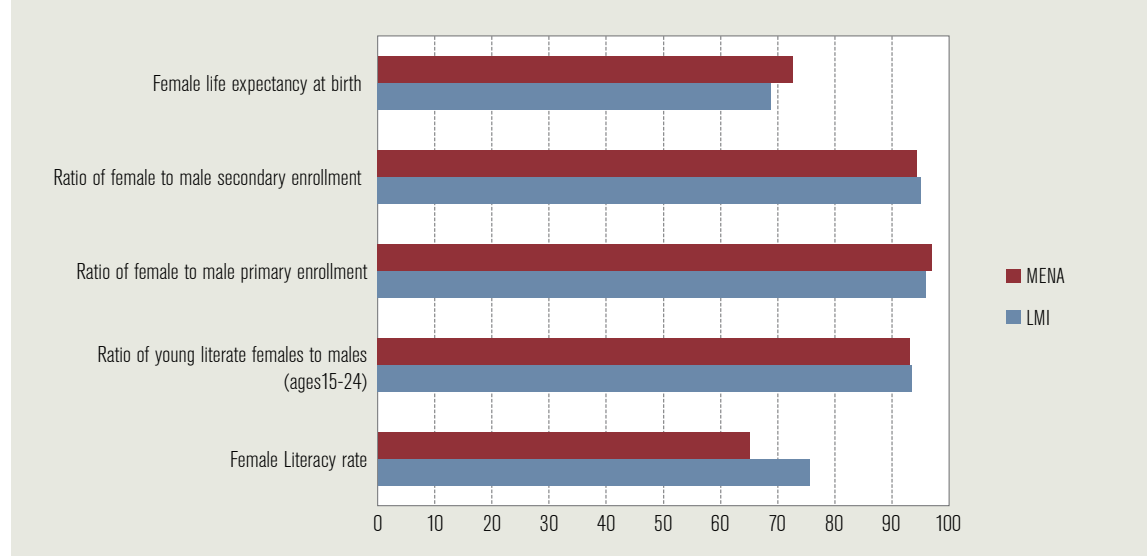


Source: World Bank Central Database and Edstats (2010)

MENA ranks first by a good margin in the growth rate of women's literacy, and is a close second to South Asia in the rate of improvement in female life expectancy. The region did well in closing the gender gap in education, as evidenced by the high rate of growth in the ratio of female to male primary enrolment.

Today, as a result of such advances, the region compares well with other developing countries in these areas. MENA's maternal mortality rate is less than half the Low and Middle Income Countries (LMI) average, and female life expectancy is nearly 4 years longer than the LMI average (Figure 2). And although MENA's female literacy rate is still below the LMI average, the region is at par with the LMI average in measures for gender gaps in education. For instance, the ratio of female to male primary enrolment in MENA is 97 percent, slightly higher than the LMI ratio of 96 percent. Moreover, women in the MENA region are more likely than men to attend university.

Rapid progress
on many fronts

FIGURE 2 Female Attainments in Human Development in MENA

Source: World Bank Central Database and Edstats (2010)

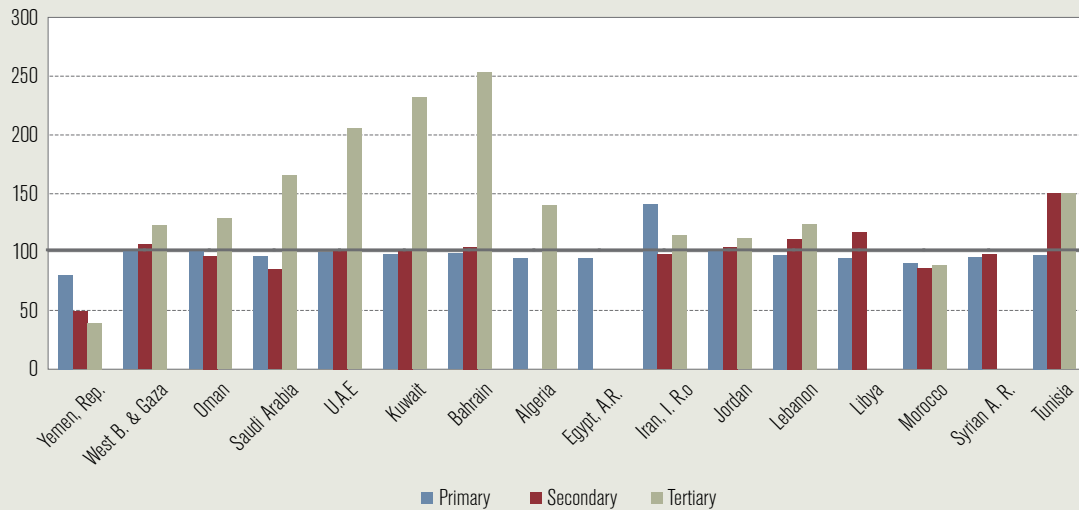
Despite this progress, gender gaps in education still exist in some MENA countries. Figure 3 presents the ratio of female and male educational enrollment rates across MENA countries. In most countries, female enrollment rates now equal or exceed male enrollment rates, particularly in tertiary education. This is not to say that gender gaps in school enrollment have vanished altogether. Indeed, even for primary schooling, the female to male enrollment rate ratio remains below 100 percent in countries such as Algeria, Egypt, Iraq, Morocco and Syria. There are also marked gender gaps in secondary and tertiary school enrollment in Morocco and Yemen.

While gender gaps in enrollment are limited to a few countries, narrowing the gender gap in school completion remains a region-wide chal-

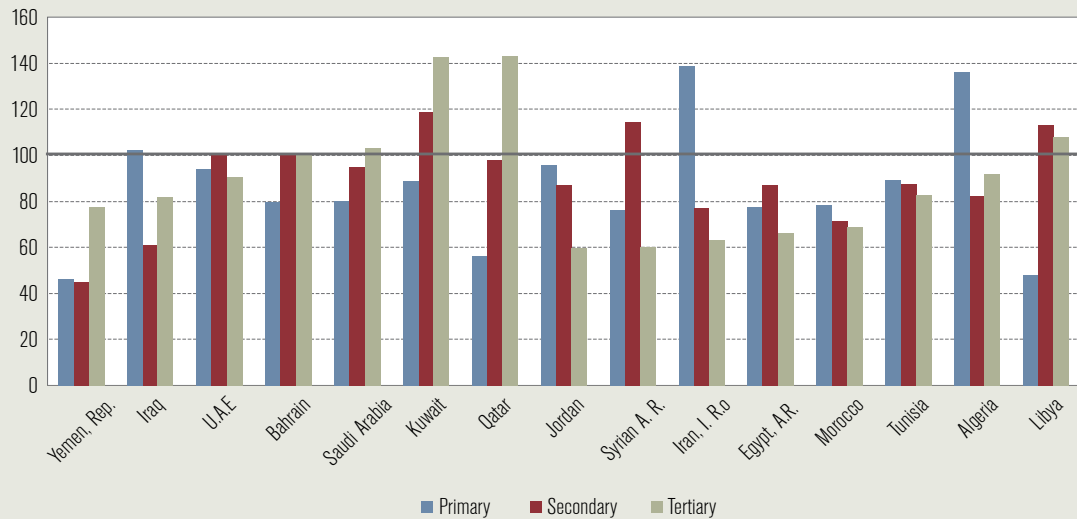
lenge. Survey data indicates that girls continue to drop out from school at high rates in some MENA countries. For instance, a World Bank administered household survey in Morocco conducted in 2009–10 reveals that the decline in school attendance with rising age is more marked among girls. According to the survey, while 91 percent of 11 year old girls are in school, this share is only 65 percent among 14 year old girls.

In most of the MENA region, girls are still less likely than boys to complete school. Educational statistics published by the World Bank reveal that in 2004, female primary dropout rates exceeded those of males in Iraq, Morocco, Oman, Yemen and the West Bank and Gaza. Figure 4 shows that female primary and secondary school completion rates are markedly below the population average in several countries.¹

¹ Note that the completion rate is defined as a percentage of those who are of school completion age. For example, the female secondary completion rate is the percentage of females of secondary school completion age who have completed secondary

FIGURE 3 Female to Male Ratio of Enrollment Rates (2008)

Source: World Bank Central Database and Edstats

FIGURE 4 Completion Rates: Ratio of Females to All (ages 24 and above)

Source: Barro and Lee (2010)

school. Thus, the completion rate depends on both the enrollment rate and on the rate at which those who were enrolled finished school.

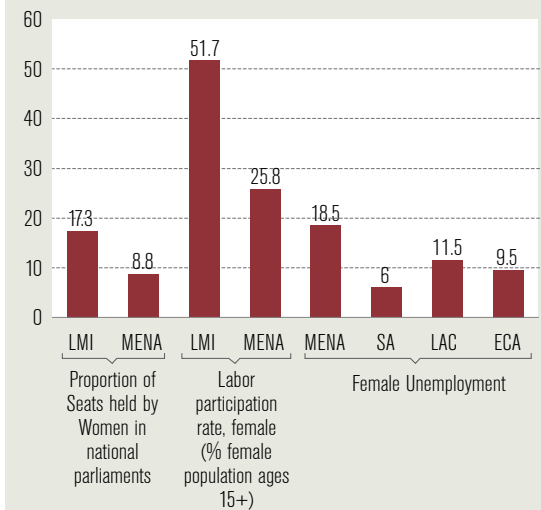
Moreover, the higher the level of education, the larger in general is the gender gap in completion rates. Egypt, Iran, Jordan, Morocco, Syria, Tunisia and the United Arab Emirates are all countries in which the gender gap in completion is the highest for tertiary education. Thus, gender differences in educational choices and/or opportunities appear as salient in higher education as they are in schooling.

Stark Gender Disparities in Economic and Civic Participation Persist

The MENA region's progress in women's health and education has not translated into advancement in their civic and economic participation. Women are severely under-represented in politics, holding only about 9 percent of the seats in parliament (Figure 5). The region's female labor force participation rate of 26 percent is well below the LMI rate of 51 percent (and this regional average is even lower if the GCC countries—Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the U.A.E—are taken out). Indeed, this rate is the lowest among developing regions: East Asia (68.2 percent), Sub-Saharan Africa (61.5 percent), Latin American and Caribbean (52.4 percent), and South Asia (35.8 percent). High unemployment is another indicator of the labor market challenges faced by women in the region; MENA's female unemployment rate of 18.5 percent is markedly higher than that of other developing regions.

Low levels of workforce participation are widespread within the region; as shown in Figure 6; most MENA countries have female workforce participation rates below 30 percent. Not surprisingly, the lowest rates of participation are in conflict areas such as Iraq and the West

FIGURE 5 Gender Gaps in Political and Economic Participation

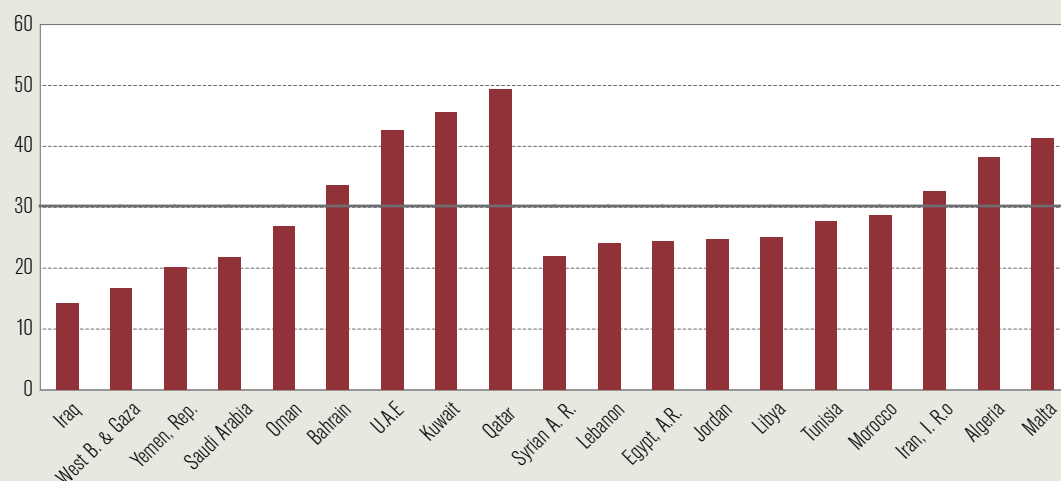


Source: World Bank Central Database

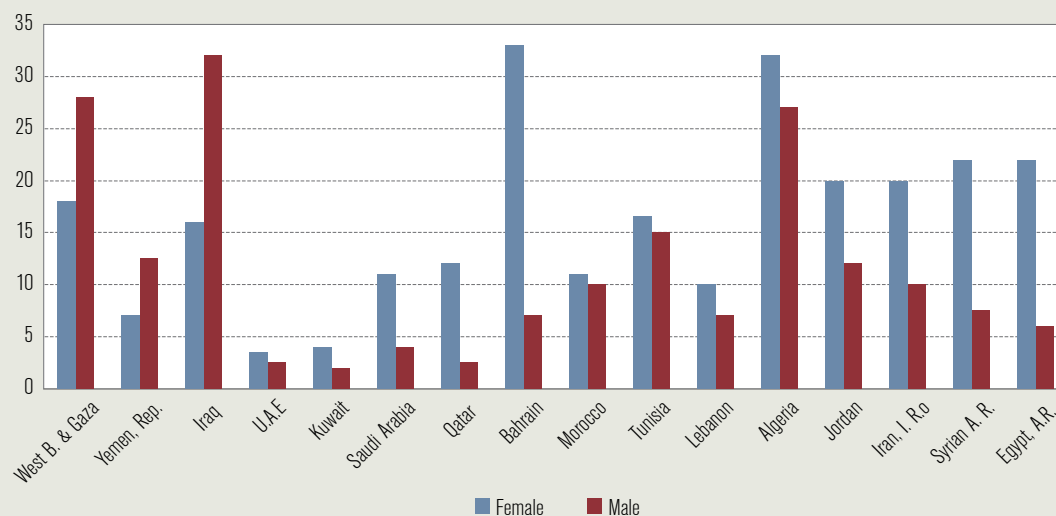
Bank and Gaza. The GCC countries tend to have higher rates of female participation (Saudi Arabia being an exception). Interestingly, there is no clear relationship between female education and economic participation across MENA countries. For example Jordan, Lebanon and Tunisia are all countries which were well on their way to achieving gender parity in school enrolment as early as 1990, but are yet to see female labor force participation rates above 30 percent.

Among those participating in the labor force, women face greater challenges than men in accessing employment opportunities. In most MENA countries, women experience significantly higher unemployment rates than men (Figure 7). This also suggests that low levels of women's labor force participation are driven in part by discouragement (or the fear of discouragement) in finding jobs.

The low rates of female labor force participation are not commensurate with Human Development achievements

FIGURE 6 Female Labor Force Participation Rates (in 2008), Ages 15–64

Source: WDI 2010

FIGURE 7 The Gender Gap in Unemployment

Source: WDI, 2010

Further, working women in MENA—and especially those in the informal sector—earn lower wages than their male counterparts. Figure 8 illustrates this using the case of Egypt gender-disaggregated wage distributions obtained using household survey data.

The World Bank's Enterprise Surveys reveal that women's entrepreneurship in MENA remains low compared to other regions. The percentage of firms with female participation in ownership is 20 percent in MENA, as compared to 33 percent in East Asia and Pacific,

FIGURE 8 Wage Distribution in Urban Labor Markets, by Gender (age 15–64) in Egypt

Source: Egypt Labor Market Panel Survey 2006

Young women
are especially
vulnerable

39 percent in Latin America and Caribbean, and 29 percent in Sub-Saharan Africa. Survey-based evidence suggests that while there are no significant differences in the types of firms owned by women and men, women face a more hostile business environment. In one notable finding, for example, female-owned firms in Egypt report needing 86 weeks on average to resolve a conflict through the legal system, compared to 54 weeks for male-owned firms.

Being young and female in MENA is a double burden². For example, as shown in Figure 9, while unemployment rates among young males in Egypt and Jordan are already worryingly high (above 10 percent), those among young women are stratospheric.³ Significantly, this comes at a time when the MENA region is undergoing a demographic transition characterized by a rising share of the young in the population.

The data suggest that even highly educated young women face labor market problems. To give an illustration, between 1998 and 2006, the percentage of young Egyptian women pos-

FIGURE 9 Youth, Gender and Unemployment

Source: Egypt Labor Market Panel Surveys (2006) and Jordanian EUS, 2007

² ILO Global Employment Trends for Youth, August 2010-http://www.ilo.org/empelm/what/pubs/lang-en/docName-WC-MS_143349/index.htm

³ Sources: Egypt Labor Market Panel Surveys (2006) and Jordanian EUS, 2007.

sessing a university degree rose from 6 to 12. Strikingly, the female labor force participation rate in this age group remained near-stagnant, while their rate of unemployment increased from 19 to 27 percent.⁴ In West Bank and Gaza, women with tertiary education account

for 82 percent of unemployed women (compared to only 12 percent for men in 2007).⁵ In Jordan, 26.5 percent of women versus 9.1 percent of men with a bachelor's degree or above are unemployed.⁶

⁴ Egypt Labor Market Panel Surveys, 1998 and 2006

⁵ World Bank Central Database (August 2009)

⁶ World Bank Central Database (August 2009)

Chapter 2

WHY DO GENDER GAPS PERSIST?

Low School Completion Rates

Social and cultural factors remain pertinent to understanding gender gaps in areas such as schooling. But the MENA region's impressive achievement in reducing gender gaps in enrollment suggest that as far as getting girls to school is concerned, such barriers have been largely overcome. The challenge lies in creating conditions that aid and encourage them to complete school.

Education policies should be sensitive to cultural constraints and aim to improve the quality of and the returns to education

Both school-specific and household-specific factors play roles in reducing the completion rates of girls, relative to boys, and many apply at all levels of schooling. One of the main school specific reasons for low completion is low quality of schooling. Educational supply-side factors such as poor school facilities, inadequate teacher training and the lack of female teachers appear to have a disproportionate effect on girls' completion rates. Similarly, the availability of safe and reliable transportation to schools is especially important for girls' attendance given their mobility constraints in MENA countries.

Responsibility for household chores could be a major household-specific constraint on the continued school attendance of girls. At higher levels of education, early marriage and childbearing could also play a role, with social norms favoring women to choose domestic duties over schooling. Returns to schooling are also an important determinant of the demand for schooling. If economic opportunities for women are limited, this would lower the returns to schooling, which in turn could reduce women's completion rates. Hence, addressing the constraints to women's economic participation should also be a key part of the strategy to addressing gender gaps in school completion.

Another important concern that arises in the context of women's education is the possible mismatch between what they learn in school and what is demanded by the workplace. This problem is common to both young women and men, but is considered to be more severe among women. For example, women tend to cluster in certain subjects that are considered more 'gender appropriate' but that may be less rewarding in the job market. Social norms likely play a large role in this. We discuss this issue in the context of women's economic participation.

Low Levels of Economic Participation

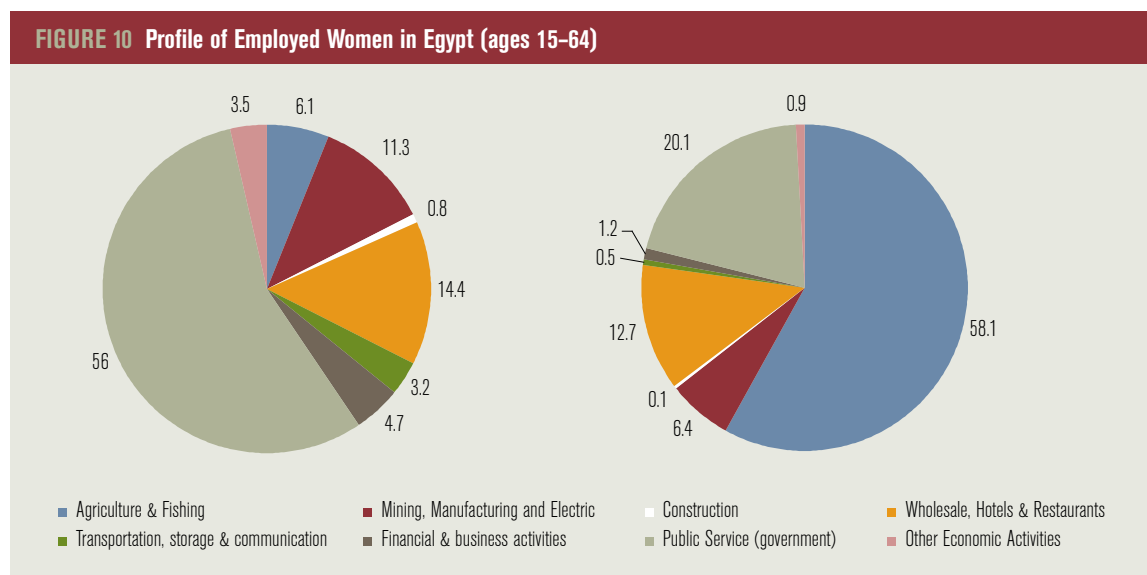
At the outset, let us recognize that low levels of participation could reflect voluntary choice among women to not work. But there is reason to believe that many women in MENA desire to work. This suggests that among those not participating, there are those who are discouraged workers or somehow ‘constrained’ when making this choice. For instance, a World Bank survey of community college graduates in Jordan reveals that in their final year of education, 90% of the female survey responders expressed interest in joining the labor force upon graduating. The reality of Jordan’s labor market is a lot more dismal: Female labor participation has been fluctuating around 12% over the last 15 years, and the unemployment rate of females under the age of 30 is 40%, with few signs of improvement. If these data are any indication, women seeking jobs seem to quit the labor force due to discouraging signals from the labor market. Our evidence-based

understanding of these constraints is progressing, but is still far from complete.

Cultural and social norms are often held to be paramount determinants of women’s economic participation in MENA. For example, societal beliefs in the predominance of women’s domestic role, ‘codes of modesty’ that enforce mobility restrictions on women, men’s role as the main wage earner in the household are all mentioned in this context. Institutional and legal factors, often borne out of traditional social norms are believed to negatively impact women’s work opportunities as well.

We acknowledge that to the extent that the phenomenon of low female labor force participation is rooted in culture, there are limits to the role of policy. But while cultural factors are widely regarded as inhibiting women’s choices to work, this phenomenon is not unique to MENA countries. Social norms against women working outside the home have prevailed in all cultures at some point in time. Even the

Limited labor market mobility, skills mismatch, and institutional and cultural factors all play a role



Source: ELMPs 2006 and ELMS 1998

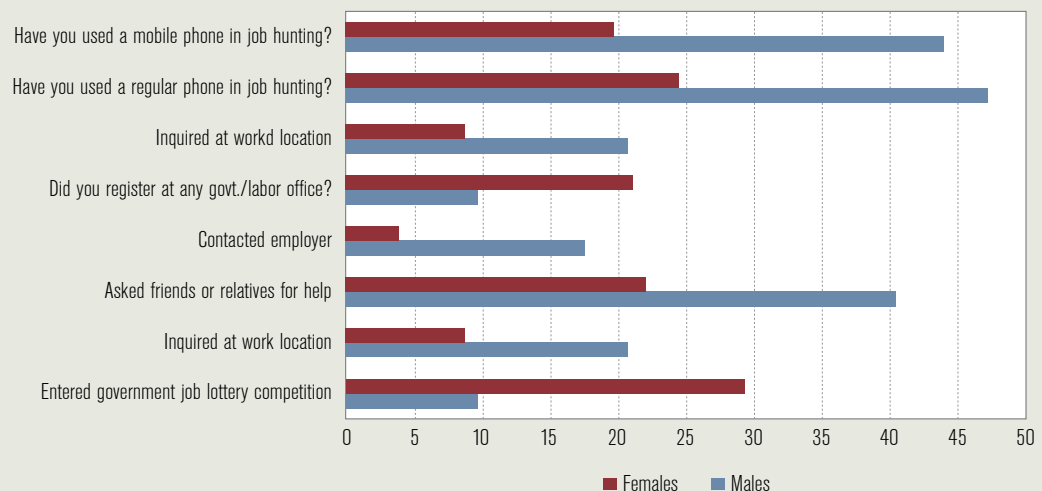
United States and Europe are not exceptions to this. Culture itself can evolve along with other changing economic, social and technological realities, many of which can actually be influenced by policy. The challenge is to identify those constraints to women's work which can be influenced by policy. We discuss these below.

To begin with, women in MENA countries appear to have very limited labor market 'mobility', since their employment is often concentrated in a remarkably narrow group of occupations. Figure 10 shows, as an example, how women in Egypt work in a limited set of jobs. In urban areas, a remarkable 56 percent of all female employment is concentrated in the government sector (in contrast, only 19 percent of male employment is in this sector). Likewise, 58 percent of rural women are employed in agriculture and fishing, and a further 20 percent in the government sector.

Women's mobility seems to be restricted along many dimensions. For example, they are often limited to working close to home or in locations well-connected by safe public transport. In a 2009 youth survey from Egypt, as many as 31 percent of young women (aged 15–29) report that they face the risk of sexual harassment on the street. Young women are also significantly more likely to report other risks like theft, crowding and pushing on their commute. Young women also report walking as their main means of transport (22 percent).

Another labor market mobility constraint on women, it appears, is that they are not able to employ the same range of job search methods as men. Survey evidence from Egypt suggests, for instance, that female job seekers are far less likely than their male counterparts to visit or make phone calls to prospective employers, or use informal networks of friends or relatives in seeking jobs (Figure 11).

FIGURE 11 The Gender Contrast in Job Search Methods



Source: Survey of Young People in Egypt, 2009

Lack of a suitable work environment for female employees could be another mobility constraint for female job seekers. There is anecdotal evidence that poor ‘job quality’ is very salient to working women. Women worry about the lack of respect or decent treatment, the fear of sexual harassment and long working hours, which can restrict them to working in a smaller set of ‘appropriate’ or highly feminized firms.

Besides mobility restrictions, legal or institutional factors, which are related to social norms, can also be a major influence on the work prospects of women. Examples are regulations that restrict the type and hours of work women can engage in, or in the extreme, require women to have explicit permission from their husbands or fathers to be able to work.

Lack of maternity and child care support for working women is another major explanation for women not working or dropping out of the labor force, especially after marriage. Legislations providing for maternity benefits to female employees are ubiquitous worldwide, and MENA is no exception. To name a few, Algeria, Egypt, Jordan, Morocco and Yemen all mandate two months or more of paid maternity leave to female employees. But in many MENA countries; the normal duration of maternity leave is shorter than the international norm, being the shortest in Tunisia (30 days) and in Bahrain (45 days). It is often the case that separate laws govern particular groups of female workers; civil servants and public employees are typically covered by separate and usually more generous provisions. For instance, in Tunisia, while the usual maternity leave is 30 days, female civil servants are entitled to 60 days of

maternity leave. Further, some countries have established additional restrictions on maternity leave provisions. For example, in Egypt, a woman worker may not obtain maternity leave more than twice throughout her period of employment. In Libya, a female employee should have completed at least six months’ continuous service with the same employer in order to be entitled to maternity leave.

Whether mandated maternity leave and similar provisions alone can make work compatible with family life is a complex policy issue that even Western countries continue to debate. Legislations that are “ex-ante” envisaged to help women in the workplace can also have the unintended consequence of reducing women’s hiring prospects. For instance, mandatory benefit requirements such as provision of maternity leave or strict childcare requirements can reduce employer incentives to hire women by raising their cost. It is unusual for salary cost of the maternity leave to be fully paid for by the government (though there are exceptions such as Morocco and Algeria), and even if that were the case, firms still need to find temporary replacements for female employees on maternity leave which imposes additional costs to the firm.

A skills mismatch wherein women do not graduate in fields where most employment opportunities exist (particularly in the private sector) could also go towards explaining low female employment. It could be that women in MENA cluster into very different fields of specialization from men; indeed, youth survey data from Egypt reveals that women are significantly less likely to have specialized in fields such as business, economics and engineering.⁹

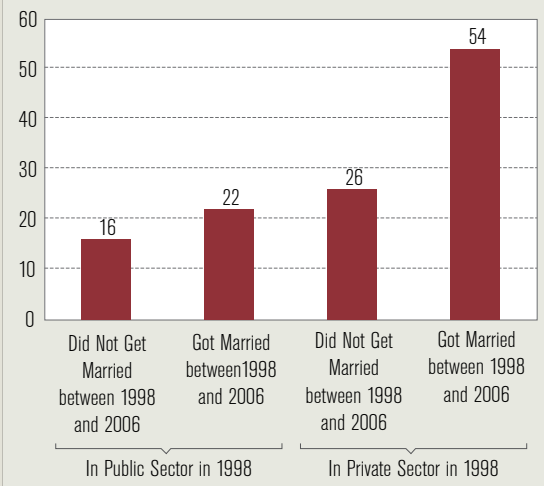
⁹ World Bank. 2010. “Narrowing the Gap: Improving Labor Market Opportunities for Women in Egypt.” Report No. 54698-EG.

BOX 1 Marriage and Labor Force Participation in Egypt: Evidence from Panel Data

A recent World Bank study (2010)¹ using panel data on Egypt demonstrates a clear decline in women's labor force participation following marriage. Regression results indicate that on average, relative to women whose marital status was unchanged between 1998 and 2006, those who got married between 1998 and 2006 were significantly more likely (by about 14 percentage points) to have left the labor force by 2006.

A very interesting finding of the study relates to the difference in post-marriage exit between public and private sector jobs: the association between marriage and labor force exit is far weaker in the government (public) sector. Figure 12 describes the main result in a graph.² According to the study, a woman aged 20 and working in a government job in 1998 would have a 16 percent chance of exiting the labor force by 2006 if she did not get married in the interim, and a 22 percent chance of exiting if she did get married. If she were employed in a formal private firm in 1998, then these rates would have been 26 and 54 percent, respectively. In other words, the 'effect' of marriage was to raise the exit rate of a government employee by 6 percent points and that of a private employee by 28 percent points. Similarly, the study finds that the effect of marriage on exit among informal sector employees is significantly higher than among government employees.

FIGURE 12 Marriage and Labor Force Participation – Change in the Probability of Post-marriage Exit from the Labor Market between 1998 and 2006



Source: ELMPs 2006 and ELMS 1998

¹ World Bank. 2010. "Narrowing the Gap: Improving Labor Market Opportunities for Women in Egypt." Report No. 54698-EG.

² For illustration the figure shows what the regressions imply in the hypothetical case of women aged 20 years in 1998.

To some extent, such gender differences in educational specialization are a matter of preference. But they could also reflect constraints on educational choice and opportunities. For instance, the data from Egypt also suggest that men are better placed to acquire job relevant skills outside of the formal educational system. Young women are less likely than young men to report that their job requires a special skill. Of those whose jobs require a special skill, women are much less likely to have acquired that skill outside of formal education, or the

lack of skills is a reflection of some other constraint faced by women. Another possibility is that women avoid some fields of study because they believe that regardless of having the right specialization, they will find it difficult to get jobs that reward such skills.

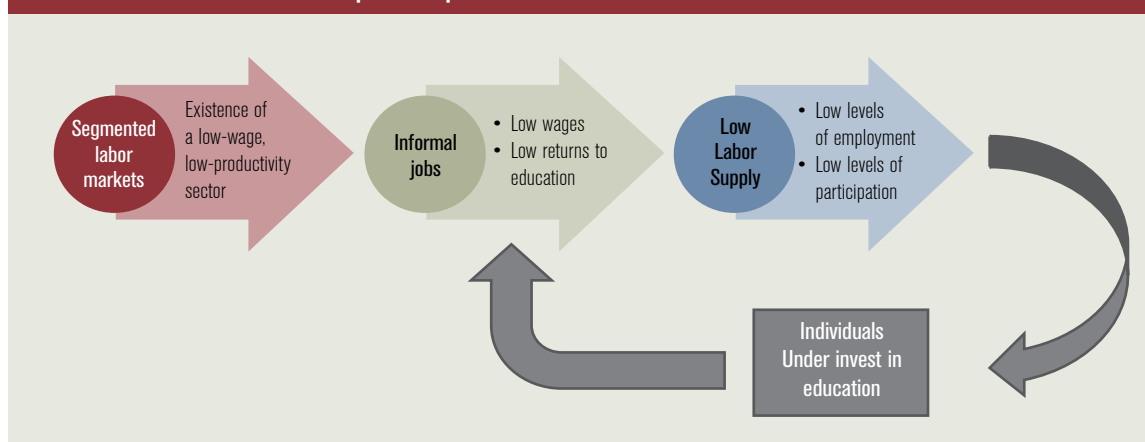
In the MENA region, both men and women have traditionally preferred government jobs due to the relative security and benefits it provides over the private sector. But as emphasized in a large body of research, the prefer-

ence for government jobs is particularly strong among women due to social norms that deem government jobs as more ‘appropriate’, and due to the greater flexibility and benefits (e.g., paid maternity leave) that they offer.⁸ Given the trend towards a shrinking of the public sector in MENA countries, this preference for public sector jobs could be acting as another constraint on women’s employment opportunities.

Finally, policy-makers in MENA also face the challenge of especially low labor force par-

ticipation among less educated urban women, who work in the informal sector where salaries are low, working conditions are poor and maternity and child-care benefits are absent. Poorly educated women in urban areas may be facing what has been referred to as an “under-participation trap”. This is illustrated in Figure 13: low wages and low returns to education may cause families to under-invest in the education of girls because they think they have little chance to participate in the formal labor market when they grow up.

FIGURE 13 What is an Under-Participation Trap?



⁸ See, for instance, Assaad, Ragui and Fatma El-Hamidi. 2009. “Women in the Egyptian Labor Market: An Analysis of Development from 1998 to 2006,” in *Egypt Labor Market Revisited*, Edited by Ragui Assaad. The American University in Cairo Press.

Chapter 3

ADDRESSING GENDER GAPS: WEIGHING THE POLICY OPTIONS

Education

To meet a diverse set of inter-related challenges, policies must focus on both demand and supply side constraints

MENA countries are diverse, with their education systems being in different stages of development. The countries thus exhibit a diverse set of educational challenges. A challenge facing low income countries like Yemen and Djibouti, and also middle income countries like Morocco, is the high dropout rates from school at early ages among girls. Since the reasons for higher dropout among girls are both school and household-specific, policy approaches to target this have to be versatile. On the supply side, a basic set of policies could concentrate on increasing the availability of schools, and providing more teachers and textbooks. As the role of both economic constraints and social perceptions can influence demand for girls' education, incentives to influence demand for education can also be considered. A prominent example of such incentives-based approaches is Conditional Cash Transfer (CCT) programs, to provide financial incentives to households to retain girls in school. CCTs have in fact been introduced in a few MENA countries, especially among the rural poor. In the face of restrictive social norms, programs that address privacy concerns of girls could be another useful demand-side intervention. Providing transportation facilities or subsidies to girls to be able to access school more easily, having more female teachers in schools, the physical provision of boundary walls and girls' bathrooms in schools are all potentially useful in this regard. Among girls from poorer households, flexible school hours for girls can help make school attendance compatible with household duties.

Improving the quality of education is another critical policy lever in increasing the returns to education and hence the attractiveness of schooling. Low education quality—in the form of poor learning conditions, overcrowded classrooms, inadequate teaching skills, etc.—can frequently result in poor outcomes such as high repetition and drop-out rates, and low levels of achievement.

Low quality of higher education also adversely impacts employment potential. Indeed, poor quality of education with low relevance to market needs is often thought to be a cause of high youth unemployment in MENA, particularly among females. Therefore, policy interventions focused on offering women opportunities to acquire technical/vocational training that is more relevant to the workplace are also worth consideration.

Labor Force Participation and Unemployment

Although the reasons for women's low labor force participation in MENA are far from being comprehensively understood, some broad patterns do emerge from the ana-

lytical work conducted so far. Women cannot take advantage of the economy's dynamism to the same extent as men because they are constrained in where and how they can look for jobs, and in what fields they specialize in when in school. Persistent gender wage gaps in the private sector also point to the significance of such limits to the labor market mobility of women. Women's participation in private sector is also constrained by an incompatibility between such employment and marital roles, with government jobs being markedly more successful in drawing women back after marriage.

In light of these constraints, several policy options suggest themselves. Firstly, to make it easier for women to maintain the balance between work and family life, countries could consider reforming maternity leave and child-care subsidy policies, or allowing for part time and flexible work. Secondly, transport policies have a key role to play in addressing the spatial dimension of immobility.

Beyond this, there are a host of active labor market policies (ALMPs) that can address other dimensions of this issue. By targeting labor market mobility constraints which make it difficult for women to find jobs, ALMPs can be useful

not just in raising labor force participation but also in reducing unemployment among women. A prominent example of such active labor market policies is job search assistance. To the extent that skills mismatch is another constraint on women's mobility across jobs, appropriately designed skills training can also help. Thirdly, policies that incentivize firms to hire women (such as wage subsidies) are also worth considering.

Finally, given the constraints that women face in getting private sector jobs, it is important to look beyond wage employment, and give special attention to improving women's opportunities for self-employment through improved access to entrepreneurial training and finance. This may be particularly relevant in rural areas throughout MENA, where there are few firms and most women work in household enterprises. Enhancing women's participation in entrepreneurship is essential for improving national welfare, because establishment of businesses not only generates income for women's families, but also creates jobs for men and women alike. By offering flexibility and by working around mobility constraints, it can also make it far easier for women to achieve compatibility between work and marital life.

While access to finance is reported as a major constraint by both male and female entrepreneurs, evidence from firm surveys suggests that women face even more hurdles than men in this area. For instance, women running firms are twice more likely than their male counterparts to complain about stringent collateral requirements. Given the evidence that most business loan application rejections in Egypt are based on lack of acceptable collateral, this could be a major constraint for female entrepreneurs. Further, female-owned businesses are more likely than male-owned ones to find loan procedures cumbersome. They are also

Policies must be designed to address multiple constraints and tailored to each country context



BOX 2 Pros and Cons of Policies to Increase Female Economic Participation**Maternal Leave Policies**

Maternity leave and childcare policies are universally accepted as being essential to the well-being of working women. Despite the fact that such policies exist in most countries, the length of post-birth leave allowed and the level of pecuniary benefits vary significantly across countries. The reason for these differences is that although such policies make it easier for women with children to work, they also force employers to share in the cost of their female employees' childcare, thereby reducing their incentives to hire women.

Maternity benefits are therefore controversial. On one hand, maternity leave is expected to have a positive supply side effect on women's workforce participation. Moreover, to the extent that it causes women to become more durably attached to the labor force and hence increase their investment in firm-specific human capital, it could raise female productivity and wages. On the other hand, mandated maternity leave imposes two types of costs on employers. The first is caused by the interruption of women's employment during leave, when employers have to temporarily adjust to the loss of a worker. The second is the monetary benefits the employer has to pay workers away on paid maternity leave. To offset these costs, employers might reduce the wages they offer to eligible women by the expected cost of the mandate. In situations where employers are unable to adjust wages (for example, due to equal pay legislation), they may instead substitute male workers for female workers.

Childcare Subsidies and (Tax-based) Incentives

The cost of hiring child care for the time spent at work can be a substantial barrier for young mothers entering the labor force. Although there is some evidence that subsidized child care provision can enable women to continue their employment after childbirth, there are also examples suggesting that affordable child care by itself may not translate into higher female labor force participation.

The European approach to childcare is centered on providing access to subsidized daycare, through publicly run or publicly-subsidized daycare centers, and child-minders whose provision is subsidized through public funds. Child care subsidy programs have also existed in the US, where childcare providers are overwhelmingly in the private sector, and there is evidence that these child care subsidies encourage female labor supply. In contrast to Europe, the US approach has not just relied on child-care subsidies, but also on tax incentives to make work more attractive for parents, particularly mothers. Thus, the US experience recommends incentives based schemes for promoting work among women with children. Incentives-based schemes have the advantage of being self-targeting, and of avoiding mandates that could be counterproductive. Nonetheless, it is possible that their effect on behavior is unexpected and undesirable, especially when the capacity to ensure correct targeting and usage is limited.

Flexible Work Arrangements

Flexible work hours are often viewed as a means to facilitate integration of non-working women into the labor market by making it less costly for them to combine work with family responsibilities.

But even though flexibility appears to be a win-win proposition, it seems that there are natural limits (perhaps technological or managerial) to the feasibility of flexible work. Evidence from developed countries indicate that generally speaking, individuals working in managerial, professional, technical and secretarial jobs enjoy a greater level of flexibility than, say, machine or vehicle operators. Yet another concern is that part-time or flexibly scheduled jobs might be low-quality jobs. The challenge therefore is to design an environment that supports firms and employees in reaching mutually beneficial arrangements on hours and flexibility, while preventing flexibility from being made an excuse for low quality work.

BOX 3 How Effective are Active Labor Market Policies (ALMPs)?

The effectiveness of active labor market policies has been a matter of vigorous debate over the past half century, and there have been numerous impact evaluation studies of individual ALMPs, mostly in the US and Europe. While some research concludes that ALMPs have at best had small positive impacts, later review studies give a more positive overall picture. Their message on the relative effectiveness of different types of ALMPs is still mixed. Job search assistance programs have generally favorable impacts, especially in the short run. Training programs can show mixed results; the estimated impacts are zero or even negative in a few cases, but in sum, they are found to have a modest likelihood of improving post-program employment rates.

Evidence on the effectiveness of wage subsidies in raising the employment of the subsidized groups is generally positive, although not uniformly so. Analytical work on wage subsidies suggests, however, that their net impact and cost effectiveness may be questionable. This is because such programs can have undesirable effects that may sometimes be difficult to account for. If labor markets are already working well, then subsidies are going to distort labor allocation. Furthermore, wage subsidies can have displacement effects (jobs created by one program are at the expense of other jobs), deadweight effect (subsidizing hiring that would have occurred in the absence of the program), and substitution effects (jobs created for a certain category of workers replace jobs for other categories).

In MENA, firms, donors, and many government agencies have increasingly begun to consider ALMPs (mainly training programs) as a policy option to address labor market problems such as skills mismatch and information asymmetries. Nevertheless, there is little systematic analysis on their effectiveness and most programs (and investments) remain largely un-assessed. To address this gap, a recent World Bank Study focuses on non-public provision of ALMPs in Arab Mediterranean countries (public delivery of ALMPs will be discussed and assessed in a forthcoming report).¹ This stocktaking indicates that most programs are not designed to accommodate the needs of female participants. Many programs are conducted during working hours and/or require full time participation, and it may be difficult for a young woman with children to participate in programs with such strict schedule requirements. Also, there are cultural restrictions requiring female teachers and classes for women only (although, in practice, the majority of programs are co-ed). In addition, because of insufficient job opportunities for both men and women, there is a belief that encouraging women to increase labor force participation will inevitably lead to more unemployment for men, who are traditionally considered to be the main bread-winners of the family. There is a need for increased program targeting, as well as flexible schedules (classes during nights/weekends and offering of different schedule alternatives), combined with child care opportunities.

¹ The World Bank, 2010, "Reforming Nongovernmental Provision of Active Labor Market Programs in MENA". MNA Knowledge and Learning Fast Brief Number 68.

less likely to approach formal banks for credit, and they face higher rejection rates. Thus, policies to promote access to finance to SME's should also consider a gender-specific design.

It should be stressed that all of the policy options presented above have their pros and cons, and that the evidence for each intervention is

not yet clear-cut, especially in the context of the MENA region. Further analysis on the feasibility and appropriateness of such schemes is therefore much needed. Their costs and benefits need to be carefully weighted, and implementation should be thought through bearing particular attention to the specific characteristics of MENA countries.

Chapter 4

THE WORLD BANK'S STRATEGY FOR ADDRESSING THE GENDER CHALLENGE IN MENA

Analytical work to generate new evidence, understand constraints, and elevate dialogue combined with gender-focused lending operations

Improving gender equality is at the core of the World Bank's strategy in the developing world. Emphasis on gender issues substantially increased with the Fourth World Conference on Women in Beijing in 1995. In 2007, the World Bank launched a Gender Action Plan (GAP), "Gender Equality as Smart Economics", a four-year action plan to improve women's economic opportunity through employment and entrepreneurship. The World Bank's MENA gender strategy is consistent with this overall objective and emphasis on generating economic opportunities for women.

There are two principle elements to the strategy. Firstly, given our limited understanding of what policies are effective in removing constraints to women's economic participation, there is need for solid analytical work to elevate debate and dialogue with client countries on this important topic. Therefore, generating new evidence on what works through rigorous empirical analysis—both quantitative and qualitative—is a critical element of the MENA region's gender strategy. Further, learning through carefully designed evaluations of policy pilots is a rapidly emerging area for the World Bank's analytical work on gender in MENA. A pilot provides important analytical insights and is also of great operational significance.

Secondly, many of the World Bank's lending operations in the MENA region have a clear gender focus. This focus cuts across all themes, including education, rural growth, finance and private sector development.

Recent Analytical Work

Gender Studies

In recent years, the World Bank has contributed to the knowledge base on how to address gender gaps in MENA through a number of analytical pieces. Most of these have

focused on identifying constraints on women's economic opportunities, whether in jobs or self-employment. These studies have used a range of methodological approaches, analyzing both qualitative and quantitative data.

Data availability and access is a big challenge in MENA countries. So in some cases, the Bank has implemented its own survey. For example, the recently completed Morocco Household and Youth Survey 2009–2010 will provide a unique opportunity to initiate analytic work on gender and economic and social inclusion. This representative household survey is designed to examine issues relating to employment and, more broadly, the vulnerabilities of youth and women. Similarly, in the context of the Multi-Year Technical Cooperation Program on Labor Markets between the Government of Lebanon and the World Bank, a “matched” employer-employee survey will collect current and retrospective, gender disaggregated data on the quality of jobs and earnings. Unlike most worker surveys, this effort will cover both formal and informal workers.

Where the Bank has had access to data, sound analytical work has been possible. A recent example is the Egypt Gender Report of 2010, which has an in-depth analysis and policy discussion on removing constraints to women's labor force participation in Egypt, drawing from a household panel survey, a youth survey and a firm level Investment Climate Assessment (ICA) survey.⁹ One important contribution of this study has been to provide new evidence suggesting that compatibility between post-marriage life and work is one of

the key determinants of women's decision to work in Egypt. The report also examines policies to improve labor market mobility among Egyptian women. Such findings will be useful to policy discussions and Bank operations in Egypt as well as other MENA countries, especially because studies using detailed household survey data are very infrequent in the MENA region.

A recently completed policy note on Female-Headed Households and Women's Development in Medina (part of the Cities Institutional Strengthening Program in the Kingdom of Saudi Arabia) examines challenges faced by women and female-headed households regarding access to economic opportunities and resources. The study provides evidence-based advice to the Municipality of Medina on approaches to support women's economic and social development, for example, identifying concrete policies to improve women's access to public services.

Some World Bank studies on gender have used firm and worker level survey data. For instance, a 2009 study analyzes why entrepreneurship opportunities are limited for Egyptian women, and why so few women are employed in firms.¹⁰ The study identifies the key challenges in this respect to be negative perceptions of female employees by employers, and women's lack of appropriate skills and access to finance. A recent study on Lebanon also uses survey data from formal sector firms and workers to investigate whether there are significant differences between the perceptions and labor market experiences of male and female entrepreneurs and workers.¹¹ It finds that

Bridging the knowledge gap: Identifying the constraints to women's economic participation through analytical work

⁹ The World Bank, 2010, “Narrowing the Gap: Improving Labor Market Opportunities for Women in Egypt”.

¹⁰ The World Bank, 2009. “Egyptian Women Workers and Entrepreneurs: Maximizing Opportunities in the Work Sphere”.

¹¹ The World Bank, 2009. “Gender-Based Differences among Entrepreneurs and Workers in Lebanon”.



Experimental
policy pilots:
Generating
hard evidence
on what works

female entrepreneurs provide greater employment opportunities to other females and better treatment to workers, being especially sensitive to the needs of female employees. Female entrepreneurs are also more concerned about financial and regulatory constraints. The study identifies several policy recommendations to support female entrepreneurship, such as increasing access to finance, simplifying business regulatory processes, promoting flexible work arrangements, and lowering transport costs.

Another recent World Bank study examines how women cope with economic distress and look for employment in the conflict-afflicted economies of the West Bank and Gaza.¹² Here, women's survival strategies have been diverse, and include searching for formal jobs, delaying exit from the public sector, home production of essentials, selling or bartering food coupons, borrowing from neighbors, volunteering, and engaging in a range of informal activities.

Limited spatial mobility appears to be a particularly strong barrier to women's pursuit for economic participation in MENA. A recent analytical piece builds on two case studies from the West Bank and Yemen to understand better how transport infrastructure and services are meeting women's transport needs, and more specifically, how they are facilitating or constraining women's access to resources, markets, training, information, and employment.¹³ The study also identifies priority areas for governments' actions to improve women's mobility.

Policy Pilots

Experimental policy pilots straddling both analytical and operational work are fast becoming a valuable instrument in the World Bank's strategy to promote gender equity in MENA. These pilots have the potential to provide irrefutable evidence on what works. Below we list some interesting ongoing pilot interventions in the MENA region.

Jordan: New work Opportunities for Women (NOW). This pilot initiative aims to improve the employment prospects of recent female graduates from eight community colleges in Jordan. Young women, in particular, face considerably higher barriers to employment and find it difficult to gain experience in the labor market. The program experimentally tests the effectiveness of policies aimed at increasing female labor force participation amongst 900 fresh community college graduates from the August 2010 cohort. The first component of the pilot is a job voucher given to 600 young women, selected from the pool

¹² The World Bank, 2010. "Checkpoints and Barriers: Gender Dimensions of Economic Collapse".

¹³ The World Bank, 2010. "Gender and Transport in the Middle East and North Africa Region: Case studies from the West Bank and Yemen".

of eligible graduates through a lottery. These vouchers, of which the first 450 will be honored, provides a short-term subsidy to firms and an opportunity to overcome stereotypes through directly observing young women working for them. The second component of Jordan NOW focuses on employability skills and provides 600 young women chosen by a lottery with free training on interpersonal and other basic job skills that employers identify as constraints. The assignment of similar young female graduates to each component through a lottery allows for a rigorous evaluation of the effectiveness of the pilot interventions. Because 225 young women will receive both the voucher and the training, the evaluation of the pilot will also be able to measure the joint effectiveness of these two components in improving labor market outcomes. The implementation of both interventions is currently underway, and a baseline survey was collected in July 2010. With the follow-up survey next year, the lessons from this pilot will provide rigorous evidence to inform expansion.

Gender Equity Model Egypt (GEME).

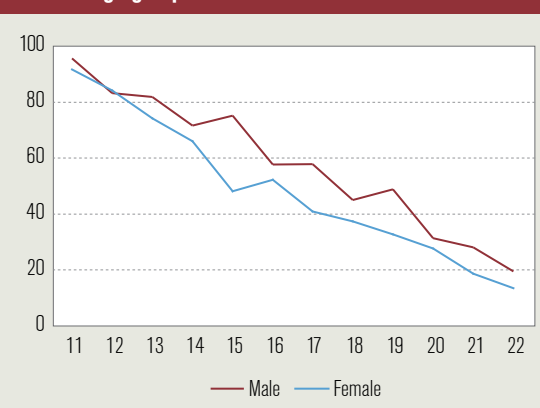
This program seeks to improve women's economic participation by trying to make work conditions in private firms more gender-friendly. Participating firms undergo a certification program that audits their existing policies towards female employment, and provides extensive training to become more female friendly. At the end of this program, firms passing an audit receive a Gender Equity Seal. This is very much an incipient project which so far has been targeted at large firms with high quality human resource systems. However, to date, even in such firms it has suffered from low uptake. Consequently, broadening it to small and medium enterprises would require the program to undergo serious modifications.

Turning Theses Into Enterprises in Tunisia.

With a low number of new salaried jobs being created, Tunisia faces a problem common to MENA countries. In the backdrop of increased unemployment among youth, particularly among females, the Bank has partnered with the Ministries of Labor and Higher Education in Tunisia to foster entrepreneurial opportunities among the youth. The "Turning Theses into Enterprises" program offers coaching to students interested in developing a business plan in their final year in university. These business plans enter a competition where the fifty best plans are awarded a monetary reward and receive further coaching to help start up a project. Although this program does not target women specifically, it is possible to measure whether such projects have different impacts on men and women, and a gender-disaggregated impact evaluation of this program has indeed been designed by the Bank.

Conditional Cash Transfers for Education in Morocco.

The World Bank is providing technical support to a pilot Conditional Cash Transfer (CCT) program launched by the Moroccan government to improve dropout rates from primary school. Despite improvements in school enrollment, many Moroccan schools struggle with high dropout rates. Preliminary data from a recently concluded household survey in Morocco indicates that enrollment levels begin steadily declining after the age of 11, roughly corresponding to the time many finish primary school. This decline is far sharper for girls than for boys, especially in rural areas. Keeping this in mind, this pilot experiment specifically addresses many gender issues in its design. For example, taking into account higher dropout rates among girls, transfers are a bit higher for girls than

FIGURE 14 School enrollment rates in Morocco across different age groups

Source: Morocco Household and Youth Survey (2009–2010)

for boys. Further, in order to determine if the effectiveness of the transfers depends on the gender of the beneficiary (the child's mother or father), in half of the schools transfers are given to mothers and in others they are given to fathers. This program is being monitored and will be evaluated, with the potential of re-design and scaling up in the course of project implementation.

Gender and the World Bank's Operational Work in MENA

Gender has been a priority area for the World Bank's recent and ongoing operational work in MENA. This gender focus has cut across themes, including health, education and on economic opportunities. Further, while many projects have an explicit gender theme, there are also many that are not confined to women but still have considerable potential for addressing gender disparities through differential impacts on women. Below we provide some recent examples of MENA's operational work which relates to gender issues.

Improving Health Status of Women and Children

The Ministry of Public Health and Population in Yemen has set addressing the high rates of child and maternal mortality as its highest priority. This includes addressing disease-specific health needs such as the high prevalence of schistosomiasis and malaria. In light of these immediate priorities and pressing health needs, the Bank has responded by supporting two projects: (i) the Schistosomiasis Control Project (SCP) to decrease the high prevalence and intensity of infection of schistosomiasis in partnership with WHO and Schistosomiasis Control Initiative (SCI); and (ii) the Yemen Health and Population Project (HPP) to contribute to the acceleration of the achievement of MDG 4 & 5 (reduction in childhood mortality and improvement of maternal health).

The HPP supports key initiatives targeted at improving access to and utilization of maternal, neonatal and child health (MNCH) services in selected governorates with poor MNCH indicators. It also supports the implementation of a population-based program that delivers a basic package of MNCH services targeting women and children in rural/urban slums districts, where most of the population live. This is implemented through an enhanced model of outreach services. This expanded access to under-served areas is expected to contribute to address some of the major constraints to the achievement of MDGs 4 and 5.

Improving Women's Educational Outcomes

Projects developed by the Bank have followed diverse approaches to tackle the challenges in education in MENA countries. One part of the Bank's operations has focused on providing financial incentives to encourage girls to remain in school. Such demand side interventions

Gender as
a cross-
cutting focus:
Improving
human
development
outcomes and
increasing
economic
opportunities
for women in
MENA



have often taken the form of Conditional Cash Transfers (CCTs). At the same time, several Bank projects involve supply side interventions aiming to improve the quality of education that students receive. For example, in Morocco the Bank is providing financial support to improve the capacity to assess student achievement, provide cost-effective teacher training and teacher support services, and implement school innovation programs.

In response to Yemen's large gender gap in secondary school enrollment, which is all the more pronounced in rural areas, the Bank initiated the *Secondary Education Development and Girls Access Program*. The project aims to improve gender equity in secondary education attainments, besides enhancing the quality of secondary education. The project focuses on supply side interventions such as improv-

ing school facilities, enhancing the quality of teaching and the curriculum, and having female teaching assistant in schools to encourage parents to send girls. A transport subsidy was also given to the schools for both girls and boys. In addition, a conditional cash transfer scheme was initiated for girls in grades four through nine. Since the scheme is designed to reduce drop-out of girls from school and encourage enrollment, any girl who is enrolled in school or who re-enrolls in school in grades four through nine is eligible to receive a cash transfer. To encourage better learning among beneficiaries, an achievement bonus is given to well performing students in grades six and nine. The CCT was introduced as a pilot in eight schools February 2007 and scaled up to 282 schools in 2008. Since its launch, approximately 30,000 girls in Yemen have received the cash transfers.



The agricultural sector—in particular, following a Community Driven Development (CDD) approach—is another important focus area in the Bank's strategy to increase employment opportunities for women.

Improving Women's Economic Opportunities

Several World Bank projects in MENA seek to improve labor markets outcomes for women by supporting programs that help them find jobs, or those that generate opportunities for entrepreneurship or self-employment. The Bank has also engaged in policy dialogue with governments to institute gender-specific reforms in labor market regulations.

Encouraging women to start their businesses and become employers rather than job seekers has become a policy priority at a global level, and has been recognized as such throughout the MENA region. Across the world, attempts are being made at encouraging women's entrepreneurship through improving access to entrepreneurial training and finance. Given

the strong correlation between low education and self-employment among MENA's women, such programs are receiving a lot of attention in the region.

The Bank has a major initiative to promote micro and small enterprise (MSE) development in Egypt, where MSEs account for about 99 percent of all enterprises and at least 40 percent of employment. Lack of access to finance is believed to constrain the growth of these enterprises, with women entrepreneurs facing particularly acute challenges. In response to this situation, the World Bank is providing a financial intermediary loan of \$300 million to the Government of Egypt to foster MSE growth. In addition to the more traditional microfinance lending operations, the project introduces a number of innovative delivery mechanisms and products to expand access to finance in rural Egypt. One important component of this is to use post office branches as outlets through which microenterprise loans can be offered. A new credit product line has also been introduced for disadvantaged women in the poorest 1,000 villages in Egypt. Moreover, a randomized impact evaluation—the first such initiative for a government run microfinance program in the world—has been designed to understand the effectiveness of this program. The lessons learned will inform both the design of future loan products to be offered, and the decision on whether to scale up the post office lending model.

Another example comes from Egypt: a sub-component of the Bank's *East Delta Agricultural Services Project* includes training in income generation activities for village women and men in areas such as rabbit breeding, handicrafts, production of dairy products, etc. In Yemen, three agricultural/rural development projects

have marked gender components. The Yemen *Agro-biodiversity and Adaptation Project* has a strong focus on gender and promoting the role of female farmers, helping promote income-generating activities for female farmers while tapping their local knowledge. It also seeks to make women powerful players in helping better manage natural resources and preserving agro-biodiversity. The *Rain Fed Agriculture & Livestock Program* promotes rural women in livestock development, which is mainly a female activity and represents about a fifth of farm production in Yemen. The Yemen *Fisheries Resource and Conservation Project* includes capacity building of women's groups that are associated with fishing as a major focus. In Jordan, the *Conservation of Medicinal and Herbal Plants Project* seeks to strengthen women's involvement in the conservation of medicinal and herbal plants through training, awareness building and microfinance.

The Bank also has several initiatives to generate self-employment opportunities in urban areas. For example, the Djibouti *Urban Poverty Reduction Project* targets women for participation in community development activities, and promotes the development of Women's Associations for employment generation. The program provides vocational training and support to handicraft production. Yemen's *Integrated Urban Development Project* includes a component to help women access microfinance and skills training.

The Bank's efforts to improve the employment prospects of women also include helping in reforms of labor market related regulations. For example, based on analytical work and policy dialogue with the Government of Jordan, the Bank has recommended modifications to the proposed Social Insurance Reform Law in Jor-

dan. In particular, the Bank has suggested substantial changes to rules governing maternity benefit provision. Under the current system, the labor code includes a benefit of 10 weeks of maternity leave which is paid by the employer. This cost could be discouraging employers from hiring women. The World Bank proposes that a maternity benefits contribution be paid by all employers and employees to the Social Security Corporation (SSC). This measure is expected to increase incentives to hire women, since it will finance the benefit with a payroll tax on all (and not just female) workers. In addition to the above activity, following a request by the Government of Lebanon, the Bank is reviewing the existing labor codes with the aim of improving the labor market regulatory framework. This review will pay special attention to those elements in the existing labor code, such as maternity benefits, maternity leave policy, safety measures, leave, hiring/firing policies which affect female participation in the labor force.

Some of the Bank's projects go beyond employment generation in their gender focus, covering a broader range of development initiatives. Yemen's *Social Fund for Development (SFD)*, for example, covers areas such as education, health, water and environment, agriculture, village access roads (rural feeder roads), micro and small enterprise (MSE) development, social protection and workfare programs. The SFD plays a vital role in improving living standards in rural areas by providing funds to needy communities so that access to social services can improve. Half of SFD's beneficiaries are female and about 12 percent of SFD-affected households are led by a woman (compared with 7.2 percent national average of households headed by women). The number of active borrowers taking micro

The Bank's efforts to improve the employment prospects of women also include helping in reforms of labor market related regulations

loans from the SFD has reached more than 40,000, and 80 percent of them are women.

The *National Initiative for Human Development (INDH)* in Morocco is designed as a CDD program which relies on a participatory approach through which citizens of targeted rural communes and urban neighborhoods express and prioritize their needs in terms of basic infrastructure, social services, income generating

activities and capacity building. Inclusion of women as key beneficiaries and decision makers has been part of the design of the INDH program from the start. Similarly, in the *Village and Neighborhood Development Project* in the West Bank and Gaza, which provides block grants to communities to finance local level development programs, rules have been put in place to ensure women's full participation in the community level decision making.

Kuwait Lebanon Libya Iran Iraq Morocco Oman Qatar Syria Saudi Arabia
Tunisia United Arab Emirates West Bank and Gaza Yemen Algeria
Bahrain Djibouti Egypt Jordan Kuwait Lebanon Libya Iran Iraq Morocco
Oman Qatar Syria Saudi Arabia Tunisia United Arab Emirates
Yemen Algeria Bahrain Djibouti Egypt Jordan Kuwait Lebanon Libya
Iran Iraq Morocco Oman Qatar Syria Saudi Arabia Tunisia United
Arab Emirates West Bank and Gaza Yemen Algeria Bahrain Djibouti
Egypt Jordan Kuwait Lebanon Libya Iran Iraq Morocco Oman Qatar
Syria Saudi Arabia Tunisia United Arab Emirates West Bank and
Gaza Yemen Algeria Bahrain Djibouti Egypt Jordan Kuwait Lebanon
Libya Iran Iraq Morocco Oman Qatar Syria Saudi Arabia Tunisia
United Arab Emirates West Bank and Gaza Yemen Algeria Bahrain
Djibouti Egypt Jordan Kuwait Lebanon Libya Iran Iraq Morocco
Oman Qatar Syria Saudi Arabia Tunisia United Arab Emirates
West Bank and Gaza Yemen Algeria Bahrain Djibouti Egypt Jordan
Kuwait Lebanon Libya Iran Iraq Morocco Oman Qatar Syria Saudi
Arabia Tunisia United Arab Emirates West Bank and Gaza Yemen
Algeria Bahrain Djibouti Egypt Jordan Kuwait Lebanon Libya Iran
Iraq Morocco Oman Qatar Syria Saudi Arabia Tunisia United Arab
Emirates West Bank and Gaza Yemen Algeria Bahrain Djibouti
Egypt Jordan Kuwait Lebanon Libya Iran Iraq Morocco Oman Qatar
Syria Saudi Arabia Tunisia United Arab Emirates West Bank and
Gaza Yemen Algeria Bahrain Djibouti Egypt Jordan

Bridging the Gap: Improving Capabilities and Expanding Opportunities
for Women in the Middle East and North Africa Region



THE WORLD BANK